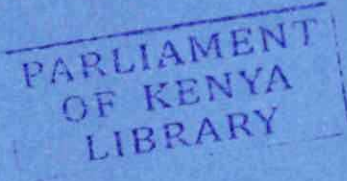


REPUBLIC OF KENYA



Enhancing Accountability

REPORT




OF

THE AUDITOR-GENERAL

ON

NAIROBI TECHNICAL TRAINING INSTITUTE

FOR THE YEAR ENDED
30 JUNE, 2024

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	17 JUN 2025
	DAY. TUESDAY
TABLED BY:	DEPUTY LEADER OF THE MAJORITY PARTY
CLERK-AT THE-TABLE:	WILLS OBIERO



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY
21 MAY 2025
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NAIROBI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30TH JUNE 2024**

Prepared in accordance with the Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)

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Nairobi Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2024

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1. Acronyms & Glossary of Terms

A. Acronyms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College
Fiduciary Management	Key management personnel who have financial responsibility at NTTI

B. Definition of Key Terms

Fiduciary Management - Members of Management directly entrusted with the entity's financial resources.

Comparative Year- Means the prior period.

2. Key Entity Information and Management

(a) Background information

Nairobi Technical Training Institute (NTTI) is under the Ministry of Education, State Department for Vocational and Technical Training. In line with Technical and Vocational Education Training (TVET) Act of 2013, whose mandate is to offer knowledge for social economic development in business, science and technology.

The Institute receives full support from the Government through grants, training equipment and personnel.

It was started as a technical school in 1952, and in 1989, was converted to a Technical Training Institution after the country adopted changes to the 8.4.4 system of education. It offers courses at three levels i.e. Artisan; Certificate and Diploma both in Technical and Business related disciplines.

The Institute continues to play a significant role in provision of skilled manpower to various sectors of the economy.

The Institute comprises the following Departments:

1. Institutional Management
2. Health and Applied Sciences Department
3. Automotive Department
4. Electrical Department
5. Mechanical Department
6. Liberal Department
7. Business Department
8. Entrepreneurship Department
9. ICT Department

(b) Principal Activities

Training competent human resource for Social Economic Development in Business, Science and Technology.

Vision

A Global Leader in Technical, Vocational Training, Research and Innovation

Mission

To provide Competent graduates in Technical, Vocational, Research and Innovation for the Global market

Core Values

- a) Excellence
- b) Integrity
- c) Professionalism
- d) Innovation
- e) Inclusion
- f) Empowerment

(c) Key Management

The Institute's day-to-day management is under the following key organs:

- Chief Principal
- Deputy Principal-Administration affairs
- Deputy Principal-Academic affairs
- Registrar
- Dean of Students
- Senior Finance Officer
- Heads of Departments

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

SN.	Designation	Name
1.	Principal	Dr. Glory K. Mutungi, PhD
2.	Deputy principal Administration	Elias Obure
3	Deputy principal Academics	Purity Mutea
4	Registrar (s)	Danson Wachira
5	Dean of students	Roselyda Oundo
6	Head of Finance	Maxwell Gitonga

Key Entity Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

Finance & General Purposes Committee's Activities

The Committee shall exercise all the powers of Council in financial matters except in relation to the items which are reserved to BOG in these Standing Orders, on which the Committee shall advise BOG.

Terms of Reference.

The role of the Committee shall be to monitor the financial status of the Institute on behalf of BOG. In addition to advising BOG on those matters referred to above, the Committee's responsibilities shall include:

- a) To monitor and facilitate the implementation of the Institute's strategy with regard to financial matters.
- b) To receive reports from the Chief Principal and the Finance Officer.
- c) To monitor implementation of the strategy for the Institute.
- d) To receive reports of the extent and condition of the Institute estate including the efficiency of space utilization, the consumption of energy and the adequacy of property insurance arrangements.
- e) To consider the adequacy of the Institute estate and proposals for its maintenance and development, including opportunities to dispose of and acquire new properties.
- f) To determine the fees and charges made for Institute services and facilities.
- g) To supervise the financial administration of the Institute and make recommendations to BOG where appropriate.
- h) To supervise the arrangements for safeguarding the Institute's assets.
- i) To ensure the proper financial evaluation and control of projects.
- j) To supervise the arrangements for investing the Institute's funds, including monitoring the performance of investments.
- k) To ensure the appropriate exploitation of the Institute's intellectual property.
- l) To make recommendations to BOG on the financing of projects.
- m) To supervise the effective and efficient procurement and use of resources in accordance with the objectives of the Institute.

Key Entity Information and Management (Continued)

Audit Committee Activities

Some detailed audit committee responsibilities include:

- a) Ensuring that financial statements are understandable, transparent, and reliable.
- b) Ensuring the risk management process is comprehensive and on-going, rather than partial and periodic.
- c) Helping achieve an organization wide commitment to strong and effective internal controls, emanating from the tone at the top.
- d) Reviewing corporate policies relating to compliance with laws and regulations, ethics, conflicts of interest, and the investigation of misconduct and fraud.
- e) Reviewing current and pending corporate-governance-related litigation or regulatory proceedings to which the institution is a party.
- f) Continually communicating with senior management regarding status, progress, and new developments, as well as problematic areas.

- g) Ensuring the internal auditors' access to the audit committee, encouraging communication beyond scheduled committee meetings.
- h) Reviewing internal audit plans, reports, and significant findings.
- i) Establishing a direct reporting relationship with the external auditors.

Academic Committee Activities

The committee activities include the following:

- a) Provide academic leadership to Nairobi Technical Training Institute, through promotion of excellence in teaching and learning, and ensuring that Nairobi Technical Training Institute embraces a philosophy of quality enhancement and innovation.
- b) Facilitate academic freedom and freedom of speech and ensure academic integrity within Nairobi Technical Training Institute.
- c) Ensure a culture of scholarship is developed, nurtured and embedded within NTTI.
- d) Formulate, coordinate and review academic policy, procedures and guidelines within Nairobi Technical Training Institute.
- e) Monitor and regularly report on compliance with academic policy within Nairobi Technical Training Institute.
- f) Oversee the quality assurance of the academic activities of Nairobi Technical Training Institute, within the Nairobi Technical Training Institute Risk Management Framework.
- g) Partner with the Audit and Risk Management Committee to identify, assess and monitor academic risks within the Nairobi Technical Training Institute Risk Management Framework.
- h) Consider and make decisions on all aspects of the development and accreditation or re-accreditation of higher education courses, the admission of students, teaching, assessment and requirements for graduation, prizes, awards and scholarships.
- i) Ensure that Nairobi Technical Training Institute engages in regular benchmarking exercises with other higher education providers, and monitor the outcomes of such benchmarking exercises against targets in Nairobi Technical Training Institute's plans.
- j) Refer certain matters to such standing committees or working groups as it may from time to time establish to advise on such matters.
- k) Receive reports from standing committees or working groups and ensure that their referred responsibilities are discharged.
- l) Consider and recommend on any matter referred to the it by the Board of Governors.
- m) In addition to such matters as are specifically referred to the Academic Board, the Academic Board may generate reports and recommendations to the Board of Directors, including recommending new courses for development.

Undertake regular self-reviews of performance, and oversee reviews of performance of the Teaching and Learning committees, and any other sub committees of Academic Board.

Senior Management Committee's Activities

The main purpose of the Senior Management Team is to:

- (a) Ensure that NTTI's BOG is able to take strategic decisions relating to NTTI's activities.
- (b) Provide leadership in communicating NTTI's mission, values, plans and achievements effectively and consistently to BOG Members, staff, Government, the voluntary and community sector, the general public and other stakeholders;

- (c) Be accountable for the development and implementation of NTTI's strategic, corporate and business plans in line with the mission and values.
- (d) Take a strategic overview of performance in all areas of NTTI's activities.

Specifically, the Senior Management Team:

- i. Makes recommendations to the BOG on the implementation and achievement of the BOG's Strategic Framework;
- ii. Agrees NTTI's Corporate Plan, and monitor delivery through appropriate key management and performance information reporting to the Board of Governors as appropriate.
- iii. In the light of income projections and forecasts, considers the annual grants and operational expenditure and monitors such expenditure;
- iv. Develops, agrees, monitors and reviews strategies relevant to the effective and efficient operation of NTTI, making recommendations as appropriate to the Board of Governors and/or its relevant Committees;
- v. Determines strategic issues arising from the introduction of new policies or process, including actively managing risk across the organization and regularly reviewing the corporate risk register;
- vi. Oversees and monitors NTTI's joint work with the other stakeholders
- vii. Considers the impact of external factors and developments, including specific political initiatives and the response to key consultation documents and where appropriate make recommendations to the BOG and/or its relevant Committees.
- viii. Leads all senior managers in motivating and developing NTTI staff to deliver the highest standards of performance and customer service.

(f) Entity Headquarters

P.O. Box 30039-00100
Mogira road-Off Park Road
Nairobi,
KENYA

(g) Entity Contacts

Telephone: 020 8034403
Cell :(254) 721233394
E-mail: info@nairobi.ac.ke
Website: www.nairobitti.ac.ke

(h) Entity Bankers

1. National Bank of Kenya

Harambee Avenue
P.O. Box 72866

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City Square 00200
Nairobi, KENYA

2. Cooperative Bank of Kenya
Cooperative House-Haile Selassie Avenue
P.O Box 48231
G.P.O 00100
Nairobi, KENYA

3. Equity Bank Kenya Limited
Upper Hill - Hospital Road, Equity Centre
P.O. Box 75104-
City square 00200
Nairobi.

4. Kenya Commercial Bank
Kencom Hse.
P. O. Box 48400
G.P.O 00100
Nairobi, KENYA





(i) Independent Auditors

Auditor-General
Office of Auditor General
Anniversary Towers, Institute Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya





j. Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya


3.The Council/Board of Governors

Governor	Title	Photograph	Date of birth, key qualifications and work experience	
1. Charles Aondo Kimwomi	Chairman		Date of Birth	1960
			Qualification	Master of Education
			Experience	31 years
2. Dr. Fr. Lawrence Njeru Murucha	Member		Date of Birth	26.12.1968
			Qualification	PHD in Educational Administration and Planning
			Experience	34 years
3. Jackline Kemunto Momanyi	Member		Date of Birth	10.06.1974
			Qualification	Master of Business Administration
			Experience	17 years
4. Daud Hujale Ali	Member		Date of Birth	01.01.1974
			Qualification	MBA in construction Management
			Experience	28 years

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Governor	Title	Photograph	Date of birth, key qualifications and work experience	
5. Prof. Francis K. Nganga	Member		Date of Birth	1953
			Qualification	PHD in Mass Communication
			Experience	50 years
6. Akoth Mary Olang'o	Member		Date of Birth	1978
			Qualification	Bsc. Electrical Engineering
			Experience	18 years
7. Maryan A. Hassan	Member		Date of Birth	12.12.1977
			Qualification	Master of Education
			Experience	22 years
8. Prof. Kenneth Lawrence Wanjau	Member		Date of Birth	22.07.1972
			Qualification	PHD in Entrepreneurship
			Experience	32 years

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Governor	Title	Photograph	Date of birth, key qualifications and work experience	
9. Dr. Glory K. Mutungi, PhD	Secretary		Date of Birth	03.01.1973
			Qualification	PhD in Leadership and Education Management
			Experience	28 years

Board Committees





Name of the Committee	Members	
Finance, Infrastructure and Human Resource Committee	Jackline K. Momanyi Prof Francis K. Nganga Maryan Abdi Hassan	Chairperson Member Member
Academic, Research and Innovation Committee	Dr. Fr. Lawrence N. Murucha Daud Hujale Maryan Abdi Hassan	Chairperson Member Member
Audit Committee	Prof. Kenneth L. Wanjau Daud Hujale Mary Akoth Olang'o	Chairperson Member Member

Functions of the Board of Governors





According to the TVET act 2013, the BOG shall have the following functions.

- i. Provide oversight and strategic leadership
- ii. Approve statutes
- iii. Approve policies for the institutes
- iv. Approve budgets
- v. Make new or additional regulations, amend or revoke existing regulations
- vi. Make appointments authorised by the law
- vii. Acquire land, buildings, premises, equipment, vehicles, machinery and facilities acquired for carrying out the work/duties of the institute.
- viii. Determine the method of recruitment, appointment and promotion of all staff of the institutes as per the law.
- ix. Provide welfare for every person as per the law
- x. Provide control and regulate finances
- xi. Enter into contracts, vary carry, out or terminate contracts on behalf of the institutes
- xii. Empower committee of the BOG appointed
- xiii. Transact from time to time any other business of the institute which is covered by the law.

4. Key Management Team

Manager	Photograph	Title	Qualification & Responsibility	
Dr. Glory K. Mutungi, PhD		Chief Principal	Date of Birth	03.01.1973
			Qualification	PhD in Leadership and Education Management
			Experience	28 years
Elias O. Obure		Deputy Principal-Administration	Date of Birth	09.03.1970
			Qualification	BED, CPA-(K)
			Experience	27 Years
Purity K. Mutea		Deputy Principal-Academics	Date of Birth	01.05.1970
			Qualification	MA-Strategic Management
			Experience	31 years
Danson Wachira Muriithi		Registrar	Date of Birth	07.07.1975
			Qualification	BSc Computer Science
			Experience	17 years

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Manager	Photograph	Title	Qualification & Responsibility	
Roselyda Oundo		Dean of Students	Date of Birth	04.09.1966
			Qualification	MED – Educational Administration
			Experience	35 Years
Maxwell Gitonga		Finance Officer	Date of Birth	31.03.1994
			Qualification	BCom., CPA-K-29418
			Experience	10 years
Moses Fwamba		Internal auditor	Date of Birth	12.2.1987
			Qualification	MSC Finance, B-Com CPA-K
			Experience	13 years
Gilbert Bowen		Procurement officer	Date of Birth	03.01.1989
			Qualification	BSc Supply Chain MKISM-65158
			Experience	13 years

5. Chairman's Statement

It is my pleasure to present the institute's annual report and financial statement for the year ended 30th June 2024.

The Institute's Board of Governors note with appreciation the continued support of the government and other stakeholders in the daily running of the institute.

As a Board we extend our appreciation to the Ministry of Education for providing financial support and competent staff to this institution. Once again, I cannot underestimate the role of the Ministry of Education for embracing Competency Based Education and Training (CBET) which has equipped the youths, through TVET Education with technical and entrepreneurial skills that are essential for fast tracking this great Nation towards achieving Kenya Vision 2030.

Nairobi Technical Training Institute has been on the forefront in fulfilling its mandate to teach and train at TVET level. This has seen the Board of Governors come up with strategies to expand the existing infrastructure and equipping the workshops and laboratories with modern training equipment that are meant to expose the trainees to hands on skills needed in the industry.

Through the efficient Management of this Institution, Nairobi Technical Training has witnessed growth in enrolment of trainees which currently stands at 8,700. This is commendable and as a Board we are committed to oversee that this institution continues to deliver on its mandate.

As a Board also, we appreciate the Ministry of Education for identifying Nairobi Technical Training Institute as a Centre of Excellence in offering Automotive Mechatronics Technician course. We acknowledge the Governments effort in collaborating with the GIZ in this endeavour which has culminated in the funding of the State of the Art Automotive Mechatronics Workshop.

Ongoing Projects.

- Automotive Mechatronics workshop
- Tuition Block

The Institute is a public Institution which relies on Government funds, and fees paid by students. It is not a profit making entity. Due to reduction in the grants from GOK the

Nairobi Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2024

institution is not able to meet its obligations and there exists a large amount in pending bills from quarter to quarter.

Delay in release of Capitation, we have not been able to implement the projects in the budget as anticipated.

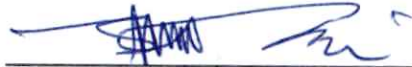
We are pleased of the achievements so far realised despite the financial challenges faced.

Other Challenges faced by the institute include:

- Inadequate funding by the ministry of education- on capitation/operation and development grant
- Delayed funding
- Poor fees payments
- Untimely marketing due to late funding
- Due to limited capacity, it is not possible to increase the number of students as expected.

Due to the above factors the institution is facing serious challenges in meeting its operations obligation fully resulting to pressure from creditors.

Let me lastly thank the Government of Kenya, parents, guardians, suppliers and service providers for their trust, support and continued partnership and cooperation during the Financial Year 2023/2024



CHARLES AONDO KIMWOMI
CHAIRMAN BOARD OF GOVERNORS

6. Report of the Chief Principal

Let me take this opportunity to present Nairobi TTI financial statement for the Financial Year 2023/2024 ending 30th June 2024 in accordance with the Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS).

With support of the BOG we have put in place the necessary financial, procurement and internal control measures to ensure proper utilization of funds entrusted to us.

Nairobi Technical Training Institute has recorded a number of positive gains in the past two years. To start with, the number of trainees enrolled has risen over the years and currently stands at 8,700 trainees. We expect this number to continue rising. Trainees are attracted to the Institute due to good academic performance, high discipline and the level of quality training offered in the Institute by the highly competent staff. The increased enrolment has also been as a result of government support for TVET training in the form of financial support for trainees and grants for development of training infrastructure to accommodate the large number of trainees seeking opportunities in TVET institutions.

In support of the Government Agenda, the Institute continues to introduce courses that are relevant to the government agenda. In the last two years, the Institute has introduced and enrolled trainees in Competence Based Education and Training (CBET) courses. The following courses are the latest additions to the Institute's training program: Higher National Diploma in Applied Biology, Computer science L6, Cooperative management 15 & 16, there are other courses lined up for introduction including Agripreneurship development 15 & 6, Accountancy L6, Counselling psychology L6 scheduled to commence in September, 2024. Those eligible for the course are encouraged to enrol in large numbers.

The Institute is actively engaged in co-curricular activities including sports, drama and athletics. This year, the Institute participated in regional and national championships and won several trophies in different categories. In support of Science, Innovation and Technology, the Institute has over the years presented innovations and research papers in both regional and national conferences and have won awards in several categories.

Every year, the Institute signs a Performance Contract with the government in which Key Performance Indicators (KPIs) are established and agreed upon. These KPIs form the basis for evaluation and ranking of government entities in each financial year. In the Financial Year 2019/2020, the Institute was ranked position 1 (one) Nationally in the Tertiary Institutions category, while in the Financial Year 2020/2021 it was ranked position 6 (six). The Institute expects to maintain the high national rankings in the coming years. I take this opportunity to thank the Nairobi TTI community for working towards this great achievement. We as an institution are still committed to performing even better and to delivering quality services as we have always done.

Nairobi TTI is a great Institution to be in. Our motto is “Excel in Business, Science & Technology” and I can assure you that we are excelling.

KNEC Examination Results Analysis

The institute during the financial year 2023/2024 enrolled a total of 5,588 trainees for Kenya National Examinations. During the year, the performance improved from a percentage pass of 78.97% for the financial year 2022/2023 to 85.29% in 2023/2024. To a large extent, the performance was affected by implementation of curriculum online yet majority of the trainees did not have laptop or Smart Phone.

Students enrolment

The Institute enrolment during the F/Y 2023-2024 increased to 8,700 from 8,286 in the year 2022/2023

Promotion of the Government Agenda

To promote the Government Agenda, in F/Y 2023-2024, the enrolment increased from 8,286 to 8,700. This gave the youth an opportunity to acquire skills in Electrical and Electronics Engineering, Institutional Management, Health and Applied Sciences, Information Communication Technology and Mechanical Engineering. These are skills needed in the various sectors under the Government Agenda.

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New courses in Automotive Mechatronics and Community Health were introduced with a total enrolment of 227 trainees. The enrolment in Plumbing and Solar Photovoltaic also increased to a total of 128 trainees during the year

During the year under review the institute continued working on various projects among them:

- Purchase of Furniture for both students' and staff to cope with the growing population
- Tuition Block

Ongoing Projects.

- Automotive Mechatronics workshop
- Tuition Block

I am humbled by the support from institute's BOG, Management and all members of staff for their commitment and dedication to their work and effort that have seen Nairobi TTI move forward in attaining its vision and mission.



Dr. Glory K. Mutungi, PhD
Chief Principal/Secretary BOG

7. Statement of Performance against Predetermined Objectives

Nairobi Technical Training Institute (NTTI) has 7 strategic pillars and objectives within its Strategic Plan for the FY 2023/2024- 2027/2028. These strategic pillars are as follows:

Pillar 1: Technical training

Pillar 2: Infrastructure Development

Pillar 3: Human Resource

Pillar 4: ICT integration

Pillar 5: Research and innovation

Pillar 6: Governance and management

Pillar 7: Growth and sustainability

NTTI develops its annual work plans based on the above 7 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The NTTI achieved its performance targets set for the FY 2023/2024 period for its 7 strategic pillars, as indicated in the diagram below:

Key Result Area	Strategic Objective	Strategies
Technical Training	Enhance technical training and quality of graduates produced at NTTI	To limit and maintain annual growth in trainee enrolment to 5% throughout the planning period.
		To grow the online training delivery component of its training programmes by 40 – 80% for all training programmes by the end of planning period.
		To review at least 10 of all training programmes each year during the planning period.
		To implement at least 10 CBET training programmes by the end of the planning period.
		To develop and implement 2-5 short courses each year guided by market needs by the end of the planning period.
		To ensure at least 10% of new trainees enrolled in various training programmes are female.
		To increase by 20% trainees' retention and completion rates by the end of planning period.
Infrastructure Development	Increase the infrastructure to accommodate the growing number of students	To review the current Institute's Masterplan in order to plan to accommodate the envisioned infrastructural development.
		To construct one additional lecture hall and 20 additional tuition rooms by the end of the planning period
		To expand the Health facility to triple its current capacity by the end of the planning period.

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Key Result Area	Strategic Objective	Strategies
		<p>To expand the capacity of the library to sit about 600 trainees and provide access to electronic resources</p> <p>To construct a Sporting Complex at NTTI by the end of the planning period</p> <p>To upgrade obsolete training equipment in laboratories and workshop with state-of-the-art technologies used in contemporary industrial and production factories.</p>
Human Resource	Enhance the capacity of the staff to deliver on NTTI's mandate	<p>To develop and implement appropriate talent management strategies and plans</p> <p>To review, develop and implement a progressive compensation and benefits policy framework and plan for NTTI</p> <p>To create opportunities for all staff to undergo at least one 5-day on-the-job training per year</p> <p>To establish and maintain HR policies and practices that ensure that NTTI complies to all applicable laws and regulations.</p> <p>To develop and implement workplace Occupational Safety and Health Policy framework by the end of the planning period.</p>
ICT Integration	Enhance the ICT capacity to support training and management	<p>To ensure 100% improvement of the effectiveness of ICT management and practices.</p> <p>To achieve a 100% integration of ICT infrastructure systems and performance by the end of the planning period.</p> <p>To achieve 100% integration of ICT applications systems by end of the planning period.</p> <p>To adopt 100% ICT databases system integration by ensuring that all the levels of management at NTTI are connected by the end of planning period.</p> <p>To enhance by 50% server technology capability and reliability in order to increase the amount of data it can hold by the end of the planning period</p>
Research and Innovation	Enhance research and innovation at NTTI	<p>To establish an Applied Research Centre (ARC), allocate 2% of its budget to applied research, support and sponsor at least six research proposal during the planning period.</p> <p>To establish an innovation centre, allocate 2% of its budget to support and sponsor innovation work and grow the innovative capacity of NTTI by 25% during the planning period.</p> <p>To initiate at least three (3) new business incubators and innovation hubs by the end of planning period.</p> <p>To promote at least one (1) innovation, transfer and commercialize research and innovations during the planning period.</p>

Nairobi Technical Training Institute

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Key Result Area	Strategic Objective	Strategies
Governance and Management	Improve corporate governance at NTTI	Develop and review 20% of the policies the institution needs annually during the planning period
		To organize and conduct at least 3 training sessions for the governing body and senior management on organizational leadership strengthening by the end of the planning period.
		To enhance governance performance to at least 95% of performance index by the end of the planning period.
		To enhance best practices by 20% through corporate governance and leadership by the end of planning period.
		To enhance 80% risk surveillance in order to mitigate against impacts of potential risks by the end of the planning period.
Growth and Sustainability	Enhance the sustainability of NTTI	To achieve the status of a National Polytechnic by the end of the planning period.
		To establish at least four (4) collaborations and partnerships by the end of planning period.
		To establish and operationalize at least three (3) income generation units by the end of planning period.
		To create an alumni database and operationalize it through continuous interactions by the end of the planning period.
		To achieve 100% compliance with Public Finance Regulations and Standard Operating Procedures (SOP's) by the end of the planning period.
		To secure at least two (2) project grants from partners by the end of the planning period

8. Corporate Governance Statement

- a) Good corporate governance is the key to integrity and corporations and central to the institute stability
- b) Corporate governance therefore encompasses the system practices and procedures by which the individual corporation regulates itself to remain stable, competitive, sustainably and fair.
- c) The BOG follows principles of transparency and accountability in its stewarding institute's affairs'
- d) The role of the BOG is to ensure conformity by focusing and providing the institutes strategic direction and policy making as well as performance review through accountability, monitoring, supervision and internal control to safeguard the assets and ensure the reliability of financial information
- e) Management team comprising of the principal, deputy principal, head of departments and staff meet regularly to consider issues of operational and strategic importance.
- f) Below are key features of the existing governance practices within the institutes which are revised and improved from time to time

Institutes BOG

- a) The BOG constitutes of chairman BOG and eight members who have been appointed in accordance to the TVET Act 2013, which meets formally at least three times a year and or any other time when need arises
- b) BOG Is responsible for setting the direction of the institute through establishment of strategic information, policies and approval of budgets. It monitors implementation of the above through structured approach of reporting by the management and accountability.
- c) The BOG is actively involved and bring strong independent judgement on its deliberations and discussions
- d) The BOG members have diverse skill set, wide range of knowledge and experience of the institute in objectives and decision making.
- e) The BOG meets regularly and retains full and effective control over the institutes in all strategic financial operation and compliance areas

Related Party Disclosure

Related parties for the purposes of this report include:

- a) The Government
- b) The Board of Governors
- c) The Management

Number of Board Meetings during the year and their attendance

During the year under review, Board meetings were held as follows

Date	Type of Meeting	Number of Members Present
10/7/2023	Full Board	7
11/10/2023	Full Board	8
11/1/2024	Full Board	6
12/4/2024	Full Board	8

9. Management Discussion and Analysis

SECTION A: Operational and Financial Performance

Nairobi Technical Training Institute operational and financial performance

The Institute is a public institution that depends on student fees and government funding. It is not a business that makes money.

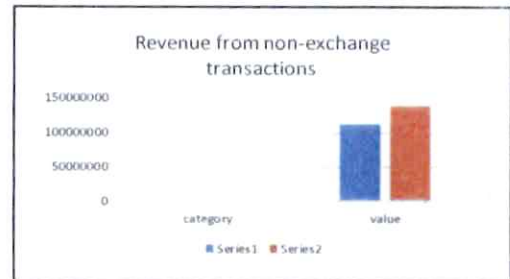
The strategic plan, which lays out the overall objectives and plans to attain them, serves as the foundation for the Institute's operations.

We have not been able to carry out the budgeted projects as planned due to the delay in the release of funds.

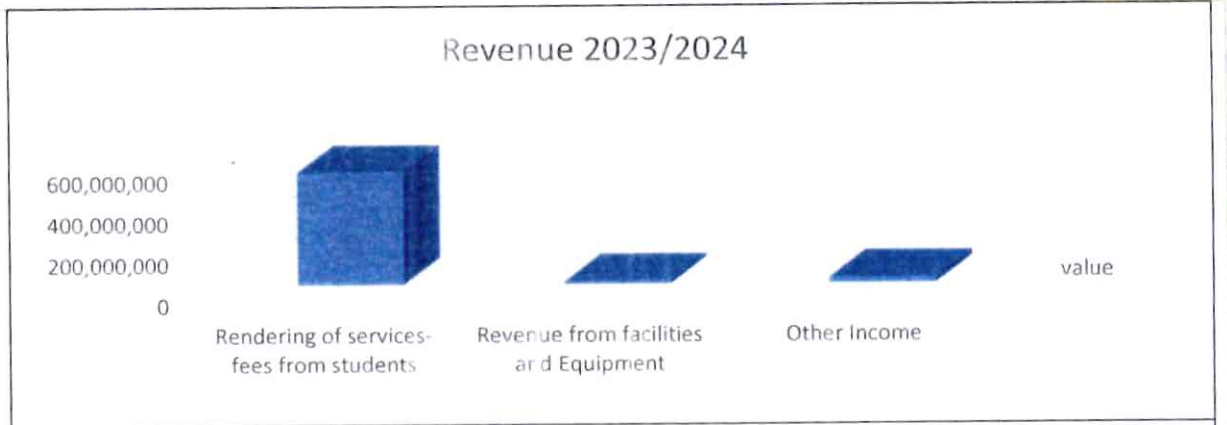
The Institute has made investments in e-learning infrastructure to enable the seamless implementation of the curriculum.

The revenue collected in revenue over the year is as shown below:

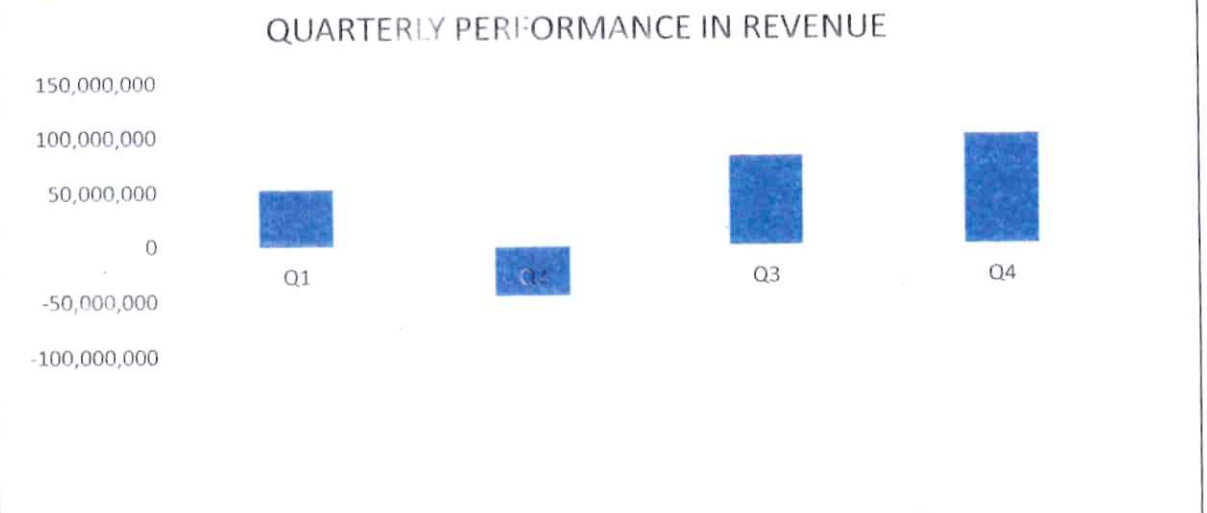
Revenue from Non- Exchange Transactions		
FYR 2023	FYR 2024	
110,149,000	136,616,127	26,467,127
Increase by	24%	



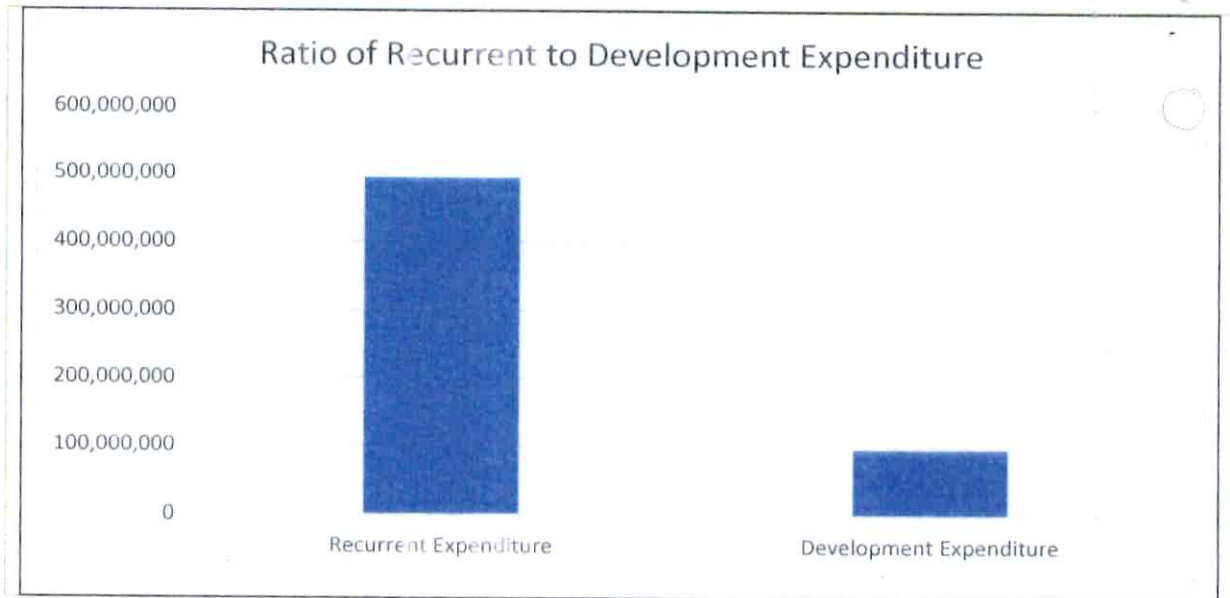
Revenue from Exchange Transactions			
		FYR 2023	FYR 2024
Rendering of Services - Fees from students		485,235,962	549,694,073
Rental revenue from facilities and equipment		3,774,227	14,825,680
Other Income		12,535,925	27,526,010



QUARTERLY PERFORMANCE IN REVENUE			
QT 1	QT 2	QT 3	QT 4
53,074,928	(45,002,835)	82,940,332	101,339,262



Re-Current Expenditure	496,786,590
Development Expenditure	95,981,885



SECTION B: Compliance with Statutory Requirements

Nairobi Technical Training Institute compliance with statutory requirements

The Institute complies with remittance of statutory obligations such as:

PAYE, NHIF, NSSF, NITA

SECTION C: Key Projects and Investment Decisions

Key projects and investment decisions Nairobi Technical Training Institute is planning/implementing

The Directorate of TVET is presently considering several major projects related to institutional development. Ol Kalou TVC has been completed and handed over.

The Mathare T.V.C. construction project received KShs 42.5 million from the GoK, and the tendering process has begun. In the year, the Institute received ksh 3,826,500 and ksh 2,711,194 for Olkalou Tvc and Gilgil Tvc respectively

Precast paving blocks have been used to finish paving the Institute compound. The Health and Applied Sciences block was built by the Institute, completed, and handed over. The first phase of construction for the Hospitality Block and the boundary wall surrounding the Institute field for the Fiscal Years 2023–2024 have been finished and handed over. A block with 20 classrooms for tuition is currently being built. Construction of the Automotive mechatronics workshop under the GIZ programme is underway.

The Institute's asset valuation is complete, meeting the PFM Act of 2012's requirements for Institutions who prepare their financial reports on accrual basis.

SECTION D: Financial and Management Risks

Major risks facing the entity

Because of the government's delay in funding HELB and Capitation, the Institute is at risk of running out of cash. It will be extremely difficult for her to fulfill her operational responsibilities if the already allotted capitation and HELB are not released on time. One of the risks associated with this delay is the intense pressure from creditors who are threatening to withhold supplies. Simultaneously, certain creditors are threatening to take legal action to recoup the debt.

Due to the transition from the Capitation model to the scholarship model, it can be difficult to determine which student is most vulnerable, needy, very needy, and less needy. The majority of students are probably locked out and unable to apply for funding as a result of the circumstances.

As a result of the E-learning System's implementation, the Institute might be vulnerable to malicious software and improper use of the system.

SECTION E: Material arrears in Statutory and Financial Obligations

Material arrears in statutory/financial obligations

There are no material arrears in statutory or Financial Obligations

SECTION F: Governance

The entity's financial probity and serious governance issues

During the period under review, there were no governance issue reported

SECTION G:

Environmental Sustainability and Corporate Social Responsibility

The Institute conducts online meetings hence saving on paperwork

10. Environmental and Sustainability Reporting Statement

Nairobi TTI being a public entity embraces the policy of the corporate social responsibility (CSR) through engaging itself with the following social responsibility:

- i. Financial support to needy students through coordinating bursary, HELB loans, support sustainability and sponsorship to students where possible as well work study programme.
- ii. Offering both social and economic support to external community through provision of casual labour opportunity and suppliers when opportunities arises
- iii. Offering careers advices to students.
- iv. Offering internship and industrial attachment to youth from surrounding community institutions in Kenya.
- v. Environmental activities like planting of trees were conducted during the Financial year

Below are some of the pictures depicting how the exercise was conducted.

A.) Tree planting- During the financial year 2023/2024, in partnership with the local Government in the sustained efforts to prevent climate change, the Institute planted 454 trees at Sir Ali sports grounds and the Institute grounds in Ngara ward.



Sustainability strategy and profile

a. Organisational Sustainability

This strategy focuses on achieving financial, environmental organisational and institutional sustainability within the institute

b. Financial sustainability

The institute has diversified the sources of revenue which include; school fees, rentals and production unit program.

c. Environmental sustainability

The institute embraces the use of environmentally friendly methods in waste disposal. The strategies are targeted at protecting and improving the environment.

d. Organisational and institutional sustainability

Organisational and institutional sustainability aims at achieving and maintaining sustainability. This is addressed from various viewpoints that include community engagement, having in place a risk management framework and implementation of strategies to mitigate the defined risks.

Environmental performance

a. Greening TVET

- ✓ greening the institution
- ✓ greening the curriculum
- ✓ greening research
- ✓ greening the culture
- ✓ greening the community

b. Solid Waste management

- ✓ disposal of wastes
- ✓ policies on re-cycling

c. Emission control

- ✓ control on gases emitted to the environment

d. Adoption of Environmental sustainability guidelines issued by NEMA and adherence to environmentally friendly operational practices within the institute.

Employee welfare

The Institute with the support of the Board Members has developed the following policies to guide its operations: -

- Scheme of service for BOG Staff.
- Career progression guidelines for BOG Staff.
- Motivation Policy for both Staff and Students.
- Production Unit Policy.
- ICT policy
- Gender Mainstreaming and Youth Empowerment Policy.

Market place practices

Responsible Competition Practice

- (i) Anti -corruption
 - a. Student fees: The institute charges the students fees as per the guidelines from the Ministry of Education. The fees charged is Ksh. 67,189 as capped by the Ministry of Education.
 - b. The admission process is transparent and the institute has introduced online admission to ensure effectiveness and transparency. This helps to ensure that there is integrity in the admission process.
- (ii) Political involvement
 - a. The institute liaises with the area leadership for community service where cleaning the area around the institute is done Participation in trade fairs/robotics: The institute participates in trade fairs where the students show case their talents and this enhances responsible competition within the students.
 - b. During the graduation ceremonies, the institute invites the local leadership to interact with the grandaunts and the NTTI community.
- (iii) Fair competition
 - a. The institute acquires the curriculum and syllabus from Kenya Institute of curriculum development (KICD) and CDACC to ensure that what is offered at NTTI is similar to what is offered in other institutions.
 - b. Entry criteria for the program and the entry requirements for the students are clearly defined. i.e. Mean grade c- for Diploma students, D+ for Certificate students and KCSE for artisan. This allows the institute to have a fair competition with the universities who require students to have a mean grade of c to access university education.
 - c. The institute participates in trade fairs which are organized by KATTI for all TVET Institutions. The students are encouraged to compete with other students from other institutions. This encourages the students to solve diverse issues in the industry.
- (iv) Respect for competitors
 - a. Mutual beneficial relationships: - The institute undertakes benchmarking with other institutions so as to offer quality service to the trainees and to assist one another to better improve.
 - b. The students are placed by KUCCPS and the institute ensures that when student seek for transfers from other institutions to NTTI, there is correspondence from the institution that the student wishes to leave so as to ensure that there is mutual understanding.

Responsible Marketing and Advertisement

- (i) Efforts to maintain ethical marketing practices
 - a. The institute openly advertises in the print and electronic media for all the courses offered in the institution so as to ensure transparency and integrity in the admission process.
 - c. The institution only advertises for the courses that are being offered during the intake to ensure that students do not apply for courses that are not available in the institute.
 - d. The institute ensures that information given during the advertisement is current and not misleading to the prospective students so that they are able to make informed choices on the courses that they want to undertake.
 - e. Brochures with well explained courses and their requirements are issued to prospective students before the intakes to give adequate time for the parents/guardians and students to prepare for the admission.

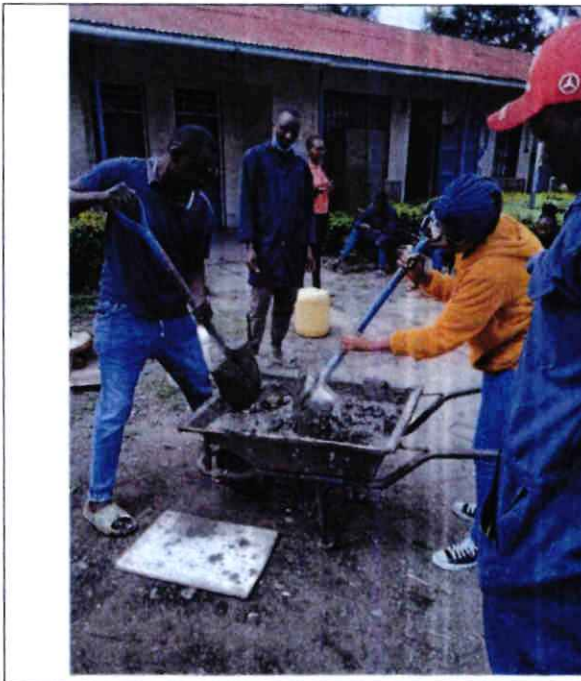
Product Stewardship

- (I) Efforts to safeguard consumer rights and interests
 - a. The institute has a complaints procedure and complaints registers at various offices.
 - b. A complaints line has been established in the institute (0717764444)
 - c. There is proactive disclosure of information by ensuring that information is given through the institutes website, brochures, print and electronic advertisement
 - d. Requests by customers for information on admission and courses is done through e – mail, telephone call and letters. The institute has ensured an active e-mail address info@nairobi.ac.ke and the telephone line 0721233394.
 - e. There is a service charter that is prominently displayed at the institute's entrance and at various points and offices within the institute. Where the customers are encouraged to report to the CAJ and EACC in case their rights and interests are not met by the institution.

Community Engagements

The Institute has continuously engaged the community in matters of corporate social responsibility (CSR).

Further, in the Institute engaged Machakos school for the Blind in provision of volunteering service in the tiling of staff rooms as depicted below



11. Report of the Council/Board of Governors

The Board members submit their report which show the state of the Institute's affairs.

Principal Activities

The principal activities of the institution are to train competent Human Resource for social economic development at TVET level.

Results

The results of the entity for the year ended 30 June, 2024 are set out on page 1-5


BOARD OF GOVERNORS

The members of the Board members who served during the year are shown on page ix

Auditors

The Auditor General is responsible for the statutory audit of Nairobi Technical Training Institute in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year/period ended June 30, 2024, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board


.....
Dr. Glory K. Mutungi, PhD
Chief Principal/Secretary BOG

Date: 27/6/2025

12. Statement of Board of Governors/ Council's Responsibilities

Section 81 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013) require the Board members to prepare financial statements in respect of that Nairobi Technical Training Institute (NTTI), which give a true and fair view of the state of affairs of the institute at the end of the financial year/period and the operating results of the institute for that year. The Board members are also required to ensure that the institute keeps proper accounting records which disclose with reasonable accuracy the financial position of the institute. The Board members are also responsible for safeguarding the assets of the institute.

The Board members are responsible for the preparation and presentation of the institute's financial statements, which give a true and fair view of the state of affairs of the institute for and as at the end of the financial year ended on June 30, 2024.

This responsibility includes:

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the institute;
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safeguarding the assets of the institute;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for the institute's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the


Nairobi Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2024


State Corporations Act, and the TVET Act). The Board members are of the opinion that the institute's financial statements give a true and fair view of the state of institute's transactions during the financial year ended June 30, 2024, and of the institute's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the institute, which have been relied upon in the preparation of the institute's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Board members to indicate that the institute will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

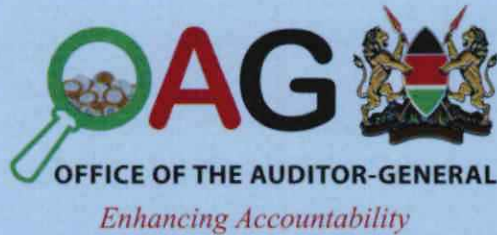
The institute's financial statements were approved by the Board on^{29/4/2025} and signed on its behalf by:


.....
Charles Aondo Kimwomi
Chairman of the Board


.....
Dr. Glory K. Mutungi (PhD)
Accounting officer/Chief Principal

REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NAIROBI TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Nairobi Technical Training Institute set out on pages 1 to 46, which comprise the statement of financial position as

at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Nairobi Technical Training Institute as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Technical and Vocational Education Training Act, 2013.

Basis for Qualified Opinion

1. Inconsistencies in Cash and Cash Equivalents

The statement of financial position and Note 16 to the financial statements reflects a balance of Kshs.257,561,992 relating to cash and cash equivalents. Included in the balance is an amount of Kshs.42,496,885 for an account managed by the Institute for Mathare TVC. However, the certificate of bank balance for Mathare TVC account reflects a bank balance of Kshs.676,607 while the bank reconciliation statement indicates balance as per bank certificate of Kshs.42,573,908 resulting to unexplained variance of Kshs.41,897,301.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.257,561,992 could not be confirmed.

2. Unsupported Accounts Receivables

The statement of financial position reflects receivables from exchange and non-exchange transactions balances of Kshs.117,548,938 and Kshs.113,146,425 respectively, totalling Kshs.230,695,363 as disclosed in Note 17a and Note 17b to the financial statements. However, the Institute did not provide approved fee policy to ensure prompt payment of fees and collection of outstanding balances which may have contributed to the accumulation of receivables, posing a risk to the Institution's financial sustainability. Further, the ageing analysis of trade and other receivables was not disclosed under Note 17 to the financial statements and the significant accounting policy on accounts receivables is silent on the treatment of student's fee balances.

In the circumstances, the accuracy and recoverability of receivables from exchange and non-exchange transactions totalling Kshs.230,695,363 could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Nairobi Technical Training Institute Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

BUDGETARY CONTROL AND PERFORMANCE

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.629,117,101 and Kshs.684,266,296 respectively resulting to an over funding of Kshs.55,149,195 or 9% of the budget. Similarly, the statement reflects final expenditure of Kshs.582,813,400 against actual receipts of Kshs.684,266,296 resulting to an under expenditure of Kshs.101,452,896 or 15% of actual receipts.

The under expenditure affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Information

The Management is responsible for the other information set out on page iii to xxxvi which comprise of Key Entity Information and Management, The Council/Board of Governors, Key Management Team, Chairman's Statement, Report of the Chief Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting Statement, Report of the Council/Board of Governors and Statement of Board of Governors/Council Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Nairobi Technical Training Institute financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information and I am required to report that fact. Based on the audit procedures

performed and the matters described in my Basis for Qualified Opinion, I confirm that other information is not materially inconsistent with the financial statements.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Students Sitting Examinations with Fee Balances

Review of the student debtors' lists as at November, 2023 revealed that eight hundred and fourteen (814) students who sat for examinations had outstanding fee balances amounting to Kshs.20,622,810. This contravened the Institute's admission policy, which requires students to clear their fees in full before registering for the current semester indicating a weakness or override of internal controls in enforcing fee collection policies.

Failure to enforce the fee payment policy compromises the Institution's financial sustainability and increases the risk of bad debts. In addition, weak internal controls may encourage non-compliance, setting a precedent that could lead to increase in revenue losses.

2. Lack of System Ownership

The Institute procured a Human Resource and Payroll Management System from a vendor. However, review of system ownership and control revealed that the vendor did not surrender the administrator credentials for the database to the Institution. As a result, the Institute has no direct control over its database, relying entirely on the vendor for system administration, updates, modifications, and troubleshooting.

This lack of access restricts the Institution's ability to independently manage its data, conduct system customizations, or implement security measures without vendor intervention. Further, the dependency poses significant operational, security, and financial risks, including potential delays in system updates, increased costs for modifications, and vulnerability to data manipulation or loss. In addition, the inability to conduct independent system audits and implement security controls exposes the Institution to fraud and operational inefficiencies.

In the circumstances, the ownership and value for money utilized on the system could not be confirmed.

3. Non-Compliance with One Third Basic Salary Rule

Analysis of the staff payroll for the financial years ending June, 2024 established that there were employees who received net salary that was less than one-third of their basic salaries contrary to Section 19(3) of the Employment Act, 2007.

In the circumstances, the Institute was in breach of the law.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Poor Stores Management

A physical audit inspection conducted in the Institution stores revealed that the store was congested, not properly ventilated and supplies were not well-arranged making it difficult to access all the items in the store.

In the circumstances, the existence of some of the items could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and the Board

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

The Board is responsible for overseeing the Institute's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.



FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

28 May, 2025

Nairobi Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2024

14. Statement of Financial Performance as at 30th June 2024

		Period Ended	Comparative Period
		30/6/2024	Prior Year
REVENUE	Note	Ksh	Ksh
Revenue from National Gov. & Min.	5a i	228,488,459	15,206,000
Grants from donors and development partners			4,929,800
Revenue from Rendering of Services	6	413,077,946	484,155,962
Rental Revenue From Facilities & Equip.	7	42,699,891	16,271,058
Total revenue		684,266,296	520,562,820
EXPENSES			
Use of Goods & Services	8	379,645,853	310,346,040
Staff Costs	9	66,222,966	64,442,380
BOG Meetings Expenses	10	12,949,350	10,677,900
Depreciation & Amortization	15	30,550,530	28,688,040
Repairs & Maintenance	11	18,168,254	23,953,976
Contracted Services	12	9,845,092	12,110,710
Finance Costs (Bank Charges)	13	1,483,340	1,365,489
Mentoring Institutions	14	18,864,945	5,943,709
Total Expenses		537,730,330	457,528,244
Surplus (Shortfall) for the Period		146,535,966	63,034,576

N/B The surplus has been committed for the completion of hospitality block as per the projects schedule. The surplus also includes uncollected student arrears for the year.



 Chairman of Council/Board

Charles Aondo Kimwomi

Date

29/6/2025



 Finance Officer

Maxwell Gitonga
 ICPAK No: 29418

Date

29/6/2025



 Chief Principal

Dr. Glory K. Mutungi, PhD

Date

29/6/2025

Nairobi Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2024

15. Statement of Financial Position as at 30th June 2024

	Note	Period Ended	Comparative Period
		30/6/2024	Prior Year
		Ksh	
Assets			
Current assets			
Cash and cash equivalents	16	257,561,992	194,233,031
Receivables from exchange transactions	17a	117,548,938	74,913,451
Receivables from non-exchange transactions	17b	113,146,425	147,185,825
Inventories	20	3,291,823	9,795,063
Total Current Assets		491,549,178	426,127,370
Non-current assets			
Property, plant and equipment	21	4,691,404,968	4,632,242,606
Total Non-Current Assets		4,691,404,968	4,632,242,606
Total Assets		5,182,954,145	5,058,369,976
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	23	65,744,897	87,832,950
Retentions	24	7,698,538	16,081,408
Deferred Income	26a	62,665,965	38,305,163
Total liabilities		136,109,400	142,219,521
Reserves & Surpluses			
Revenue Reserves	27	551,568,768	405,032,803
Capital & Equity	28	4,495,275,977	4,511,117,652
Total Capital Reserves & Surpluses		5,046,844,745	4,916,150,455
Total Reserves and liabilities		5,182,954,145	5,058,369,976


.....
Chairman of Board

Charles Aondo Kimwomi

Date 29/6/2025


.....
Finance Officer

Maxwell Gitonga
ICPAK No: 29418

Date 29/6/2025


.....
Chief Principal

Dr. Glory K. Mutungi, PhD

Date 29/6/2025

16. Statement of Changes in Net Asset for The Year Ended 30 June 2024

Description	Revaluation reserve	Retained earnings	Capital Reserve	Total
At July 1, 2023	Revaluation reserve	Retained earnings	Capital Reserve	Total
Balance b/f	1,249,845,199	405,032,803	3,261,272,453	4,916,150,455
Ol Kalau TVC		-	52,340,940	52,340,940
Total comprehensive income	-	146,535,966	-	146,535,966
Capital/Development grants during the year	-	-	36,499,265	36,499,265
Fair value adjustment on capital	-	-	-	-
Prior year adjustment	-	-	-	-
At June 30, 2024	1,249,845,199	551,568,768	3,245,430,778	5,046,844,745

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17. Statement of Cash Flows for The Year Ended 30 June 2024

	Note	Period Ended	Comparative Period
		30/6/2024	Prior Year
		Ksh	Ksh
Cash flows from operating activities			
Receipts			
Government grants and subsidies	5 a i	228,488,459	15,206,000
Grants from donors and development partners			4,929,800
Cash flows from Exchange Transactions	6	366,578,160	398,301,771
Cashflow from other income	7	42,699,891	16,271,058
		637,766,510	434,708,629
Payments			
Use of Goods & Services	8	379,645,853	310,346,040
Staff Costs	9	66,222,966	64,442,380
BOG Meetings Expenses	10	12,949,350	10,677,900
Repairs & Maintenance	11	18,168,254	23,953,976
Contracted Services	12	9,845,092	12,110,710
Finance Costs (Bank Charges)	13	1,483,340	1,365,489
Mentoring Expenses	14	18,864,945	5,943,709
		507,179,800	428,840,204
Cash flows from operating activities		130,586,710	5,868,425
Adjust for Working Capital Changes		-34,552,941	39,001,647
Net Cash flows from operating activities	25	96,033,769	44,870,072
Cash flows from investing activities			
(Purchase) of property, plant, equipment and intangible assets		-32,704,808	-15,710,476
Increase in Work in progress			-118,896,738
Net cash flows used in investing activities		-32,704,808	-134,607,214
Cash flows from financing activities			
Grants for Development	5a ii		17,500,000
Net cash flows used in financing activities			17,500,000
Net increase/(decrease) in cash and cash equivalents		63,328,961	-72,237,142
Cash and cash equivalents at the beginning of the year		194,233,031	266,470,173
Cash and cash equivalents at end of the year		257,561,992	194,233,031

18. Statement of Comparison of Budget Actual Amounts for Year Ended 30 June 2024

	NOTE	Original annual Budget	Adjustments	Final Annual Budget	Actual Cumulative to date	% of Utilization
		a	b	c=a+b	d	e=d/c %
Revenue		Kshs	Kshs	Kshs	Kshs	Kshs
Transfers from other Govt entities Govt grants	5	169,110,000	-	169,110,000	228,488,459	135
Rendering of services- Fees from students	6	453,262,101		453,262,101	413,077,946	91
Facilities and Equipment	7	6,745,000	-	6,745,000	42,699,891	633
Total income		629,117,101	-	629,117,101	684,266,296	
Expenses						
Use of Goods and services	8	395,954,333		395,954,333	379,645,853	96
Compensation of employees	9	72,869,006		72,869,006	66,222,966	91
Remuneration of BOG Members	10	12,600,000	400,000	13,000,000	12,949,350	100
Repairs and Maintenance	11	30,587,877	-1,363,560	29,224,317	18,168,254	62
Contracted Services	12	21,124,000	-10000000	11,124,000	9,845,092	89
Capital Development Costs		95,981,885		95,981,885	95981885	
Total expenditure		629,117,101	-10,963,560	618,153,541	582,813,400	

19. Notes to the Financial Statements

1. General Information

Nairobi Technical Training Institute (NTTI) is under the Ministry of Education, State department of Technical and Vocational Training. In line with Technical and Vocational Education Training (TVET) Act of 2013 the institute has continually imparted its trainees with the necessary knowledge and skills for social economic development in business, science and technology.

The mandate of the institution is to train competent Human Resource for social economic development at TVET level. The institute's strategic obligations revolve around promoting Technical Training through access to quality training.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *entity's* accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Notes. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *entity*. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, (*include any other applicable legislation*), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2024.

There are no new standards in the year ended 30th June 2024

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.

Standard	Effective date and impact:
IPSAS 43: Leases	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>(Nairobi Technical Training Institute has not dealt in Leases during the Year under review)</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p>(Nairobi Technical Training Institute has not dealt in Discontinued operations during the Year under review)</p>
IPSAS 45: Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard.</p> <p>IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>

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	(Nairobi Technical Training Institute has not dealt in Heritage Assets during the Year under review)
IPSAS 46: Measurement	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>(Nairobi Technical Training Institute has implemented IPSAS 46 during the Year under review)</p>
IPSAS 47: Revenue	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>(Nairobi Technical Training Institute has reported revenue as per IPSAS 47)</p>
IPSAS 48: Transfer Expenses	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p>(Nairobi Technical Training Institute has not dealt in transfer expenses during the Year under review)</p>
IPSAS 49: Retirement Benefit Plans	<p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p>(Nairobi Technical Training Institute has not dealt in Retirement Benefits plan during the Year under review)</p>

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iii. Early adoption of standards

Nairobi Technical Training Institute did not early-adopt any new or amended standards in year 2024. The entity adopted IPSAS standard.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information

The original budget for FY 2023/2024 was approved by the Council or Board on 26/6/2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity recorded additional appropriations of on the FY 2023/2024 budget following the Council/ Board's approval. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on notes section of these financial statements.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per Income tax Act.

Sales tax/ Value Added Tax

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Summary of Significant Accounting Policies (Continued)

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. *Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an xx-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.* Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

g) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

h) Research and development costs

The Entity expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Entity can demonstrate:

- The technical feasibility of completing the asset so that the asset will be available for use or sale.
- Its intention to complete and its ability to use or sell the asset.
- How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset.
- The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Summary of Significant Accounting Policies (Continued)

Financial assets

Classification

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note*.

Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

j) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method.
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Inventories (Continued)

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Entity*.

k) Provisions

Provisions are recognized when the *Entity* has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the *Entity* expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

The *Entity* does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

The *Entity* does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the *Entity* in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

l) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

m) Nature and purpose of reserves

The *Entity* creates and maintains reserves in terms of specific requirements.

n) Changes in accounting policies and estimates

The *Entity* recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

o) Employee benefits

Retirement benefit plans

The *Entity* provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

p) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

q) Related parties

The *Entity* regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the Principal and senior managers.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

r) Service concession arrangements

The *Entity* analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the *Entity* recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the *Entity* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

s) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

t) Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

u) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2024.

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the *NTTI's* financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the *Entity*.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Notes

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

The Institute maintains a provision of 5% on all student debtors as outlined in the Finance policy

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Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

5a	TRANSFERS FROM NATIONAL GOVERNMENT	2023-2024	2022-2023
		30/6/2024	Prior Year
Description			
		KShs	KShs
i	Unconditional grants		
	Capitation grants	91,707,000	110,149,000
	Scholarship	44,909,127	
		136,616,127	110,149,000
ii	Conditional grants		
	Gilgil TVC Operations	14,669,000	1000000
	Olkalau TVC Operations		1000000
	Narok TVC Operations		1,000,000
	GIZ Donor Funds		4,929,800
	Commonwealth Education Ministers		8000000
	Ministry of Education grant	4,000,000	
	Training Material	34,930,000	
	Research Fund	1,185,567	
	Public service Recruitments	588,500	4,206,000
	Total Operational grant	55,373,067	20,135,800
	Other grants	-	
		55,373,067	20,135,800
	less GIZ Donor Funds		4,929,800
		55,373,067	15,206,000
ii	Conditional grants		
	Gilgil TVC construction	2,711,194	
	Langata tvc construction	14,361,571	
	Mathare TVC construction	15,000,000	17,500,000
	Ol kalou tvc construction	4,426,500	
		36,499,265	17,500,000
	Total government grants and subsidies	228,488,459	142,855,000

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(a) Transfers from other Government entities (Categorized)

5b TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES			
	Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income	Amount deferred under deferred income
		KShs	KShs
	State Department for Technical Vocational Education and Training-scholarship(28/2/2024)	40,192,459	
	State Department for Technical Vocational Education and Training-scholarship(20/3/2024)	4,716,668	
	State Department for Technical Vocational Education and Training(Quarter 1)	32,504,500	
	State Department for Technical Vocational Education and Training(Quarter 2)	27,394,500	
	State Department for Technical Vocational Education and Training(Quarter 3)	31,308,000	
	State Department for Technical Vocational Education and Training(Quarter 4)	500,000	
	Total	136,616,127	

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Notes to the Financial Statements (Continued)

	Description	30/6/2024	30/6/2023
6	REVENUE FROM RENDERING OF SERVICES	Ksh	Ksh
	Tuition Fees	279,136,288	221,430,683
	Electricity, Water & Conservancy (EWC)	50,420,196	26,069,532
	Personal Emoluments (PE)	66,620,893	53,484,986
	Local Transport & Travel (L.T.& T)	27,853,522	26,061,513
	Repairs, Maintenance & Improvement (RMI)	18,145,832	14,900,320
	Activity Fees	34,491,801	29,803,233
	Students Registration	4,912,610	3,742,341
	Students Levy (SGC)	6,772,900	3,863,035
	Students ID Cards	3,888,100	1,398,651
	KUCCPS Registration	11048043	1,372,500
	Development Fund	37,898,610	32,061,768
	Examinations Fees	7,246,128	65,540,515
	KNEC Practical Materials	31,200	3,853,385
	Library	151,150	114,500
	Quality assessment	510,000	220,000
	Ict services	107,800	50,000
	Program administrative fee	255,000	105,000
	Project supervision	204,000	84,000
	Government scholarship and Capitation	-136,616,127	
	Total revenue from Rendering of Services	413,077,946	484,155,962
	Adjustment for receivables	46,499,786	85,854,191
	Cash Transfer to the Cashflow Statement	366,578,160	398,301,771
7	REVENUE FROM FACILITIES, EQUIPMENT & OTHERS		
	Production Units	14,309,681	12,675,925
	Contigent Rentals and hire of facilities	516,000	
	Total Revenue from Facilities & Equipment	14,825,681	12,675,925
	OTHER INCOME		
	Graduation Fees	6,609,180	1,000
	Application Fees	1,290,060	1,627,917
	Disposal of Assets	6,920	104,200
	Institute Over heads	645,550	1,072,110
	Tenders		1,000
	E-Learning(KMLTTB)	1,275,000	536,000

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	Industrial Attachment	153,000	63,000
	Insurance	14,241,000	21,000
	TVETA Fees	3,653,500	-
	Provision for bad debts	-	168,906
	Total Other Income		3,595,133
	Total Revenue from Facilities & Equipment	42,699,891	16,271,058
8	USE OF GOODS AND SERVICES		
	Description	2023-2024	2022-2023
		30/6/2024	Prior Year
	Electricity Expenses	5,150,192	4,834,172
	Water, Fuel And Conservancy	1,737,907	1,510,384
	Servicing & Maintenance of Generator	753,360	353,360
	Marketing Services (Advertising and Publicity)	4,426,169	3,576,094
	School Equipment & Stores (SES)	58,491,210	35,692,519
	Local, Transport & Travel (L.T.& T)	9,245,677	8,463,877
	Student Activities	10,510,560	12,925,229
	TVET Activities (Research, Innovation & Robotics)	5,634,519	13,754,670
	Stationery Expenses	14,356,671	8,971,308
	Staff Training & Development	17,206,035	15,339,224
	Performance Contract	3,006,896	9,754,191
	Security Services	4,315,977	2,910,000
	ISO 9001:2015 Quality Management System/EOMS 21001	1,639,050	803,920
	Graduation	5836380	-
	Students Levy	3,803,772	4,145,630
	Students Id Cards	3,352,500	1,689,720
	Caution money Expense	7,826,000	0
	NTTI (KNEC) Examinations	60,654,380	57,526,150
	Tuition Related Expenses	60,431,998	50,666,220
	Newspapers	235,920	408,240
	Food Items (Training)	15,829,425	12,715,056
	Subsistence Allowances	17,472,478	13,782,475
	International Conferences and CAPA	2,224,809	1,994,644
	General Cleaning Services	4,169,432	4,932,390
	ICT Expenses	3,468,785	4,268,896
	Library Expenses	1,527,850	1,135,000
	Attachment Expenses	2,486,675	2,579,740
	Telephone Expenses	1,910,201	1,098,423
	Administrative Costs	95,356	241,760
	Training Materials	32,430,000	-
	Student & Motor Insurance	4,567,069	1,998,493
	GIZ Expenses	1,950,000	5,071,251

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	Commonwealth Education Ministers Expense		7,962,500
	Tender Expenditure		110000
	Production Units Expense	4,153,181	3,742,297
	KUCCPS Registration	1,288,500	3,021,000
	Public service Recruitments Expense	588,000	4080000
	Provision for CCTV	577,440	
	Provision for doubtful debts	6,291,479	8,287,207
	Total good and services	379,645,853	310,346,040
9	EMPLOYEE COSTS	2023-2024	2022-2023
		30/6/2024	Prior Year
	Description	KShs	KShs
	Salaries and Wages - BOG- Training Staff	22,227,423	24,501,203
	Non-Training Staff		
	Basic Salary	31,362,153	26,452,877
	House Allowance	9,349,470	9,343,000
	Employer Nhif		771,300
	Commuter Allowance	3,283,920	3,374,000
	Employee costs	66,222,966	64,442,380
10	REMUNERATION OF BOG MEMBERS	2023-2024	2022-2023
	Description	30/6/2024	Prior Year
		KShs	KShs
	Members emoluments	6,740,000	6,189,000
	Transport	1,297,400	951,950
	Accommodation	3,544,400	2,843,200
	Training	1,367,550	693,750
	Total director emoluments	12,949,350	10,677,900
11	REPAIRS AND MAINTENANCE	2023-2024	2022-2023
	Description	30/6/2024	Prior Year
		KShs	KShs
	Maintenances of buildings	11,889,812	15,261,731
	Maintenances of plants and equipment	5,966,452	8,339,206
	Maintenances of water supplies and grounds	311,990	353,039
	Total repairs and maintenance	18,168,254	23,953,976
12	CONTRACTED SERVICES	2023-2024	2022-2023
	Description	30/6/2024	Prior Year
		KShs	KShs

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	Other Services	9,845,092	12,110,710
	Total contracted services	9,845,092	12,110,710
13	FINANCE COSTS (BANK CHARGES)	2023-2024	2022-2023
		30/6/2024	Prior Year
	Description	KShs	KShs
	Bank charges	1,483,340	1,364,424
	The deferred income movement		1065
	Total finance costs	1,483,340	1,365,489
14	MENTORING PROJECTS		
	Construction		-
	Gilgil TVC		
	Olkalau TVC		
	Operational Expenses		
	Narok South TVC Operations		3,272,442
	Olkalau TVC Operations		1,250,000
	Gilgil TVC Mentoring		874,075
	Kamukunji TVC Operations		27,192
	Total Operational Expenses	-	5,423,709
	Mentoring Expenses		
	Narok South Tvc		
	Olkalau TVC	250,000	20,000
	Gilgil TVC	9,143,820	250,000
	Langata TVC	9,471,125	250,000
	Total	18,864,945	520,000
	Total Mentoring Expenses	18,864,945	5,943,709
15	DEPRECIATION AND AMORTIZATION EXPENSE	2023-2024	2022-2023
	Description	30/6/2024	Prior Year
		KShs	KShs
	Buildings	6,447,839	6,579,428

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	GRAND TOTAL	257,561,992	194,233,031
17a	RECEIVABLES FROM EXCHANGE TRANSACTIONS	2023-2024	2022-2023
		30/6/2024	Prior Year
	Current receivables	KShs	KShs
	Student debtors	123,840,417	77,340,631
	Provision for doubtful debts	6,291,479	-3,867,032
	Prepaid-VIVO		705,664
	CIC INSURANCE		734,188
	Total current receivables	117,548,938	74,913,451
	Receivables from Non-Exchange transactions		
17b			
		2023-2024	2022-2023
		30/6/2024	Prior Year
	Description	Kshs	Kshs
	Current Receivables		
	Capitation Grants*	119,101,500	151,606,000
	Less: Impairment Allowance	5,955,075	4,420,175
	Total Current Receivables	113,146,425	147,185,825
17c	Current Receivables from exchange transactions		
	Description	30/6/2024	30 6 2023
		Kshs	Kshs
	Current Receivables		
	Student debtors	123,840,417	77,340,631
	Less: Impairment Allowance		
	Total Current Receivables	123840417	80718764
	Summary of Receivables from Non-Exchange and non-Exchange transactions(a+b)		
	Description	2023-2024	2022-2023
		30/6/2023	Prior Year
		Kshs	Kshs
	Current Receivables from exchange transactions	123,840,417	77,340,631
	Current Receivables from Non-exchange transactions	119,101,500	151,606,000

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	Total Current Receivables	242,941,917	228,946,631
17e	Reconciliation for impairment Allowance on Receivables from Exchange Transactions		
		2023-2024	2022-2023
	Description	Kshs	Kshs
	At the beginning of the year	3,867,032	0
	Provisions during the year	2,424,447	3,867,032
	Recovered during the year	0	
	Write offs during the year	0	
	At the end of the year	6,291,479	3,867,032
17g	Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions		
	Description	2023-2024	30/6/2023
		Kshs	Kshs
	At the beginning of the year	7,580,300	3,160,125
	Additional provisions during the year		4,420,175
	Recovered during the year	1,625,225	
	At the end of the year	5,955,075	7,580,300
18a	Refundable Deposits from Customers/Students		
	Description	30/6/2024	30/6/2023
		Kshs	
	Caution money	631,753	3,296,906
	Total Deposits	631,753	3,296,906
18b	Ageing analysis:	Current FY	% of the Total
	Under one year	631753	3,308,906
	1-2 years	0	
	2-3 years	0	
	Over 3 years	0	
	Total (to tie to totals deposits above)	631753	3,308,906

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20	INVENTORIES	2023-2024	2022-2023
	Description	30/6/2024	Prior Year
		KShs	KShs
	Consumable stores	3,291,823	9,795,063
	Total inventories at the lower of cost and net realizable value	3,291,823	9,795,063
21	Propert, plant and Equipment (As per schedule attached)	2023-2024	2022-2023
		30/6/2024	Prior Year
		KShs	KShs
	Land	4,000,000,000	4,000,000,000
	Buildings	315,944,131	322,391,970.04
	Plant Machinery & Equipment	53,947,563	47,505,767.40
	Motor Vehicles	13,691,249	18,254,999.25
	Computers	23,922,529	17,457,297.90
	Intangible Assets	9,547,276	10,608,084.00
	Furniture	20,083,019	18,763,370.10
	Capital Work In Progress	254,269,201	197,261,117.00
		4,691,404,968	4,632,242,606
22	Work in progress (As per Schedule)	2023-2024	2022-2023
		30/6/2024	Prior Year
		KShs	KShs
	Ol Kalau TVC	45,044,808	48,881,780
	Hospitality Phase 1	115,592,056	96,214,081
	Boundary Wall & Gatehouse	16,646,957	16,646,957
	Tuition Block	76,985,380	35,518,299
		254,269,201	197,261,117
23	TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS	2023-2024	2022-2023
	Description	30/6/2024	Prior Year
		KShs	KShs

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	Trade payables	0	406,608
	Fees paid in advance	63,313,144	81,672,865
	Bursary		1,289,000
	Higher Education Loans Board	1,300,000	667,571
	Provision for Audit Fees	500,000	500,000
	caution money deposits	631,753	3,296,906
	Total trade and other payables	65,744,897	87,832,950
24a	Retentions	2023-2024	2022-2023
		30/6/2024	Prior Year
		KShs	KShs
	Ol Kalau Tvc		4,888,178
	Hospitality Phase 1		6,543,722
	Boundary Wall & Gatehouse		1,097,678
	Tuition Block	7,698,538	3,551,830
	Total Retentions	7,698,538	16,081,408
Cash generated from operations.			
25	Surplus for the year	2023-2024	
	Working Capital Adjustments		
	(Increase)/Decrease in Inventories	6,503,240	
	Increase/(Decrease) in Payables	-	
	Increase/(Decrease) in Receivables	10,585,258	
	Net Cash Flow from Operating Activities	-34,552,941	39,001,647
26a	Deferred Income	2023-2024	2022-2023
		30/6/2024	Prior Year
		KShs	KShs
	Ol Kalau Tvc	4,040,359	10,808,278
	Mathare TVC	42,496,885	27,496,885
	Gilgil TVC	10,426,523	
	Langata TVC	5,702,198	
		62,665,965	38,305,163
26b	Description	Amount	
	Analysed as	Kshs	
	Current	0	
	Non- Current	62,665,965	38,305,163

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	Total	38305163	38305163
27	Revenue Reserves		
	Reserves brought forward	405,032,803	341,998,227
	Surplus for the Year	146,535,966	63,034,576
	Reserves carried forward	551,568,768	405,032,803
28	Capital & Equity		
	Brought forward	4,511,117,652	3,260,311,581
	Revaluation		1,249,845,199
	Conditional Grants Received	36,499,265	17,500,000
	Ol Kalau TVC	-52,340,940	
	Transfers during the year		-16,539,128
	Reserves Carried forward	4,495,275,977	4,511,117,652

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Notes to the Financial Statements (Continued)

17d	Ageing Analysis of Receivables from Exchange transactions				
	Description	2023-2024		2022-2023	
		Kshs		Kshs	
		Current FY	% of the total	Comparative FY	% of the total
	Less than 1 year	123,840,417	%	77340631	%
	Between 1- 2 years		%		%
	Between 2-3 years		%		%
	Over 3 years		%		%
	Total (a+b)	123840417	%	77340631	%

17f	Ageing Analysis on Receivables from Non-Exchange Transactions				
	Description	2023/2024		2022/2023	
		Kshs		Kshs	
		Current FY	% of the total	Comparative FY	% of the total
	Less than 1 year	153,442,124	62.65	144,025,700	61.51
	Between 1- 2 years	220,542,356	90.04	204,068,075	87.16
	Between 2-3 years	235,142,574	96.00	225,608,075	96.35

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	Over 3 years	244,931,088	100	234,143,075	100
	Total	244,931,088		234,143,075	0
24b	Retentions movement				
	Description	Ol Kalau Tvc	Hospitality phase 1	Boundary wall	Tuition Block
		Kshs	Kshs	Kshs	Kshs
	Balance brought forward	10,808,278	6,543,722	1,097,678	3,551,830
	Additions during the year			-1,097,678	4,146,708
	Transfers to capital fund	-10808278	-6543722		
	Balance carried forward	0	0		7,698,538
19a	Payment received in advance				
	Description	2023/2024		2022/2023	
		Kshs		Kshs	
	Fees received in advance	63313144		81672865	
	Total	63313144		81672865	
19b	Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
	Under one year	47,795,300	75	62144338	76.09
	1-2 years	8,984,015	14	14322104	17.54
	2-3 years	6,533,829	10	5206423	6.37
	Over 3 years	-	-		
	Total	63,313,144	100	81,672,865	

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26b The deferred income movement is as follows:						
Description	Oi Kalau Tvc	Mathare TVC	Gilgil TVC	Langata tvc	Total	
	Kshs	Kshs	Kshs	Kshs		
Balance brought forward	10,808,278	27,496,885			38,305,163	
Additions during the year		15,000,000	10426523	5702198	31,128,721	
Transfers to capital fund	6767919				6767919	
Transfers to income statement						
Balance carried forward	4,040,359	42,496,885	10,426,523	5,702,198	62,665,965	

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7. Property, Plant and Equipment

	Property, Plant and Equipment	Land	Buildings	Machinery and Equip.	Motor Vehicles	Computers	Furniture	Intangible Assets Software	Capital Work In Progress	Total
			Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
			2.00%	10.00%	25%	30%	10%	10.00%		
FY 2022/2023	Cost as at 1st July 2022	4,000,000,000	328,971,398	51,198,093	22,740,000	14,732,681	18,530,121	11,786,760	138,707,162	4,586,666,215
	Additions During the Period			158,6093	1,599,999	10,206,316	2,318,068		118,896,738	134,607,214
	Valuations in the Year								-	-60342783
	Book Value as at 30th June 2023	4,000,000,000	328,971,398	52,784,186	24,339,999	24,938,997	20,848,189	11,786,760	197,261,117	4,660,930,646
	Depreciation and impairment for the period		6,579,428	5,278,419	6,085,000	7,481,699	2,084,819	1,178,676		28,688,041
	Net Book Value as at 30th June. 2023	4,000,000,000	322,391,970	47,505,767	18,254,999	17,457,298	18,763,370	10,608,084	197,261,117	4,632,242,605
	Cost as at 1st July 2023	4,000,000,000	322,391,970	47,505,767	18,254,999	17,457,298	18,763,370	10,608,084	197,261,117	4,632,242,605
FY 2023/2024	Additions During the Period			12,435,970		16,717,743	3,551,095			32,704,808
	Transfer		52,340,940	-					184,579,953	184,579,953
	Book Value as at 30th June 2024	4,000,000,000	322,391,970	59,941,737	18,254,999	34,175,041	22,314,465	10,608,084	12,681,164	4,480,367,460
	Depreciation and impairment for the period		6,447,839	5,994,174	4,563,750	10,252,512	2,231,447	1,060,808		30,550,530
	Net Book Value as at 30th June. 2024	4,000,000,000	315,944,131	53,947,563	13,691,249	23,922,529	20,083,019	9,547,276	12,681,164	4,449,816,930

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Work in Progress

WORK IN PROGRESS	Oi Kalau TVC	Gilgil TVC	Hospitality Phase I	Tuition Block	GateHouse & Boundary Wall	Mathare TVC	Total
Net Book Value as at 30th June 2023	48,881,780		96,214,081	35518299	16,646,957		197,261,117
Additions in the year	3,459,160		19,377,975	41,467,081			64,304,216
Disposals in the year	7,296,132						7,296,132
Net Book Value as at 30th June 2024	45,044,808	-	115,592,056	76,985,380	16,646,957	-	254,269,201

Financial Risk Management

The entity's activities expose it to a variety of financial risks including credit and liquidity risks. The Institute's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Institute does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The entity's financial risk management objectives and policies are detailed below:

(i) Credit risk

The entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Institute's management based on prior experience and their assessment of the current economic environment.

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The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2023				
Receivables from exchange transactions	77,340,631	74,913,451	-	2,427,180
Receivables from non-exchange transactions	151,606,000	147,185,825	-	4,420,175
Bank balances	194,233,031	194,233,031	-	-
Total	423,179,662	416,332,307		6,847,355
At 30 June 2024				
Receivables from exchange transactions	123,840,417	119,538,109		6,291,479
Receivables from non-exchange transactions	119,101,500	113,146,425		5,955,075
Bank balances	257,561,992	257,561,992		
Total	502,493,080	490,246,526		12,246,554

Financial risk management (continued)

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The board of directors sets the company's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

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(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the entity's directors, who have built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the company under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023				
Trade Payables			87,832,950	87,832,950
Current Portion Of Borrowings				
Provisions			8,287,207	8,287,207
Deferred Income			38,305,163	38,305,163
Employee Benefit Obligation				
Total			134,425,320	134,425,320
At 30 June 20XX (current year)				
Trade Payables			65,744,897	65,744,897
Current Portion Of Borrowings				
Provisions			12,246,554	12,246,554
Deferred Income				
Employee Benefit Obligation			62,665,965	62,665,965
Total			140,657,416	140,657,416

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(iii) Capital Risk Management

The objective of the entity's capital risk management is to safeguard the entity's ability to continue as a going concern. The entity capital structure comprises of the following funds:

Description	Insert	FY 2022/2023
	Current FY	
	Kshs	Kshs
Revaluation Reserve		1,249,845,199
Retained Earnings	551,568,768	405,032,803
Capital Reserve	4,495,275,977	3,261,272,453
Total Funds	5,046,844,745	4,916,150,455
Total Borrowings	-	-
Less: Cash and Bank Balances	257,561,992.00	194,233,031
Net Debt/(Excess Cash and Cash Equivalentents)	-	-
Gearing		

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Related Party Balances

Nature of related party relationships

Entities and other parties related to the entity include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

Government of Kenya

The Government of Kenya is the principal shareholder of the *entity*, holding 100% of the *entity's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

- i) The National Government;
- ii) The Parent Ministry;
- iii) Key management;
- iv) Board of directors;

The transactions and balances with related parties during the year are as

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Transactions with Related Parties		
a) Sales to related parties		
Sales of electricity to govt agencies	-	-
Rent income from govt. agencies	-	-
Water sales to govt. agencies	-	-
Others (<i>specify</i>)	-	-
Total	-	-
B) Purchases from related parties		
Purchases of electricity from kplc	-	-
Purchase of water from govt service providers	-	-

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Rent expenses paid to govt agencies	-	-
Training and conference fees paid to govt. agencies	-	-
Others (<i>specify</i>)	-	-
Total		
b) Grants /Transfers from the Government		
Grants from National Govt	228,488,459.00	127,649,000.00
Grants from County Government	-	-
Donations in Kind		
Total	228,488,459.00	127,649,000.00
c) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for xx Employees	-	-
Payments for Goods and Services for XX	-	-
Total		
d) Key Management Compensation		
Directors' emoluments	12,949,350.00	10,677,900.00
Compensation to Key Management	-	-
Total	12,949,350.00	10,677,900.00

20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved/ Not Resolved)	Timeframe:(Put a date when you expect the issue to be resolved)
Basis for Qualified opinion					
1	Inaccuracies in the Financial Statements	This was occasioned by adjustment of the increase of student debtors for the year. The correct treatment has been effected in the F/Y 2023/2024	Finance Officer	Resolved	2023/2024
2	Receivables from non-exchange transactions	This is occasioned by the capitation arrears under the old funding model. The ministry of education periodically disburses funds to clear arrears on availability of resources.	Chief Principal	Partially resolved	2023/2024 financial year


Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved/ Not Resolved)	Timeframe:(Put a date when you expect the issue to be resolved)
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3	Non-compliance with the data Protection Act,2019	In line with the data protection act, management has initiated the process of registration as a data controller as per the attached	Chief Principal	Resolved	2024/2025
4	Non-compliance with ethnic diversity in employee composition	This was occasioned by historical employment records. However, over the years the Institute has made strides and the variance is currently at 2%.	Chief Principal	Resolved	2024/2025
5	Non-compliance with a Third rule on basic salary	This was occasioned by changes in statutory deductions under the Finance Act. Staff have been sensitized to restructure their commitments so as to adhere to the requirement.	Chief Principal	Resolved	2024/2025
6	Inadequate staffing	Critical vacant positions shall continuously be filled as resources become available to ensure efficient delivery of services	Chief Principal	Unresolved	2024/2025

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.

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 DR. GLORY K. MUTUNGI (PhD)
 CHIEF PRINCIPAL/SECRETARY BOG
 Date.....29/6/2025

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Appendix II: Projects Implemented by NTTI
Projects

Projects implemented by the State Corporation/ SAGA Funded by development partners.

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1	Automotive Mechatronics workshop	GIZ	2			NO

Status of Projects completion

(Summarise the status of project completion at the end of each quarter, i.e. total costs incurred, stage which the project is etc)

		Total project Cost	Budget	Total expended to date	Completion % to date	Variance	Sources of funds
1	BOUNDARY WALL	20,602,185.00	20,602,185.00	20,602,185.00	100%	-	BOG
2	HOSPITALITY COMPLEX PHASE I	118,209,584.00	118,209,584.00	118,209,584.00	100%		BOG
3	HOSPITALITY COMPLEX PHASE II	216,451,126.00	0.00	0.00	-	216,451,126.00	GOK
4	TUITION BLOCK	113,917,130.00	113,917,130.00	76,985,380.00	68%	36,931,750	BOG

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Appendix III- Inter-Entity Confirmation Letter

[Insert your Letterhead]

NAIROBI TECHNICAL TRAINING INSTITUTE
30039-00100

The *[insert SC/SAGA/Fund name here]* wishes to confirm the amounts disbursed to you as at 30th June 2024 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by Nairobi Technical Training Institute as at 30th June 2024							
Reference Number	Date Disbursed	Amounts Disbursed by Ministry of Education as at 30th June 2024				Amount Received by NTTI (Kshs) as at 30 th June 2024 (E)	Differences (Kshs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
281561	26 7 2023	Shortlisting				4,000,000	
288755	04 10 2023	Capitation Grants Quarter 1				32,504,500.00	
302692	30 1 2024	Training Materials				22,430,000.00	
302801	1 2 2024	Capitation Grants Quarter 2				27,394,500.00	
303620	20 2 24	Capitation Grants Quarter 3				31,308,000.00	

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304044	28 2 24	Moe HELB Scholarship				40,192,459.70	
305301	15 03 2024	Gilgil TVC				2,711,194.00	
305300	15 03 2024	Oi kalou TVC				3,826,500.00	
305423	18 03 2024	Mathare TVC				15,000,000.00	
306735	20 3 2024	Moe HELB Scholarship				4,716,668.00	
307742	12 04 24	Langata TVC				14,361,571.00	
307844	16 04 24	Training Materials				12,500,000.00	
315887	27 6 24	Moe NTTI Recurrent expenditure				500,000.00	

In confirm that the amounts shown above are correct as of the date indicated.

Head of Accountants department of beneficiary Entity:

Name Maxwell Gitonga Sign [Signature] Date 29/6/2024

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