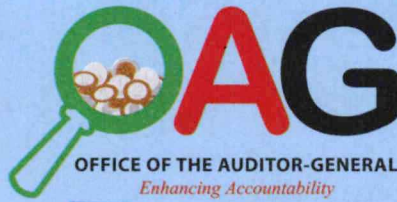


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

THE NATIONAL ASSEMBLY
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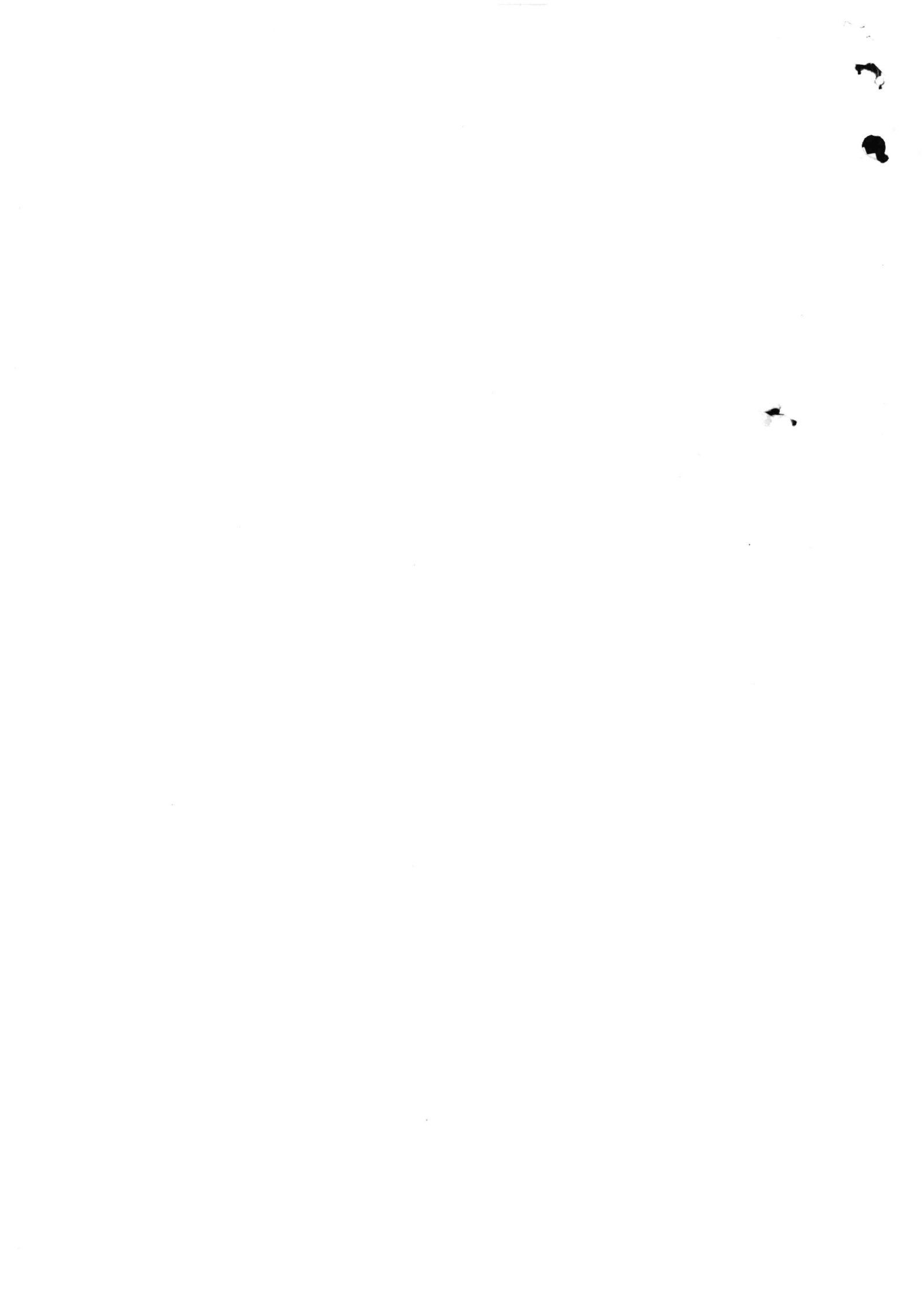
OF

THE AUDITOR-GENERAL

ON

KIIRUA TECHNICAL TRAINING INSTITUTE

FOR THE YEAR ENDED
30 JUNE, 2025





KIIRUA TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH JUNE 2025

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

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

Table of Content

Table of Content	i
1 Acronyms & Glossary of Terms	ii
2 Key Entity Information and Management	iii
3 Board of Governors	vi
4 Key Management Team.....	viii
5 Chairman’s Statement.....	ix
6 Report of the Principal	xi
7 Statement of Performance against Predetermined Objectives	xiii
8 Corporate Governance Statement	xv
9 Management Discussion and Analysis	xxi
10 Sustainability strategy and profile	xxiii
11 Report of board of governors.....	xxvii
12 Statement of Board of Governors Responsibilities.....	xxviii
13 Report of the Independent Auditor on Kiirua Technical Training Institute	xxix
14 Statement of Financial Performance for The Year Ended 30 June 2025.....	1
15 Statement of Financial Position as at 30th June 2025	1
16 Statement of Changes in Net Asset for the Year Ended 30 June 2025.....	3
17 Statement of Cash Flows for the Year Ended 30 June 2025	4
18 Statement of Comparison of Budget &Actual amounts For Year Ended 30 June 2025.....	6
19 .Notes to the financial statement.....	8
20 Appendices.....	40

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

1 Acronyms & Glossary of Terms

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
TVC	Technical Vocational College
F/Y	Financial year
Fiduciary Management	Key management personnel who have financial responsibility in the entity
PAYE	Pay As You Eat
PPIP	Public Procurement Information Portal
HeF	Higher Education Fund
CDF	Constituency Development Fund
NITA	National Industrial Training Authority
KNEC	Kenya National Examination Council
TVET	Technical Vocational and Education and Training
CBET	Competence Based Education and Training
CDACC	Curriculum Development Accreditation and Certification Council

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

A. 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

Kiirua Technical Training Institute was registered in 1999 under the Ministry of Research Technical Training and Technology and accredited in 2011 under the Ministry of Higher Education Science and Technology as a TVET Institution but currently operating under the ministry of Education Directorate of Technical Education. Kiirua Technical Training Institute is headed by a principal, who is responsible for the day running and general policy implementation in the institute. The principal is supported by the Board of Governors and Top Management team.

b. Principal Activities

The principal activity for Kiirua Technical Training Institute is to offer Technical and Vocational Education under TVETA Act 2013.

Vision

To be the Regional Leader in Technical Training Research and Innovation for Sustainable National Development and Global Competitiveness

Mission

To offer Technical Industrial Vocational and Entrepreneurial Training and undertake Research to produce Skilled, innovative and market Relevant Human Resource.

Core values

Kiirua Technical Training Institute is guided by the following core values and competences

- Integrity
- Teamwork
- Hard work
- Responsibility
- Innovativeness
- Self-Development
- Courtesy

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

a) Key Management

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

- Board of Governors
- Accounting officer/ Principal
- Top Management
- Heads of Department
- Heads of Sections

b) 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	David G. Kirigia
2	Deputy principal (Administration)	Tabitha Naita Mwet
3	Deputy principal (Academics)	Milka W. Maina
4	Registrar	Catherine Murage
5	Dean of students	Nancy Gatwiri
6	Guidance & Counselling/ PC coordinator	Richard Jeremiah Kavyu
7	Head of Finance	CPA.Florence Mugwiria
8	Head of Procurement	CPSPK Agnes Kajuju

c) Fiduciary Oversight Arrangements

Kiirua Technical Training Institute is over sighted by the Finance and Technical committee, Human Resource and Academic Committee and Audit & Risk Management committee, which approves quarterly financial statements and reports before they are presented to the full board for approval. The committee is also charged with the responsibility of approving all development activities to be undertaken in the institute and submitting of quarterly financial reports and statements to the board of Governors and relevant government agencies such as National Treasury, Auditor General, Controller of Budgets and Commission of Revenue Allocation

i. Finance and Technical committee

Activities include planning and budgeting, evaluation, monitoring and implementation of planned activities

ii. Audit & Risk Management committee

Activities include checking internal control and ensuring that they are implemented in the institute.

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

iii. Human Resource and Academic Committee

Activities include overseeing welfare of Students, Staff, Board Members, Institute Publicity & academic performance.

- d) Institute Headquarters**
Kiirua Technical Training Institute
P.O. Box 1931-60200
Meru, Kenya

- e) Institute Contacts**
Kiirua Technical Training Institute
Telephone: +254718621864
E-mail: kiiruatti@yahoo.com
Website: www.kiiruatti.ac.ke

- f) Institute Bankers**
Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

- Other Commercial Banks**
Co-operative Bank of Kenya
Meru Branch
Equity Bank Limited
Makutano – Meru Branch

- g) Independent Auditors**
Auditor-General
Office of Auditor General
Anniversary Towers, Institute Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya






- h) Principal Legal Adviser**
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

3 Board of Governors

No	Name	Designation	Photos	Date of Birth & Qualification
1	Dr.Jackson Mbae	Former Principal /BoG Secretary		Born: 1965 Bachelor's Degree in Education (science) masters in theology, and PhD in Leadership Management & Administration
2	David Gigutma Kirigia	Current Principal /BoG Secretary		Born: 15/5/1968 BED - Business
3	Arch.Mworia S. Karani	Board Chairman		Born: 07/09/1956 Bachelor of Architecture
4	Charles Kinyua Kiara	Board Member		Born: 14/09/1960 Masters – Banker
5	Rev. Daniel Lilah	Board Member		Born: 10/08/1970 Bachelor of Education
6	Stella K. Wambeti	Board Member		Born: 02/07/1978 Bachelor in computer science

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

7	Dr.Irene Alianda Ashioya	Board Member		Born:19/2/1965 (PhD) Educational Planning and Management
8	Arch.Nyamai Wambua	Board Member		Born:04/06/1979 MSc. Sustainable Devpt. B. Eng. Architecture
9	Erasmus Kithinji Muthenya	Board Member		Born:1977 Bachelor of Education Early Childhood
10	Obed Mbae Nairobi	Board Member		Born:01/7/62 Bachelor of Business Administration Entrepreneurship Auditor
10	Muhammad Noor Hussein Hassan	County Director TVET		Born:12/10/1968 MBA Management

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

4 Key Management Team

No	Name of the Staff	Responsibility	Photos	Date of birth & Qualifications
1	David Gituma Kirigia	Current Principal / Board Secretary		Born: 15/5/1968 BED - Business
2	Tabitha Mweti	Deputy Principal Administration		Born: 2/2/1966 M.ED Management
3	Milka W.Maina	Deputy Principal Academics		Born 10/10/1980 Bachelor in Computer/ Business studies
4	Catherine Murage	Registrar		Born 29/11/1969 Dip Tec in Business Administration
5	Nancy Gatwiri	Dean of Students		Born 14/07/1981 Dip Tec in fashion design and garment making
6	Jeremiah Kavyu	Guidance & Counselling		Born: 09/01/1984 Higher Dip in electrical
7	CPA.Florence Mugwiria	Finance Officer		Born: 1/8/1980 Certified Public Accountant Member of Institute of Certified Public Accountants Kenya

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**



5 Chairman's Statement

I am pleased to report that Kiirua Technical Training Institute has continued to perform well in returning exemplary examination results of the Kenya National Examinations Council (KNEC). I take this opportunity to share with you my views on the key initiatives and achievements we have had over the year on economic performance, Education sector changes, financial performance, operations & risks associated with the institute, and lastly our future outlook.

Economic Focus

In order to ensure efficient and effective provision of Technical Vocational Training, we have developed necessary policies and institutional framework to direct the running of the institute in line with vision 2030. In the recent past, the institute has experienced tremendous growth in trainees enrolment from which we have projected an average of 25% annual growth.

We thank the Government of Kenya for providing state-of-the-art training equipment, capitation and employment of trainers by the Public Service Commission that have greatly contributed toward increased student enrolment and improved quality of training thus enabling the institute align her graduates with regional and global trends and innovation.

Successes

During the year, we witnessed a positive growth in trainees enrolment owing to reduction in fees payable as a result of Government Capitation and the new funding model approach ensuring affordable technical and vocational training to every secondary school graduate on meeting required threshold to join post-secondary school training. The initiative of capitation by the government has so far been successful and the future looks quite bright indeed for the prospect of trainees. The institute has also managed to train and graduate trainees in short course under the sponsorship of the Buuri Constituency Development Fund.

During the year, the management initiated the construction of a Tutition block which was intended to increase the number of lecture rooms to cope with the increasing number of trainees and to have a spacious procurement store. The management has been able to complete about 90 % and hope to complete the remaining part in the month of August of the financial year 2025/2026.

Kiirua TTI being a mentor of Igembe South is also undertaking the construction of the Igembe south TVC which had stalled due to lack of funds. During the financial Year that ended June 2025, CDF Igembe South Constituency released part of its funding of Ksh10,000,000 for the construction and the construction has resumed.

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

During the financial year that ended in June 2025 the management has been able to procure an institute official vehicle and a staff van to ease transportation of staff and trainees in main campus and Timau campus.

In the spirit to excel, we endeavour to be a centre of Excellence in scientific, technological, training and innovation so as to produce competent graduates who are capable of integrating the acquired skills in nation building in line with Vision 2030. To this end, Kiirua Technical Training Institute has continuously participated in regional trade fairs & exhibitions whereby trainees have exhibited their patentable innovations.

Challenges faced

The technical training sector presents plenty of opportunities as well as risks, both of which need to be analysed in order to deliver sustainable long-term returns, without compromising training outcomes.

Kiirua Technical Training Institute has developed an enterprise risk management policy and framework to ensure that our activities are aligned with our strategic plan objectives. The Board of Governors regularly reviews risks identified - such as competition, information & communications technology and credit and operations; and how the risks involved can be mitigated by various risk owners.

Outlook

I am indeed deeply indebted to the members of the Board of Governors for their unwavering support, commitment and futuristic outlook towards realizing the institute's objectives in line with its strategic plan and core mandate of offering market-driven programme. The institute board is composed of members who have diverse qualifications and experience. I unreservedly assure all our stakeholders that we at Kiirua Technical Training Institute shall remain focused, committed and consistent in the delivery of opportunities and accountably availing of resources to both trainers and trainees within the Government framework of accountability, corporate governance and ethical sustainability. Going forward Kiirua Technical Training Institute is committed to working closely in collaboration with, other like-minded entities, institutes, agencies and any other bi-lateral & multi-lateral agencies involved in technical and vocational training to ensure that our trainees continue to receive Competency Based Training.

Lastly, I would like to whole-heartedly thank my fellow members of the Board of Governors, Management, team of trainers and non-trainers, Trainees - and all other stake-holders for their co-operation, collaboration, continued support and commitment during this period under review.

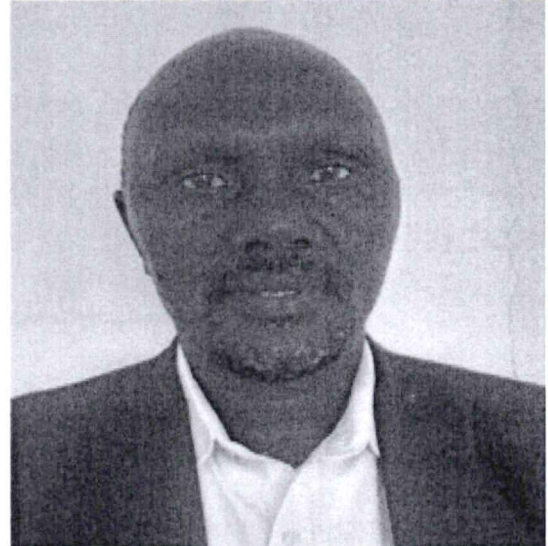


Arch. Karani S. Mworia
Chairman: Board of Governors

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

6 Report of the Principal

Kiirua Technical Training Institute is well placed to providing adequate and relevant training to her graduates that will enable them to contribute towards the attainment of the institute Vision 2030 strategic objectives. In furtherance of our mandate therefore, we have committed ourselves to consistently and regularly review, improve and consolidate our academic programs in various ways that will ensure their competitiveness in terms of quality and relevance.



With the guidance of the board of Governors, we worked hard in setting up structures and policies aimed at guiding the institution in the right strategic direction. Under my leadership and the overall direction of the Institute's board we were able to be in the forefront in ensuring that financial resources were utilized efficiently and effectively. Despite the many challenges brought about by economic constraints, the Institute nevertheless continued to discharge its mandate of training, research and outreach.

HIGHLIGHTS OF FY 2024/2025 PERFORMANCE

The Financial Year 2024/2025 started on a high note with the Government keen to ensure TVET Institutions absorb as many trainees as possible.

In a move to boost trainees enrolment, the Government emphasized on sustenance of Capitation for the continuing trainees and to adopt Scholarship based on bands 1 to 5 under the new funding model for the trainees joining the institution forth with. Annual trainees fee remained capped in all TVET Institutions at Kshs. 67,157 for new students in the new funding model.

Other notable observation includes:

Students Enrolment;

In the FY2024/2025 admissions, enrolment increased with 1,389 students, and this brought about the need for more classrooms.

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

Projects Undertaken

During the Financial Year under review, The Board managed to:

1. Construct Tuition Block- the management initiated construction of a Tuition block to cater for the increased need of lecture room. The construction of phase one whose completion target date was December 2025 stood at 90 %as at 30th June 2025.
2. Purchase of two Motor Vehicles – the management managed to procure an institute Van and an institute official car
3. Oversee the training of community youth within Buuri constituency in short course, in partnership with Buuri CDF.
4. Increase equipment in various workshops within the institute
5. Through Agriculture training in Timau Campus, initiate an Income Generating Project (Potatoes Farming)

Departmental Equipment:

The institute is sincerely grateful to the Government for equipping the entire department with the state-of-the-art Training equipment and materials through the institute internally generated revenue.

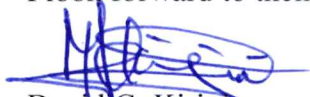
The institute continues to equip its trainees with the relevant competencies and skills of Level 3, 4, 5 and 6. I have confidence that our trainees are well equipped with the necessary skills that strategically align them with opportunities within the country, region, and globally.

Kiirua Technical Training Institute being a tertiary institution desires to enhance its visibility, performance, and competitiveness in the tertiary education sector in the face of stiff competition. To do so, however the institute requires support from the Government and other stakeholders in terms of funding, Human Resource, material support and other contributions. We shall continue to appeal for such support to continue flowing as the institute is still growing and the needs for the facilities that can accommodate the raising number of trainees.

On behalf of the institute Board and Management, I take this opportunity to thank the Government for its unequivocal support during the year under review.

I also appreciate the financial, material and moral support of our collaborators, partners and friends during the year. It is because of the understanding and guidance of the Chairman of the Board as well as the cooperation of the Management team, all staff and our trainees that we ended the year within an environment of peace and stability. I wish to register my sincere gratitude to them all.

I look forward to their continued support in the new financial year and the years ahead.



David G. Kirigia

PRINCIPAL/SECRETARY OF THE BOARD

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

7 Statement of Performance against Predetermined Objectives

Kiirua Technical Training Institute has 6 strategic pillars and objectives within its Strategic Plan for the FY 2023 - 2028. These strategic pillars are as follows:

- 1) Increase the number of staff in the institute
- 2) Increased student enrolment
- 3) To strengthen the Institute in order to accommodate more students and introduce new demand driven courses
- 4) To purchase lecture chairs
- 5) To create social amenities & beautify the compound
- 6) Enhance ICT equipment

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar / theme / issue 1	Recruit more B.O.G staff	No. of staff recruited	Recruitment of trainers in different departments	69 intern Staff recruited
Pillar / theme / issue 2 training infrastructure	Infrastructure constructed	Construction completed	Construction decommissioned	Classes and offices ready for use
Pillar / theme / issue 3 modern equipment	Purchase equipment for all the Departments	Equipment purchased	Procurement of equipment	Departments equipped
Pillar / theme / issue 4 ICT integration	Procurement of MIS Software services	MIS Software Procured	MIS installed	operational
Train the staff on the MIS software	Train staff on MIS software	Train staff on MIS software	Train staff	Staff trained
Pillar / theme / issue 5 adequate facilities	Purchase an Institute official vehicle	Institute official vehicle purchased	Institute official vehicle purchased	Institute official vehicle purchased and on use

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

	Purchase storage tanks	Storage tanks purchased	Storage tanks installed	3 tanks procured and plumbing done ready for use
	Purchase an Institute staff van.	One vehicle Purchased	Procurement of vehicle done	Institute van delivered and ready for use
Pillar / theme / issue 6 resource mobilization	Establish an Institute's Production Unit	Production Unit established	Production Unit established	Driving school and automotive garage established
	Identify the partners in the private sector	Northern rangelands trust NRT (ujuzi manyattani)	Partnership initiated and projects done	NRT in conjunction with Kiirua T.T.I have partnered to train trainers in arid regions.

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

8 Corporate Governance Statement

Good corporate governance is key to the integrity of state corporations and is central to its sustainability. Corporate governance plays a leading role on how corporations and their boards of governors are directed, controlled and held to account. Corporate governance, therefore, encompasses the systems, practices and procedures by which the individual corporation is regulated in order to remain competitive, ethical, sustainable and fair.

Kiirua Technical Training Institute adheres to principles of openness, integrity and accountability in its stewardship of the Institute's affairs. It recognizes the developing nature of corporate governance and assesses the Institute's compliance with generally accepted corporate governance practice on a regular basis, directly and through its full board and Board committees. The role of the Board is to ensure conformance by focusing on and providing the Institute's overall strategic direction and policy-making as well as performance review through accountability and ensuring appropriate monitoring and supervision. The Board is also responsible for the overall system of internal control and for reviewing its effectiveness. The controls are designed to both safeguard the Institute's assets and ensure the reliability of financial information.

The Institute Board meets regularly to consider issues of operational and strategic importance to the Institute. Below are the key features of the existing corporate governance practices within Kiirua Technical Training Institute which are reviewed and improved on a regular basis: -

1. Institute Board

The Institute Board consists of the Chairman and seven members, who have been appointed in accordance with the TVET Act (2013). The full Institute Board meets at least four times a year and the board committee members meet as the need arises.

The Board is responsible for setting the direction of the Institute through the establishment of strategic objectives, key policies and approval of budgets. It monitors the implementation of strategies and policies through a structured approach of reporting by management and consequent accountability.

The Board is actively involved and brings strong independent judgment on its deliberations and discussions. The Institute Board members have diverse skills, a wide range of knowledge and experience of Institute setting that is applied to the formulation of strategic objectives and decision-making. The Board meets regularly and retains full and effective control over the Institute in all strategic, financial, operational and compliance areas. The current board members were inaugurated on 8th May 2023. The Institute Board held the following full Board meetings during the financial year 2024/2025

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

BOG MEETING REGISTER-FY 2024/2025 –1st July 2024 - 30th June 2025

Fully BoG Meetings

Name	Designation	3/7/24	15/11/24	24/11/25	2/5/25	20/6/25	ATTENDANCE
Karani S Mworia	Chairman	✓	✓	✓	✓	✓	5
Charles K. Kiara	Member	✓	✓	x	✓	✓	4
Rev. Daniel Lilah	Member	✓	✓	✓	✓	✓	5
Dr. Irene Alianda Ashioya	Member	✓	✓	✓	✓	✓	5
Nyamai Wambua	Member	✓	✓	✓	✓	✓	5
Stella Wambeti	Member	✓	✓	✓	✓	✓	5
Erasmus Kithinji Muthenya	Member	✓	✓	✓	✓	x	4
Andelina Mugure	County Director Representative	✓	x	✓	x	x	2
Obed Mbae Nairobi	County Governors Representative	✓	✓	✓	✓	✓	5
Mohammad Hassan Noor	County Director Representative	x	x	x	✓	✓	2
Total Attendance		9	8	8	9	8	9

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

Finance & Technical Committee

Name	Designation	20/9/24	10.2.2 025	20/2/25	13/6/2025	ATTENDANCE
Nyamai Wambua	Chairman	✓	✓	✓	✓	4
Rev. Daniel Lilah	Member	✓	✓	✓	✓	4
Andelina Mugure	County Director Representative	✓	x	x	✓	2
Obed Mbae Nairobi	County Governors Representative	✓	✓	✓	✓	4
Total Attendance		4	3	3	4	4

Audit & Risk Management Committee

Name	Designation	4/12/2024	27.3.2025	30.4.2025	03.7.2025	ATTENDANCE
Charles K. Kiara	Chairman	✓	✓	✓	✓	4
Erasmus Kithinji Muthenya	Member	✓	✓	✓	✓	4
Stella Wambeti	Member	✓	✓	✓	✓	4
Obed Mbae Nairobi	Member	✓	x	x	x	1
Total Attendance		4	3	3	3	4

Human Resource & Academic Committee

Name	Designation	30/8/24	8.1.2025	23/1/2025	ATTENDANCE
Erasmus Kithinji Muthenya	Chairman	✓	✓	✓	3
Daniel M. Lilah	Member	✓	✓	✓	3
Dr. Irene Ashioya	Member	✓	✓	✓	3
Total Attendance		3	3	3	3

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

Other BOG meetings

Name	Designation	Purpose	23/8/24	28/8/24	18/11/2024	19.11.24	7.1.2025	8.1.2025	24.2.2025	8.4.2025	16.5.2025	27.5.2025
Karani S Mworira	Chairman	Mashinani Graduation	✓								✓	✓
		PC Negotiation-Virtual meeting		✓								
		Tuition Block Site Hand Over meeting			✓							
		PC Evaluation							✓			
		Public participation on guidelines for deployment of trainers in TVET Institutions as BOG Chairpersons								✓		
Charles K. Kiara	Member										✓	✓
Erasmus Kithinji	Member										✓	x

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

Nyamai Wambua	Member										✓	
Daniel M. Lilah	Member	PC Negotiation-V irtual meeting		✓							✓	✓
		PC Signing With Kavyu				✓						
		PC Evaluation							✓			
Dr. Irene Ashioya	Member										✓	✓
Stella Wambeti	Member										✓	✓
Obed Mbae Nairobi	County Governors Represent ative										✓	✓
Dr. Andelina Mugure Muthuri	County Director Represent ative										X	X
Dr. Irene A. Ashioya	Member HR	Interns Interviews					✓	✓			✓	✓
Erasmus Kithinji Muthenya	Chairman HR	Interns Interviews					✓	✓			✓	
Rev. Daniel Lilah	Member HR	Interns Interviews					✓	✓			✓	✓

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

Muhamma d Hassan								✓			✓	✓
		Handing/Taki ng Over					✓	✓				
Total Attendance			1	1	1	1	4	5	2	1	9	9

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

9 Management Discussion and Analysis

SECTION A

Kiirua Technical Training Institute being a key driver to the attainment of the Bottom-up economic transformation ensures that it is consistently delivering maximum value to her trainees through; Competency Based Curriculum, Innovations and Linkages to the job market strategically aligning them with opportunities regionally, nationally and globally.

The Institution has unrelenting focus on improving and maintaining excellent Technical and Vocational Training across her specialties.

The institute's operational and financial performance

During the financial year 2024/2025, the operations of the institute both current and development were affected by delay in receipt of the capitation, capitation received was also less than what was expected..

During the 2024/2025 financial year, Government capitation grants contributed to 24% of the total incomes while tuition, rental revenue and income from other sources contributed 76%. The Institute depended on fees and capitation to execute its operations.

There was a substantial improvement in mobilization of internal funds in financial year 2024/2025 compared to the financial year 2023/2024. In the financial year 2023/2024 internally generated fund amounted to kshs 176,596,672 whereas in the financial year 2024/2025 the same amounted 272,147,088. Government capitation reduced from Kshs 85,611,751 in the Financial Year 2023/2024 to Kshs 69,933,612 in the financial year 2024/2025

Operation performance

(i) Performance contract

Kiirua Technical Training Institute annually signs a performance contract with the government of Kenya through the Ministry of Education which is a key accountability tool that endeavours to improve the performance of public officers. The contract runs from 1st July, every year to 30th June of the following year.

The institute has instituted a PC committee which comprises of seven members, PC coordinators who chairs the committee and other six committee members. The committee work on behalf of the principal in developing PC, lead PC negotiation and perform both quarterly and annual reporting of PC implementation through GPCIS.

The performance contract reporting is done on quarterly bases by 30th of the following month after the reporting period .Several achievements have been made among them;

- a) Ensuring that the pending bills do not exceed 1% of the institute budget

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

- b) Developing citizen service delivery charter and placing it strategically at the institute entrance and in various service points.
- c) Increase in the student enrolment as result of aggressive marketing through various methods.
- d) Management of the key institute projects

ii) Academic performance

In the FY 2024/ 2025, KTTI has committed itself to increase pass rate in technical, business and CDACC Examination

2024/2025 EXAMINATION ANALYSIS

Exam series	Registered candidates	No. That passed	Percentage pass
KNEC July 2024	205	201	97.5%
CDACC July 2024	773	644	83.3%
KNEC November 2024	339	335	98.8%
CDACC November 2024	1304	1174	90%
KNEC March 2025	432	425	98.4%
CDACC March 2025	1198	1079	90%
NITA august 2024	16	15	94%
NITA December 2024	54	47	87.1%
NITA April 2025	12	9	75%
Average percentage pass			90.456

Project management

Internal projects

S no	Nature of work	Budget	Amount paid (Ksh) as at 30 th June 2025	Status
		(Ksh)	(Ksh)	
1	Construction of the Tution block	64,506,690	57,859,828	90%
2	Purchase of Motor vehicles	17,883,216	17,883,216	100%

External projects

S no	Scope of work	Budget (ksh)	Amount paid (Ksh) as at 30 th June 2025	Status
1	Igembe TVC	57,520,412.00	50,049,933	87%

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

10 Sustainability strategy and profile

The institute strategic plan 2023 to 2028 was launched on 16th June 2023. The Institution's strategic plan communicates a desire to strengthen our efforts towards sustainability, becoming genuinely world class on how we respond as a tertiary institution. While sustainability has come a long way at the Institution in recent years, we recognize the need to coordinate and scale up our efforts. We will be bold, integrating sustainability principles and practice across all our departments and throughout all our activities: administration and governance, operations, research, teaching & learning, community engagement and outreach activities.

The Institution Strategic Plan 2023 to 2028 sets out the vision, mission, core values and strategic imperatives that guide activities at the Institution. This Strategic plan clarifies our commitment to enable a consistent, productive focus on sustainability, and to better communicate our efforts at all levels of the organization.

It reflects our commitment to see sustainability embedded as part of the core ethos at the Institution, and builds on groundwork and activities underway across the organization.

We work together, celebrate progress where staff and trainees are already leading the way, and challenge others to consider how sustainability connects to their work, can enhance their practices, and how they can contribute personally to our sustainability transition.

Environmental performance

The Institution aims to ensure that the needs of the population are met without the risk of compromising the needs of future generations. The institution commits to reduce environmental impact through greening programme that involves planting of trees and flower during rainy seasons. During the financial year the institute through the afforestation campaign managed to plant trees at Muruguma Primary school .

Our research, teaching and activities are guided by our commitment to environmental sustainability. We also have a number of Technological areas for our research, teaching, community engagement and processes, allowing us to focus and measure our efforts in making a difference to society.

Employee welfare

Kiirua Technical Training Institute focuses on the importance of anyone directly or indirectly involved in the core mandate of training. We encompass the development of skills and human capacity to support the functions and sustainability of the Institution and to promote the wellbeing of communities and society.

There is a Human resource manual that guides on hiring, appraisal and training of staff. This manual also ensures that our staff are trained and well equipped to handle all emerging issues. We integrate the principles of social responsibility into our core mandate internally by exhibiting the behaviours of good corporate governance, ethical decision making, and providing our personnel with opportunities to develop and excel. We integrate the principles of social responsibility into our training activities externally by minimizing our environmental impact and seeking to enhance the amenity of residential communities.

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

Account of the policies guiding hiring process

In filling vacant positions, considerations are given to serving officers so as to meet the employees' career growth expectations. When a vacancy occurs, the Head of Department notifies the Head of Human Resource and Administration and gives advice on whether, in his opinion, the vacancy can be filled internally through promotion or advertisement.

Where no suitable internal candidate is available, applicants are sourced through open Advertisements.

The Principal constitute a recruitment and selection committees at various levels to interview candidates and submit recommendations of the most suitable candidate(s) for appointment.

Where vacant positions are filled through open advertisement, applications are, where necessary, invited through the print media with wide circulation.

Before issuing letters of appointment to candidates recruited from outside the Institute, the head of Human Resource verifies the candidate's record of previous employment. No candidate whose references are found unsatisfactory is appointed.

All application letters including those of candidates not short-listed are retained for six (6) months after the appointment has been made before disposal.

- In each case, and where possible, a shortlist of not less than three (3) candidates per post is prepared and interviews conducted by the interview panel.
 - No panellist at either the short listing or interviewing stage participates in cases where there is an applicant who is related to him/her in any way to avoid conflict of interest.
- The principles of affirmative action, gender and persons with disability apply.

The Institute observe gender mainstreaming/balance on appointment/promotion and ensure that a minimum of 30% are of either gender.

The Head of Human Resource and Administration notifies the successful candidates as soon as possible.

Efforts made in improving skills and managing careers, appraisal and reward system

1. Assessing employee's needs.

We evaluate current skill set and potential and identify the gaps so that we are able to come up with a training plan

2. Offering coaching opportunities

We engage a coach who helps employees learn new skills and absorb real life experiences.

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

Performance appraisal

Performance appraisal begins with work planning and setting of performance targets

Prior to the beginning of the performance period, Departments prepares work plans based on their strategic plan. The Departmental Work Plans include the Department's priority objectives from which individual performance targets will be derived.

Heads of departments meet with employees under their direct supervision to discuss and ensure that the objectives and performance targets of the department are understood.

The individual work plans are derived from the Departmental/Divisional Work plans and employee's job description. The work plans briefly describe the performance targets or expected results on specific assignments and activities for which the employee is responsible during the performance year.

The Appraisee holds discussions with the immediate Supervisor to agree on the work plan. The performance targets thereafter are set as agreed in the discussions by latest 31st July of each year. For each performance target to be assessed there is performance indicators.

As part of the Staff Training and Development Plan, every employee indicate at least one training goal to be achieved in the reporting period as agreed with the supervisor. This may include special assignments, continuing education, on the job training, seminars, conferences or study tours.

The appraisal period covers one (1) year with effect from 1st July to 30th June of the following year.

Policy on safety, health and environment

Kiirua Technical Training Institute acknowledges the importance of protecting and preserving the environment, and caring for the health and safety of its employees, customers, subcontractors and communities in which it operates.

In line with the foregoing, the Institute's Safety, Health and Environmental program is as follows:

- i. To take all appropriate measures to ensure the safety of the employees, customers, subcontractors and the general public wherever it conducts its business.
- ii. To comply with all applicable Safety, Health and Environmental laws and regulations and strive to eliminate any foreseeable hazards that may result in fires, damage to property and the environment, losses and personal injuries and/or illnesses.
- iii. To make Safety, Health and Environment an integral part of all business planning and of equal importance with other key operational, business and strategic objectives.
- iv. To initiate new and sustain continuing programmes designed to promote the Health and Safety of all employees and to cooperate with organizations and associations devoted to safety research and education.
- v. To conduct business according to recognized safety, occupational health and environmental standards.
- vi. To rigorously control the use of drugs and alcohol at the workplace and within working hours by all employees including management.

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

- vii. To continually monitor situations and identify any substandard practices and conditions that may exist in order to provide prompt and adequate remedial action.
- viii. To develop and maintain emergency response plans for credible safety, health and environmental incidents that may involve the Institute.
 - i. To hold each employee responsible for his safety, health and environmental related performance, as well as for that of personnel, facilities and contractors under his supervision.

In compliance, Kiirua TTI ensures;

- ii. Contractors and subcontractors performing work at the Institute's locations supply their own Personal Protective Equipment (PPE).
- iii. Maintain healthy and safe working conditions to ensure there is no personal injury caused by accidents
- iv. Institute has instituted adequate plans for foreseeable incidents such fire
- v. No hazardous or highly inflammable materials are stored in stations without the approval of the Principal.

Market place practices-

Kiirua Technical Training Institute outlines its efforts to:

- (a)** Responsible competition practice - Our Institution ensures there is responsible competitiveness by making sustainable development count in global and local markets. Through providing courses that suits the markets and that reward business practices that deliver improved social, environmental, and economic outcomes.
- (b)** Research on market demand has helped us offer courses that would shape business strategies and practices, and the context in which they operate, to take explicit account of their social, economic, and environmental impacts.
- (c)** Responsible Supply chain and supplier relations- In this regard the institution place its adverts for tenders on the PPIP (Public Procurement Information Portal) and on its website for access to all. Payment to suppliers is done within the limited period of less than Ninety days' other guidelines like President's directive on Special category tender opportunities are adhered to.
- (d)** Responsible marketing and advertisement- In order to ensure we have ethical balance; we reach out to students beyond boundaries by advertising on our website and other national media. We also get students placed to institute by KUCCPS
- (e)** Product stewardship- The Institution offer courses that are accredited by the relevant bodies e.g., KNEC, NITA, CDACC. Our students are also guided on ethical practices in relation to their professional field

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

Corporate Social Responsibility / Community Engagements

Kiirua Technical Training Institute exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on our six pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence

11 Report of board of governors

The Board members submit their report together with the audited financial statements for the year ended June 30, 2025 which show the state of the institute's affairs.

Principal activities

The principal activity for Kiirua Technical Training Institute is to offer Technical and Vocational Education under TVET Act 2013.

Results

The results of the Institute for the year ended 30 June 2025 are set out on page 1 – 5

Board of Governors

The members of the Board who served during the year are shown on page ix. During the year the principal Dr. Jackson Mbae served as the secretary to the board of governors up to 27th of May 2025 when he retired and handed over to the current principal Mr David Gituma Kirigia.

Auditors

The Auditor General is responsible for the statutory audit of Kiirua Technical Training Institute in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or appoint an auditor for the period ended 30 June, 2025 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



Secretary of the Board

Nairobi

Date: 18/11/2025

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

12 Statement of Board of Governors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 require the members to prepare financial statements in respect of that Institute, which give a true and fair view of the state of affairs of the Institute at the end of the financial year 2024/2025 and the operating results of the Institute for the financial year 2024/2025. The 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 members are also responsible for safeguarding the assets of the Institute.

The 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 (period) ended on June 30, 2025. This responsibility includes:

- Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period,
- Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Institute,
- 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,
- Safeguarding the assets of the Institute,
- Selecting and applying appropriate accounting policies, and
- Making accounting estimates that are reasonable in the circumstances.

The 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 TVET Act. The 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, 2025, 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 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 25/8/2025 and signed on its behalf by:

.....


Name..... Idarangi S. Mwarira

Chairperson of the Board

.....


Name.....

Accounting Officer/Principal

REPUBLIC OF KENYA

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HEADQUARTERS
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KIIRUA TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2025

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 Kiirua Technical Training Institute set out on pages 1 to 50, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, the statement of changes

in net assets, statement of cashflows and statement of comparison of budget and actual amount for the year end and summary of significant accounting policies and other explanatory information in accordance to 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kiirua Technical Training Institute as at 30 June, 2025 and of its financial performance for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Long Outstanding Receivables

The statement of financial position and as disclosed in Note 17 to the financial statements, reflects a balance of Kshs.262,471,449 in respect to the current portion of receivables from exchange transactions. Review of ageing analysis revealed that student debtors for the previous year were Kshs.137,620,918 compared to Kshs.272,192,138 for the current year, which is an increase of Kshs.134,571,220 (98%) compared to the previous year's balance. The huge increase in the student debtors' receivables may be an indication of a lack of effective debt collection strategies.

Included in the balance are receivables balance totalling Kshs.200,535,325 which had been outstanding for more than four (4) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance. Further, it was noted that the institution did not have a debt management policy during the year under review to provide guidance on debt collection.

In the circumstances, the full recoverability of the receivables balance of Kshs.200,535,325 could not be confirmed.

2. Incomplete and Unsupported Fixed Asset Register

The statement of financial position, as disclosed in Note 20 to the financial statements, reflects a net book value of Kshs.416,325,633 in respect to property, plant, and equipment.

The Institution's fixed asset register presented for audit was incomplete and lacked essential details such as acquisition cost, accumulated depreciation, and carrying amount of individual assets. Although a ledger for additions during the year was provided, no comprehensive register or schedule was provided to support the opening balances and accumulated depreciation amounts.

In the circumstances, the accuracy and completeness of the property, plant, and equipment net book value of Kshs.416,325,633 reported in the financial statements could not be confirmed.

3. Inaccuracies in the Financial Statements

The statement of comparison of budget and actual amounts reflects revenue from hire of facilities and other income and use of goods and services amounts of Kshs.17,331,788 and Kshs.149,209,518, however, the statement of cashflows reflects amounts of Kshs.17,173,025 and Kshs.148,208,634 resulting to variances of Kshs.158,763 and Kshs1,000,884 respectively which have not been explained or reconciled.

In the circumstances, the accuracy of the financial statements could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kiirua Technical Training Institute Management in accordance with ISSAI 130 on 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 a comparable basis of Kshs.306,744,581 and Kshs.346,678,379 respectively resulting to overfunding of Kshs.39,933,798 or 13% of the final receipts budget. Similarly, the Institute spent Kshs.298,263,934 against actual receipts of Kshs.346,678,379 resulting to an over-utilization of Kshs.48,414,445 or 14% of the actual receipts.

The underperformance affected the implementation of 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 judgment, are of most significance in the audit of the financial statements. Except for the effects of the matter described in the Basis for Qualified Opinion Section of my report, I have determined that there were no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Audit Matters

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and

Report on Effectiveness of Internal Controls, Risk Management and Governance. However, review of the status during audit revealed that the following matters remained unresolved as at 30 June, 2025. This is as summarized below;

1. Outstanding Receivable from Exchange Transactions

Student debtors of Kshs.137,620,918 being an increase by Kshs.72,489,441 or 111% from Kshs.65,131,477 reported in the previous year. Included in the balance are receivables amounting to Kshs.63,078,171 which had been outstanding for more than four (4) years.

2. Inaccurate Trade and Other Payables

Accounts payables balance made up of opening balance of Kshs.9,092,970, total amount for the year of Kshs.112,931,299 and total actual payments for the year of Kshs.107,176,705 resulted in a balance of Kshs.14,847,564. This leads to an unreconciled and unexplained variance of Kshs.17,984,656.

3. Non-Compliance with the Law on Staff Ethnic Composition

Analysis of personnel records revealed that the Institute had ninety (90) staff members. However, forty-eight (48) or 53% of them were from the dominant ethnic community.

Other Information

The Board of Governors is responsible for the Other Information set out on pages i to xxviii, which comprises of Institute's Information and Management, Chairman's Statement, Report of the Principal, Statement of Performance against the Institute's Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Board of Governors and the Statement of Board's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Fund's 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. I have nothing to report in this regard.

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 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. Non-Compliance with the Law on Staff Ethnic Composition

As previously reported, the statement of financial performance and as disclosed in Note 10 to the financial statements, reflects an amount of Kshs.29,055,067 in respect to staff costs. Review of human resource records revealed that the Institution in the year under review had a total of ninety (99) employees, out of whom fifty (55), representing 56% of the total workforce, were from the dominant ethnic community. This is contrary to the Section 7(2) of the National Cohesion and Integration Act, 2008 which stipulates that no public establishment shall have more than one third of its staff from the same ethnic community.

In the circumstances, this was non-compliance with the law.

2. Increase in Trade and Other Payables

The statement of financial position and as disclosed in Note 22 to the financial statements reflects trade and other payables balance of Kshs.48,591,760, which includes an increase balance of Kshs.7,383,307 as trade payables for the year from operation activities. An analysis of the schedule of trade payables records revealed that the current trade payables balance is Kshs.7,383,307, while the outstanding payables for the last financial year was Kshs.1,178,236. This represents Kshs.6,205,071 (527%) increase in trade payables from the financial year 2023/2024. This was contrary to Section 53 (8) of the Public Procurement and Asset Disposal Act, 2015 which states that 'an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contract (s) are reflected in approved budget estimates'.

In the circumstances, the Institute Management was in breach of the law and there is risk loss of public funds through litigations, interests and penalties.

4. Delayed Implementation of Project: Proposed Twin Workshop, Classrooms, Offices Block at Igembe South TVC

The statement of financial position and as disclosed in Note 20 to the financial statements, reflects a net book value of Kshs.416,325,633 in respect of property, plant, and equipment. Included in this additional capital work in progress of Kshs.65,334,238 in respect to a mentored Institution. Review of the mentored Institution project file for the Proposed Twin Workshop, Classrooms, and Offices Block at Igembe South TVC (Project No. MOEST/TVET/12/2015-2016) revealed that the project commenced on 2 February, 2017 with a contractual duration of fifty-two (52) weeks, therefore, expected to be completed by 2 February, 2018. However, as at 30 June, 2025, the project remained incomplete at approximately 80.5% progress. The delay was attributed to untimely

payments to the contractor. Additionally, the project implementation status report and evidence of any extension of time were not provided for audit verification.

In the circumstances, the timely completion of the project could not be assured, and the accuracy of the reported implementation status could not be confirmed.

5. Failure to Deduct Capacity Building Levy

Review of records reveals that the Institute entered into contracts but no documentary evidence has been provided to confirm that the Institute complied with paragraph 3(1) of the Public Procurement Capacity Building Levy, Order 2023 which states that there shall be paid a levy by a supplier on all procurement contracts signed between the supplier and a procuring entity, at the rate of zero point zero three per centum (0.03%) of the value of the signed contract, exclusive of applicable taxes. In addition, Public Procurement Regulatory Authority (PPRA) circular No. 01/2024 dated 30 August, 2024 which requires procurement entities to remit the levy to the Authority through the e-Citizen payment platform by the 20th day of the subsequent month and also file monthly returns.

In the circumstances, Management 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT, AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on the 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

Failure to Tag Assets

The statement of financial position and as disclosed in Note 20 to the financial statements, reflects a netbook value of Kshs.416,325,633 in respect of property, plant, and equipment. Included in these balances are additions of furniture and fittings of Kshs.4,088,446, printers and computers of Kshs.1,487,416 and plant and equipment of Kshs.3,156,532. However, physical verification carried out in November, 2025 revealed that these additional assets had not been tagged to facilitate ease of identification and tracking.

In the circumstances, the safeguarding and accountability of the Institution's assets 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 Management and the Board of Governors

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 of Governors 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 of 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 ISSAIs 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

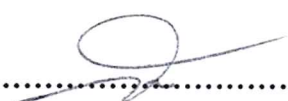
24 November, 2025

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

14 Statement of Financial Performance for The Year Ended 30 June 2025

	Notes	FY2024/2025	FY 2023/2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government – grants	5	70,433,440	90,657,251
Total Revenue from non-exchange transactions		70,433,440	90,657,251
Rendering of services- Fees from students	6	226,940,867	163,938,559
Rental revenue from facilities and equipment	7	17,173,025	12,625,799
Other income	8	158,763	32,314
Total Revenue from exchange transactions		244,272,655	176,596,672
Total revenue		314,706,095	267,253,923
Transfers for development projects		57,732,196	
Net Revenue used for recurrent expenditures		256,973,899	267,253,923
Expenses			
Use of goods and services	9	147,903,883	91,941,407
Employee costs	10	29,055,067	15,804,626
Remuneration of directors	11	5,860,959	2,961,501
Depreciation and amortization expense	12	23,177,111	14,071,381
Repairs and maintenance	13	12,261,028	2,106,193
Finance cost	14	125,884	117,572
Total expenses		218,383,932	127,002,680
Net Surplus for the year		38,589,967	140,251,243

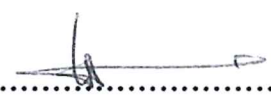
The notes set out on pages 6 to 35 form an integral part of the Annual Financial Statements).


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Chairman of Board


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Principal


.....

Finance Officer

ICPAK No.....*25435*.....

Date.....*13/11/2025*.....

Date.....*13/11/2025*.....

Date.....*13/11/2025*.....

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

15 Statement of Financial Position as at 30th June 2025

	Notes	FY 2024/2025	FY 2023-2024
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	16	36,787,879	121,382,692
Current portion of receivables from exchange transactions	17	262,471,449	131,584,610
Current portion of receivables from non-exchange transactions	18	93,350	93,350
Inventories	19	1,477,234	1,169,200
Total Current assets		300,829,912	254,229,852
Non-current assets			
Property, plant and equipment	20	416,325,633	342,098,046
Intangible assets	21	6,163,433	333,350
Total Non-current assets		422,489,066	342,431,396
Total assets (A)		723,318,978	596,661,248
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	22	48,591,760	32,832,220
Refundable deposits from customers	23	10,778,214	6,202,188
Total Current liabilities (B)		59,369,974	39,034,408
Net Assets (A-B)		663,949,004	557,626,840
Reserves			
Accumulated surplus		351,625,786	313,035,819
Capital Fund		114,606,613	46,874,417
Revaluation		197,716,604	197,716,604
Net Assets		663,949,003	557,626,840

The Financial Statements set out on pages 1 to 5 were signed by:



.....
Chairman of Board



.....
Principal



.....
Finance Officer

ICPAK No.....*25435*

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

16 Statement of Changes in Net Asset for the Year Ended 30 June 2025

	Revaluation reserve	Retained earnings	Capital/	Total
			Development Grants/Fund	
At June 30, 2023	197,716,604	172,784,576	134,123,652	504,624,831
Revaluation gains FY2023/2024	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-
Total comprehensive income 30 June 2024	-	140,251,243		140,251,243
Development grants			15,303,000	15,303,000
Donation in kind	-	-	8,000,000	8,000,000
Transfers	-	-	(110,552,235)	(110,552,235)
Balances 30th June 2024	197,716,604	313,035,819	46,874,417	557,626,840
Balances 1st July 2024	197,716,604	313,035,819	46,874,417	557,626,840
Development grants	-		10,000,000	10,000,000
A-I-A Transfers for development	-		57,732,196	57,732,196
Total comprehensive income 30 June 2025	-	38,589,967		38,589,967
Balances 30th June 2025	197,716,604	351,625,786	114,606,613	663,949,003

Note:

During the financial year the Board approved use of internally generated fund for Construction of the Tution Block. The total approved cost was Kshs 64,506,690 but the amount realised and used for the period amounted to Kshs 57,732,196. This amount has been recognized in the statement of changes in net asset other than in the statement of financial performance .

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

17. Statement of Cash Flows for the Year Ended 30 June 2025

	Notes	2024/2025	FY 2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants	5	70,433,440	90,657,251
Development grants	5	10,000,000	15,303,000
Rendering of services- Fees from students	6b	116,029,777	112,684,276
Rental revenue from facilities and equipment	7	17,173,025	12,625,799
Other income	8	158,763	32,314
Total Receipts		213,795,005	231,302,640
Payments			
Use of goods and services	9b	148,208,634	85,933,213
Employee costs	10	29,055,067	16,058,226
Remuneration of directors	11	5,860,959	2,961,501
Repairs and maintenance	13	12,261,028	2,106,193
Finance cost	14	125,884	117,572
Total payments		195,511,572	107,176,705
Cash Flows from operating activities		18,283,433	124,125,935
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	20(b)	(102,878,246)	(36,224,378)
Net cash flows used in investing activities		(102,003,246)	(36,224,378)
Cash flows from financing activities		-	-
Proceeds from borrowings		-	-
Net cash flows used in financing activities			-
Net increase/(decrease) in cash and cash equivalents		(84,594,813)	87,901,558
Cash and cash equivalents at 1 JULY 2024	16	121,382,692	33,481,134
Cash and cash equivalents at 30 JUNE 2023	16	36,787,879	121,382,692

Finance cost of Shs 125,884 has been recorded separately in the statement of cashflow, the statement of comparison of budget and actuals has considered this amount as expenditure for use of goods and services thus causing a difference between the amount reported in the two statements
ie note 9b and note 14 of the financial statements have been combined to give the totals of shs 149,209,518 recorded in the statement of comparison of budget and actuals

Note 7 (Rental revenue from facilities and equipment) of shs 17,173,025 is recorded in the statement of cashflow as a line item separate from Note 8 (Other income) of shs 158,763, the statement of comparison of

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

budget and actuals has consolidated the two revenues under the heading Hire of facilities and other income amounting to shs17,331,788 causing the difference of shs 158,763

Reconciliation of revenue from rendering of service with statement of comparison of budget and actuals

Rental revenue from facilities and equipment (Note 7)	17,173,025
Other income (note 8)	158,763
Total as per the statement of comparison of budget and actuals	17,331,788

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

18 Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	a	b	c=a+b	d	e	F=e/c %
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Cash balance B/F	-	-	-	121,084,762	-121,084,762	
Transfers from other Govt entities and Govt grants	80,000,000	14,000,000	94,000,000	69,933,612	24,066,388	26
Rendering of services- fees from students	177,536,530	-5,648,449	171,888,081	116,029,777	55,858,304	32
Hire of facilities and other income	18,108,060	450,000	18,558,060	17,331,788	1,226,272	7
Total income	275,644,590	30,649,991	306,744,581	346,678,379	-39,933,798	66
Expenses						
Compensation of employees	24,906,956	479,620	25,386,576	29,055,067	-3,668,491	-14
Use of goods and services	104,267,320	27,042,690	131,310,010	149,209,518	-17,899,508	-14
Repair and maintenance	15,431,884	-	15,431,884	12,261,028	3,170,856	21
Remuneration of directors	6,738,080	-	6,738,080	5,860,959	877,121	13
Total Expenditure	151,344,240	27,522,310	178,866,550	196,386,572	-17,520,022	-9.7
Capital budget						
Acquisition of PPE	124,300,350	3,577,681	127,878,031	102,003,246	25,874,785	20
Surplus	0	- 450,000	0	48,288,561	- 48,288,561	

- i. Finance cost of Ksh.s 125,884 has been recorded separately in the statement of cashflow, the statement of comparison of budget and actuals has considered this amount as expenditure for use of goods and services thus causing a difference between the amount reported in the two statements ie note 9b and note 14 of the financial statements have been combined to give the totals of Kshs 149,209,518 recorded in the statement of comparison of budget and actuals

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

- ii. Note 7 (Rental revenue from facilities and equipment) of shs17,173,025 is recorded in the statement of cashflow as a line item separate from Note 8 (Other income) of Kshs 158,763, the statement of comparison of budget and actuals has consolidated the two revenues under the heading 'Hire of facilities and other income' amounting to Kshs17,331,788
- iii. Included in the statement of cash flow is an amount of Kshs499,828, being operations grants for igembe south that was not included in the statement of comparison of budget and actuals, this statement has only recorded revenues met for Kiirua TTI budget only

Budget notes

1. Transfers from other Government entities and Government grants- As at the closure of the financial year, Third and fourth quarters capitation/ scholarship had not been released
2. Revenue from rendering of services -Non release of Helb Loans as at the closure of the Financial year 2024/2025 caused a decline in the revenue from rendering of service
3. Compensation of employees – initially the budgeted pay for interns was sh15000 but it was reviewed to 16000 for diploma holders and sh20000 for degree holders.
4. Use of goods and services – there were a substantial increase in the may enrollment that increased the purchases of training related materials
5. Repair and maintenance-the overall constraint of available revenue caused postponement of repairs to the following financial year
6. Remuneration of directors- constraint of revenue caused the planned board retreat not to take place

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

19 .Notes to the financial statement

1. General Information

Kiirua Technical Training Institute is established by and derives its authority and accountability from TVET Act. The institute is wholly owned by the Government of Kenya and is domiciled in Kenya. The principal activity is to offer Technical and Vocational Education under TVETA Act 2013

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 Kiirua TTI accounting policies. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Kiirua TTI. 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, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

3. Adoption of New and Revised Standards

i. *New and amended standards and interpretations in issue effective in the year ended 30 June 2025*

There are no new standards in the year ended 30th June 2025

ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025*

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> 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. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, 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: 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.
IPSAS 45: Property Plant and Equipment	<i>Applicable 1st January 2025</i> 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. 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.
IPSAS 46: Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: 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.

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

	<p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i> 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>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i> 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>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i> 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>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p><i>State the expected impact of the standard to the Entity if relevant</i></p>

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

iii. Early adoption of standards

Kiirua TTI did not early-adopt any new or amended standards in year ended June 2025.

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.

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

b) Budget information

The original budget for FY 2024/2025 was approved by the Board on 03/07/2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. During the financial year a review of the budget was done. The reviewed budget was approved on 20/02/2025. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. 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.

c) Taxes

Current income tax

The institute is exempted from paying taxes as per the first schedule of the income tax act cap 470.

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.

d) Investment property

In the financial year 2024/2025 there was no Investment properties held by Kiirua TTI.

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

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.

Depreciation of assets has been provided at cost of asset regardless of when the asset was bought at the following rates

- a) Land and buildings 2.5%
- b) Motor vehicles 25%
- c) Furniture and fittings 12.5%
- d) Computers and printers 33.3%
- e) Plant and equipments 12.5%
- f) Other assets 12.5%

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.

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

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. Intangible assets have been assumed to have a useful life of 3 years and have been amortized over the three years.

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. 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.

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

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.

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

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

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.

Inventories

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 Kiirua technical training institute

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

Provisions

Provisions are recognized when Kiirua TTI 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 Kiirua TTI 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 assets

Kiirua TTI 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 Kiirua TTI 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.

k) 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
- 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.

l) Nature and purpose of reserves

The Institute doesn't create and maintains reserves

m) Changes in accounting policies and estimates

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

n) Employee benefits

Kiirua TTI does not have an active pension scheme currently however, employees are eligible for service gratuity at the rate of 31% (or the prevailing rate) of their monthly basic salary over the period worked. Service gratuity is payable on pro-rata basis where the contract is terminated before the full period.

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

o) Foreign currency transactions

Kiirua TTI did not undertake any transactions in foreign currencies in the financial year that ended 30th June 2025.

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

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

r) Service concession arrangements

Kiirua TTI 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 institute 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 institute 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, 2025.

4. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Kiirua TTI 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 institute. 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 Kiirua TTI.
- 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

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

Provisions

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 makes provision of bad & doubtful debts at the following rates based on the period the debt has been outstanding.

- Up to 4 years 0%
- Up to 5 year(4-5yrs) 5%
- Up to 6-year (5- 6yrs)20 %
- Up to 7 years (6- 7 yrs.) 50%
- Up to 8 years (7- 8yrs)75%
- Up to 9 years (8- 9yrs)100%

5. Transfers from other National Government entities

Description	FY 2024-2025	FY 2023-2024
Unconditional grants		KShs
Capitation grants	69,933,612	85,611,751
Total Unconditional grants	69,933,612	85,611,751
Conditional grants		
Development grants –Kiirua TTI	-	15,000,000
Other organizational grants		
Igembe TVC- operations Grants	499,828	500,000
Laikipia West TVC- operations Grants	-	2,000,000
Merti TVC - Development grants	-	2,545,500
Igembe South TVC - Development grants	10,000,000	-
Laikipia West TVC- Development Grants	-	303,000
Totals Conditional grants	10,499,828	20,348,500
Total government grants and subsidies	80,433,440	105,960,251
Development grants –recognised in statement of changes in net assets	10,000,000	(15,303,000)
Total government grants recognised in statement of financial performance	70,433,440	90,657,251

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

(b) Transfers from other Government entities (Categorized)

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	30th June 2024
	Kshs	Kshs	Kshs	Kshs	Kshs
Ministry Of Education	69,933,612	-	-	69,933,612	105,960,751
Ministry Of Education	499,828			499,828	
Igembe south CDF	-	-	10,000,000	10,000,000	-
Total	70,433,440	-	10,000,000	80,433,440	105,960,751

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

6. Rendering of Services

	30th June 2025	30th June 2024
	Kshs	Kshs
Tuition fees	59,131,827	51,010,278
Activity fees	15,779,775	13,016,544
Examination Fees	19,573,542	10,833,214
Exam Practical Materials	3,401,608	6,623,708
Personal Emolument	54,038,656	49,967,714
Administration cost	12,688,738	10,506,077
ICT Fund	13,328,461	11872,270
Bog Teacher levy	4,326,651	7,249,530.00
Registration fees	1,484,475	2,754,240.00
Student Welfare	12,856,575	10,747,130.00
Local Transport & Travel	17,192,987	15,341,940.00
Repair maintenance &Improvement	15,687,727	14,338,706.00
Electricity Water & Conservancy	17,237,087	15,147,075.00
Industrial Attachment &Insurance	7,374,835	6,831,685.00
Ujuzi Manyattani	5,515,627	5,700,000.00
Laikipia West fees	-	289,100.00
Learning materials	4,638,971	2,833,342.00
Gratuity	195,036	268,810.00
Driving school fees	1,084,000	848,100.00
Computer packages fees	8,500	380.00
Admission	681,500	23,710.00
Replacement of student ID	9,987	4,000.00
Replacement of lost/damaged items	1,500	-
Graduation gown	673,100	-
Graduation support	43,000	-
Exam Center fee	4,300	130,270.00
KUCCPS Fees	1,966,987	4,096,500.00
TVETA Fees	665,992	1,293,000.00
Student ID	738,035	1,322,987.00
Buuri CDF Programme	25,180,000	6,500,000.00
SHOFCO Sponsorship Programme	1,365,000	-
Total revenue from the rendering of services	296,874,479	249,550,310.00
Less grants (Note 5)	69,933,612	85,611,751.00
Total revenue from rendering of service excluding capitation	226,940,867	163,938,559.00

Capitation and grants of shs 70, 433,440 has been reported in note 5 since it is a directive from the ministry to disclose all revenue received separately.

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

Note 6(b)

Adjustment of revenue from rendering of services for the cash flow statement

Cash inflow from rendering of service (Note 6)	226,940,867
Fees debtors 30/6/2024	131,584,610
Fees debtors 30/6/2025	(262,471,449)
Fees prepayment 30/6/2025	40,573,519
Fees prepayment 30/6/2024	(31,375,984)
Retention	10,778,214
Revenue from rendering of service	116,029,777

7. Rental revenue from facilities and equipment

Description	30 th June 2025	30 th June 2024
	KShs	KShs
Bus hire	354,800	590,800
Hostel rent	189,650	936,033
Pay As you Eat (cafeteria)	371,069	958,896
Hire of Facility	2,000	6,000
Meals and accommodation	16,255,506	10,134,070
Total	17,173,025	12,625,799

(This is revenue from hire of the institute bus, income from sale of meals at the institute kitchen and student hostel)

8. Other Income

Description	30 th June 2025	30 th June 2024
	KShs	KShs
Income from sale of tender	13,000	6,000
Library charges	26,430	26,314
Insurance processing fee	1,800	
Caution Money	117,333	
Account activation fee	200	
Total other income	158,763	32,314.00

8.(b) Transfers from rendering of services to development fund

	FY2024/2025	FY 2023/2024
	Kshs	Kshs
Transfers for development projects	57,732,196	-
Total	57,732,196	-

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

Note:

During the financial year the Board approved use of internally generated fund for Construction of the Tution Block. The total approved cost was Kshs 64,506,690 but the amount realised and used for the period amounted to Kshs 57,732,196. This amount has been recognized in the statement of changes in net asset other than in the statement of financial performance .

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

9. Use of Goods and Services

Description	30th June 2025	30th June 2024
Water & Electricity	2,924,421	2,633,786.00
Administration cost	10,892,480	5,747,614.00
Local Travel & transport	12,387,253	11,392,170.00
KATTI, CAPA & ICPAK Membership subscriptions	4,151,406	2,507,572.00
ISO, PC, surveys & Policies	2,856,670	3,111,215.00
Advertising	404,000	947,830.00
Examination fees	39,093,575	18,754,419
Registration	8,000	39,800.00
ICT Fund	2,253,027	831,989.00
Student welfare	1,954,466	1,307,477.00
Research and innovation	681,930	921,690.00
Activity	4,959,787	3,533,673.00
Tuition	9,927,525	4,370,037.00
Attachment	1,026,550	1,011,039.00
Laikipia West TTI	-	2,738,660.00
Igembe South TTI	266,450	203,475.00
Merti TVC	-	2,621,073.00
Pay As You Eat	2,432,544	7,339,449.00
Hostel rent	-	692,000.00
Timau campus	-	236,146.00
Ujuzi manyattani	3,697,177	4,594,444.00
Provision for bad & doubtful debts	25,455,689	6,467,908
Provision for Audit fees	278,400	278,000
NITA Levy	39,900	24,350
Asset Tagging	-	950,000
Arbitration	-	170,900
Graduation Expense(s)	4,515,249	199,700
TVET annual subscriptions and participation	141,000	1,137,048.
Library complex	-	74,500
Fines and interest	-	5,032,082
Buuri CDF Sponsorship programme	6,037,964	2,071,361
Audit fee	139,200	-
Meals and Accomodation	11,379,220	-
Total good and services	147,903,883	91,941,407

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

9(b) Expenditure for use of goods for cash flow statement

Total goods and services (note 9)	147,903,883
Inventory balance as at 30 th June 2024	(1,169,200)
Inventory balance as at 30 th June 2025	1,477,234
Payables as at 30 th June 2024	1,456,236
Payables as at 30 th June 2025(excluding payables in PPE)	(7,661,707)
Retention fees	6,202,188
Actual cash outflow from rendering of services	148,208,634

10. Employee Costs

Description	30 th June 2025	30 th June 2024
	KShs	KShs
Salaries and wages	29,055,067	15,804,626
Total salaries and wages	29,055,067	15,804,626

11. Remuneration directors

Description	30 th June 2025	30 th June 2024
	KShs	KShs
Directors' emoluments	5,620,959	2,961,501.00
Chairman Honoraria	240,000	-
Total director emoluments	5,860,959	2,961,501.00

12. Depreciation and Amortization expense

Description	30 th June 2025	30 th June 2024
	KShs	KShs
Property, plant and equipment	20,095,857	13,904,731.00
Intangible assets	3,081,254	166,650.00
Total depreciation and amortization	23,177,111	14,071,381.00

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

13. Repairs and Maintenance

Description	30 th June 2025	30 th June 2024
	KShs	KShs
Repairs on motor vehicles	570,200	626,707.00
Repairs on building	10,822,822	367,810.00
Repairs on Machines	333,768	255,350.00
Repair of Furniture	228,970	567,926.00
Computers and accessories	188,396	288,400.00
Repair of equipment	116,872	-
Total repairs and maintenance	12,261,028	2,106,193.00

14. Finance Costs

Description	30 th June 2025	30 th June 2024
	KShs	KShs
Bank charges	125,884	117,572.00
Total finance costs	125,884	117,572.00

15. Cash and Cash Equivalents

Description	30 th June 2025	30 th June 2024
	KShs	KShs
Current account	36,780,423	121,084,762.00
cash at hand	7,456	297,930.00
Total cash and cash equivalents	36,787,879	121,382,692.00

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

(The amount should agree with the closing and opening balances as included in the statement of cash flows)

16 (a). Detailed Analysis of Cash and Cash equivalents

		FY 2024-2025	FY 2023-2024
Financial institution		KShs	KShs
a) Current account			
Equity Bank – Institute fund	1040298395060	2,336,378	30,344,893.00
Co-operative Bank - Operations	01139020668101	16,341,344	84,719,753.00
Cooperative-Development	01139020668100	274.00	274.00
Co-operative bank - Mentee Dev Account	01139020688103	1,076,000	1,392,300.00
Retention	1040280984084	10,772,639	4,627,542.00
Co-operative bank- Igembe south CDF	01139020688103	6,253,788	
Sub- total		36,780,423	<u>121,084,762.00</u>
b) Others(specify)			
cash in hand		7,456	297,930.00
Cash in hand (Merti)		-	0.00
Mobile Money account		-	0.00
Sub- total		7,456	297,930.00
Grand total		36,787,879	<u>121,382,692.00</u>

Receivables from Exchange transactions

17 (a) Current Receivables from Exchange transactions

Description	30th June 2025	30th June 2024
	KShs	Kshs
Current Receivables		
Student Debtors	272,192,138	137,620,918
Employees advances	31,000	431,600
Other Receivables	15,704,000	-
Less: Impairment Allowance	(25,455,689)	(6,467,908)
Total Current Receivables	262,471,449	131,584,610.00

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

17(b) Provision of bad debts on student debtors

Ageing Brackets	Rate (%)	Amount	Impairment	Net Debt
up to 4 years	0	71,656,813	-	71,656,813
up to 5yrs (4-5 yrs)	5	137,620,918	6,881,046	130,739,872
up to 6yrs (5-6yrs)	20	43,770,025	8,754,005	35,016,020
up to 7yrs (6-7yrs)	50	18,377,982	9,188,991	9,188,991
up to 8yrs (7-8yrs)	75	539,013	404,260	134,753
up to 9yrs (8-9yrs)	100	227,387	227,387	-
		272,192,138	25,455,689	246,736,449

18 Receivables from Non-Exchange transactions

18(a) Receivables from Non-Exchange transactions

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Laikipia West TTI	93,350	93,350
Total Current Receivables	93,350	93,350

*(*Receivables on capitation grants are recognised for monies received after year end but relating to the year under review).*

18 (b) Ageing Analysis on Receivables from Non-Exchange Transactions

Description	Insert Current FY	Insert Comparative FY		
	Kshs	Kshs		
	FY 2024-2025	% of the total	FY 2023-2024	% of the total
Less than 1 year			93,350.00	%
Between 1- 2 years	93,350.00	100%		
Total	93,350.00	100%	93,350.00	%

19. Inventories

Description	30 th June 2025	30 th June 2024
	Kshs	Kshs
Consumable stores	1,182,886	724,629
Cleaning Materials	110,348	85,512
Catering stores	184000	359,059
Total Inventories at lower of Cost and Net Realizable Value	1,477,234	1,169,200

KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025

20. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Printers & Computers	Other Assets	Plant and equipment	Capital Work in progress	Total
Depreciation Rate		2.5%	25%	12.5%	33.3%	12.5%	12.5%		
At 30th June 2024	20,000,000	154,420,542	10,305,000	7,220,599	17,069,875	4,050,905	34,905,695	135,793,896	383,766,512
At 1st July 2025	20,000,000	154,420,542	10,305,000	7,220,599	17,069,875	4,050,905	34,905,695	135,793,896	383,766,512
Additions	-	-	17,883,216	4,088,446	2,373,595	1,487,416	3,156,532	65,334,238	94,323,443
Transfers	-	93,346,005	-	-	-	-	-	(93,346,005)	-
At 30th June 2025	20,000,000	247,766,547	28,188,216	11,309,045	19,443,470	5,538,321	38,062,227	107,782,129	478,089,955
Depreciation									
At 30 June 2024	-	11,294,415	5,916,563	1,473,503	8,005,037	1,047,104	13,931,844	-	41,668,467
At 1 July 2025	-	11,294,415	5,916,563	1,473,503	8,005,037	1,047,104	13,931,844.00	-	41,668,467
Depreciation	-	5,911,803	5,567,913	1,229,443	3,808,998	561,402	3,016,298	-	20,095,857
30th June 2025	-	17,206,218	11,484,476	2,702,946	11,814,035	1,608,506	16,948,142	-	61,764,323
N B V									
30 June 2024	20,000,000	143,126,127	4,388,437	5,747,096	9,064,838	3,003,801	20,973,851	135,793,896	342,098,045
30 June 2025	20,000,000	230,560,329	16,703,741	8,606,099	7,629,435	3,929,815	21,114,085	107,782,129	416,325,633

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

During the financial year the management completed the construction of the Library complex, the amount of the cost of the Library complex has been transferred from the Capital work in Progress to buildings

Note 20(b)

Additions of fixed assets(note 20)	94,323,443
PPE creditors	(356,534)
Intangible assets	8,911,337
Total cash outflow from investing activities	102,878,246

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). These amounts were adopted in the financial statements on 27th July, 2022

20 (c) Property, Plant and Equipment at Cost

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	
Land	20,000,000	-	20,000,000
Buildings	247,766,547	17,206,218	230,560,329
Plant and machinery	38,062,227	16,948,142	21,114,085
Motor vehicles,& Motorcycles	28,188,216	11,484,476	16,703,741
Computers and related equipment	18,568,470	11,522,660	7,045,810
Furniture, and fittings	11,309,045	2,702,946	8,606,099
other assets	5,538,321	1,608,506	3,929,815
Work In Progress	107,782,129	-	107,782,129
Total	477,214,955	61,472,948	415,742,007

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

21. Intangible Assets

Description	30 th June 2025	30 th June 2024
	KShs	KShs
Cost	500,000	-
At beginning of the year	500,000	-
Additions	8,911,337	500,000-
At end of the year	9,411,337	500,000
Amortization and impairment		
At beginning of the year	166,650	-
Amortization 33.33%	3,081,254	166,650
Impairment loss	3,247,904	166,650
At end of the year	6,163,433	333,350
NB	6,163,433	333,350

22. Trade and Other Payables

	Kshs	Kshs
Trade and other payables(operation activities)	7,383,307	1,178,236
Trade and other payables(PPE)	356,534	-
Fees received in advance	40,573,519	31,375,984
Audit fees	278,400	278,000
Total trade and other payables	48,591,760	32,832,220

Ageing analysis:	FY 2024-2025	% of the Total	2023-2024	% of the Total
	KShs	KShs		
Under one year	139,200	0.3	32,693,220	99.58
1-2 years	48,452,560	99.7	139,000	0.42
Total	48,591,760	100	32,832,220	100

23. Refundable Deposits from Customers/Students

Description	30 th June 2025	30 th June 2024
	KShs	KShs
Refundable deposits to students: Caution Money	-	117,333
Refundable deposits from mentor institutions & construction projects	10,778,214	4,630,660.
Total refundable deposits from customers	10,778,214	4,747,993

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

Ageing analysis:	FY 2024-2025		2023-2024	% of the Total
			Kshs	%
Under one year	6,147,554	56%	-	-
2-3 years	4,630,660	44%	4,747,993	100%
Total	10,778,214	100%	4,747,993	100%

Retirement benefit Asset/ Liability

The institute does not operate a defined benefit scheme for all full-time employees. The institute remits to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The institute's obligation under the scheme is limited a specific contributions legislated from time to time and is currently at 6% of gross pay With the employer contribution of an equal amount (6%) to the employee.

25. Cash generated from operations.

	30 th June 2025	30 th June 2024
Description	KShs	KShs
Net Surplus for the year	38,006,342	140,251,243
Adjusted for:		
Provision for Depreciation	22,885,736	14,071,381
Working Capital adjustments		
Development grants	10,000,000	15,303,000
A-IA Ttrnsfers for Tution Block Construction	57,732,196	
Increase/ (Decrease) in inventory	(308,034)	(333,620)
(Increase)/ Decrease in receivables	(130,886,839)	(68,328,439)
Decrease/(Increase) in payables (excluding PPE)	15,403,006	23,162,370
(Decrease)/ Increase in refundable deposits from customers	4,576,026	
Net cash flow from operating activities	17,408,433	124,125,935

(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)

Adjustment for the trade payables

Total payables note (22)	48,591,760
Payables from investing	(356,534)
Net Payables arising from operations	47,956,826
Prior years payables	(32,832,220)
Increase in payables	15,403,006

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

24. Financial Risk Management

The Institute's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The company'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 Institute's financial risk management objectives and policies are detailed below:

(i) Credit risk

The Institute 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

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 board. 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.

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

	Total amount	Fully performing	Past due	Impaired
At 30 June 2024				
Receivables from exchange transactions	131,584,610	131,584,610	-	-
Receivables from non-exchange transactions	93,350	93,350	-	-
Bank balances	121,382,692	121,382,692	-	-
Total	353,060,652	353,060,652	-	-
At 30 June 2025				
Receivables from exchange transactions	262,471,449	262,471,449	-	-
Receivables from non-exchange transactions	93,350	93,350	-	-
Bank balances	36,787,879	36,787,879	-	-
Total	299,352,678	299,352,678	-	-

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

Financial risk management

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

The Institute has significant concentration of credit risk on amounts invoiced on termly bases

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

(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.

	Less than 1 month	Between 1-3 months	Over 3 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2025				
Trade and other payables	-	48,313,360	0.00	48,313,360
Employee benefit obligation	-	0.00	0.00	0.00
Total	-	48,313,360	0.00	48,313,360

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

(iii) Market risk

The institute has an internal auditor who assists it in assessing the risk faced by the institute on an on-going basis evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate which will affect the institute's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Board Committee.

The institute's Finance Department is responsible for the development of detailed risk management policies and for the day-to-day implementation of those policies.

There has been no change to the institute's exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

The Institute has no transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency.

b) Interest rate risk

Interest rate risk is the risk that the Institute's financial condition may be adversely affected as a result of changes in interest rate levels. The institute interest rate risk arises from bank deposits. This exposes the institute to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the institute's deposits.

Interest rate risk is the risk that the entity's financial condition may be adversely affected as a result of changes in interest rate levels. The company's interest rate risk arises from bank deposits. This exposes the company to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the company's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

iv) Capital Risk Management

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

	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Revaluation reserve	197,716,604	197,716,604
Retained earnings	351,320,561	313,035,819
Capital reserve	114,606,613	46,874,417
Total funds	663,643,778	557,626,840
Total Borrowings	59,091,574	37,580,213
Less: cash and bank balances	36,787,879	121,382,692
Net debt/ (excess cash and cash equivalents)	22,303,695	83,802,429
Gearing	3.4%	6.7%

25. 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 Kiirua TTI 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) Institute top management
- iv) Board of directors
- v) Sponsors of the Institute programme (Nrt- Ujuzi Manyattani)
- vi) Parents /Guardians

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Transactions with related parties		
a) Grants /Transfers from the Government		
Grants from National Govt: Capitation	69,933,612	85,611,751
Igembe South TVC Grants	10,000,000	-
Development grants – Merti TVC	-	2,545,500
b) Sponsors Of Institute Programme		
(NRT- Ujuzi Manyattani)	5,515,627	5,700,000
Buuri CDF (ujuzi mashinani)	25,180,000	-
SHOFCO Sponsorship	1,365,000	
Parents/Guardians	194,880,240	158,238,559
Laikipia West operations grants	-	2,000,000
Igembe South operations grants	499,828	500,000
Donations in Kind	-	8,000,000
Total	307,374,307	262,595,810
c) Expenses incurred on behalf of related party		
Payments of operations expenses of behalf mentee institutions		
Laikipia West TTI	-	2,738,660
Igembe South TTI	266,450	203,475
Merti TVC	-	2,621,073
Total	266,450	5,563,208
d) Key management compensation		
Directors' emoluments	5,860,959	2,961,501
BoG employees' costs	29,055,067	15,804,626
Total	34,916,026	18,766,127

Capital Commitments

Capital Commitments	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Authorised for		
Purchase of motor vehicles	-	17,833,216.00
Completion of library complex	-	4,463,684.00
Construction of the Tution Block phase I	6,774,494	-
Total	6,774,494	22,296,900.00

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorised by the entity but at the end of the year had not been contracted or those already contracted for and ongoing)

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

26. Events After the Reporting Period

There were no material adjusting and non- adjusting events after the reporting period.

27. Ultimate And Holding Entity

The institute is TVET institute under the Ministry of education. Its ultimate parent is the Government of Kenya.

28. Currency

The financial statements are presented in Kenya Shillings (Kshs) and the values are rounded off to the nearest shilling.

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

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	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
1	<p>Outstanding Receivable from Exchange Transactions The statement of financial position and as disclosed in Note 17 to the financial statements reflect current receivables from exchange transactions balance of Kshs.131,584,610. Included in this balance are student debtors of Kshs.137,620, 918 being an increase by Kshs.72,489,441 or 111% from Kshs. 65,131,477 reported in the previous year. Further, The Institute did not provide debtors aging analysis. In the circumstances the accuracy and full recoverability of the receivables balance of Kshs. 131,584,610 could not be confirmed.</p>	debtors aging analysis has been provided on page 25 and on note 179(c) of the financial statement for the financial year 2023/2024	Resolved	
2	<p>Inaccurate Trade and Other payables The statement of financial position reflects accounts payables balance of kshs.32,832,220. However, analysis of movement in accounts payables made up of opening</p>	A reconciliation and amendment will be done and provided	Resolved	

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	balance of kshs.9,092,970, total amount for the year of kshs.112,931,299 and total actual payments for the year kshs.107,176,705 results in a balance of kshs.14,847,564. This leads to an unreconciled and unexplained variance of kshs.17,984,656. In the circumstances, the accuracy and completeness from exchange transactions could not be confirmed			
	Emphasis of the matter			
	<p>Budgetary Control and Performance</p> <p>The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs. 164,955,356 and Kshs. 216,177,640 respectively resulting to over collection of Kshs. 51,222,284 or 31% of the final receipt budget. Similarly, the Institute expended Kshs.115,865,588 against actual receipts of Kshs.216,177,640 resulting to an under-expenditure of Kshs.100,312,052 or 46% of the actual receipts.</p> <p>The under-expenditure and underperformance affected the implementation of the planned activities and may have impacted negatively on service delivery to the public.</p>	Management will adhere to preparation of supplementary budget to accommodate the extra revenue collected so as to expend the total amount collected.	Resolved	

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Report on lawfulness and effectiveness in the use of public resources				
4	<p>Non-Compliance with the Law on Staff Ethnic Composition Analysis of personnel records including Staff bio-data revealed that the Institute had ninety (90) staff members during the year ended 30 June, 2024. However, forty-eight (48) or 48% of them were from the dominant community in Kenya. This was contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that all public offices shall seek to represent the diversity of the people of Kenya in employment of staff and that no public institution shall have more than one-third of its staff from the same ethnic community</p>	The management commits to continuously comply with law in future recruitments by recruiting less from the dominant community	Not resolved	July 2030
Report on effectiveness of internal controls, Risk Management and Governance				
1	<p>Non-compliance with the Third Rule Review of payroll data for the year ended 30 June, 2024 revealed that two employees earned a net salary of less than a third (1/3) of their basic salary. This was contrary to Section 19(3) of the Employment Act, 2007 which requires that Without prejudice to any right of recovery</p>	The management will comply to the third (1/3) of their basic salary in future deductions	Resolved	

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	of any debt due, and notwithstanding the provisions of any other written law, the total amount of all deductions which under the provisions of subsection (1), may be made by an employer from the wages of his employee at any one time shall not exceed two-thirds of such wages or such additional or other amount as may be prescribed by the Minister either generally or in relation to a specified employer or employee or class of employers or employees or any trade or industry.			
2	<p>Ineffective Audit Committee Review of the audit committee reports and minutes revealed that the committee only met twice instead of four times during the year under review. This is contrary to Regulation 179. (1) of Public Finance Management Regulations (National) 2015, which requires that the audit committee shall meet at least once in every three months.</p> <p>In the circumstances the institute did not benefit from the audit committee assurance on risk, control and governance</p>	In Current year the board audit committee has met four times as required by law, reports are prepared on time, and presentations are done per quarter, in full compliance with legal requirements	resolved	

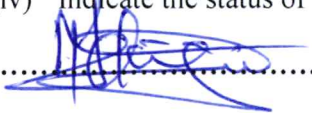
**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
3	<p>Failure to transfer retention money to retention bank account</p> <p>The statement of financial position and as disclosed in Note 23 to the financial statements reflects refundable deposits from customers balance of Kshs.6,202,188. Included in this balance is refundable deposit of Kshs.1,454,195 for M/s Valyrick Enterprises Ltd which was not transferred to Retention Bank Account.</p> <p>In the circumstances, the accuracy and completeness of the Retention money balance of Kshs. 1,454,195 could not be confirmed.</p>	Retention money has been tranfered into the retention account.	resolved	

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 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.

.....


**Name Mr David G Kirigia
Accounting Officer**

Date ..13/11/2025.....

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

Appendix II: Projects Implemented by Kiirua Technical Training Institute

Projects

Projects implemented by Kiirua TTI Funded by development partners.

Project title	Project Name	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1	Igembe South TVC	GOK/IGEMBE SOUTH CDF		57,520,412	NO	YES
2	Construction of the Tution block	AIA		64,506,690.00	NO	YES

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Igembe South TVC	57,520,412	50,028,807	87.5%	57,520,412.00	50,028,807	GOK/NG CDF
2	Construction of the Tution block	64,506,690	57,732,196	89%	64,506,690.00	57,732,196	AIA

KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025

RE : Confirmation of amounts received by Kiirua Technical Training Institute as at 30th June 2025 from the State Department for technical, Vocational, Education & Training

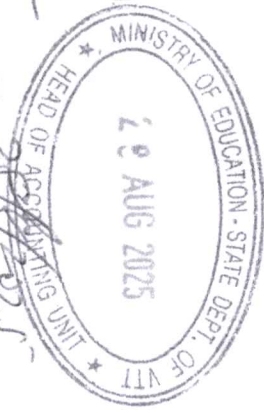
Name of the MDA/Donor Transferring the funds	Date received	Nature: Recurrent/ Development/ Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Period
	As per bank statement				Capital Fund	Deferred Income	Receivables	Others - must be specific	
State Department for technical, Vocational, Education & Training	20/9/2024	Recurrent	1,168,514	1,168,514	-	-	-	-	1,168,514
State Department for technical, Vocational, Education & Training	20/9/2024	Recurrent	1,316,329	1,316,329	-	-	-	-	1,316,329
State Department for technical, Vocational, Education & Training	20/9/2024	Recurrent	557,496	557,496	-	-	-	-	557,496
State Department for technical, Vocational, Education & Training	23/9/2024	Recurrent	322,335	322,335	-	-	-	-	322,335
State Department for technical, Vocational, Education & Training	23/9/2024	Recurrent	10,118,225	10,118,225	-	-	-	-	10,118,225
State Department for technical, Vocational, Education & Training	23/9/2024	Recurrent	9,647,765	9,647,765	-	-	-	-	9,647,765
State Department for technical, Vocational, Education & Training	23/9/2024	Recurrent	7,652,425	7,652,425	-	-	-	-	7,652,425
State Department for technical, Vocational, Education & Training	23/9/2024	Recurrent	11,616,403	11,616,403	-	-	-	-	11,616,403
State Department for technical, Vocational, Education & Training	28/2/2025	Recurrent	27,534,000	27,534,000	-	-	-	-	27,534,000
State Department for technical, Vocational, Education & Training-Igembe South operations grant	17/6/2025	Operations Grant- Igembe South TTI	499,828	499,828	-	-	-	-	499,828
Total			70,433,440		-	-	-	-	70,433,440

KIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025


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

Head of Accounts Department - Disbursing Entity:

Name: Benson M. Kinyua Sign:  Date: 28/08/2025



Head of Accounts Department - Beneficiary Entity:

Name: Florence Mwangi Sign:  Date: 28/08/2025

RE : Confirmation of amounts received by Kiirua Technical Training Institute as at 30th June 2025 from Igembe South CDF

Name of the MDA/Donor Transferring the funds	Date received	Nature: Recurrent/ Development/O thers	Total Amount - KES	Where Recorded/recognized					Total Transfers during the Period
	As per bank statement			Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specific	
CDF Igembe South	17/1/2025	Development Grant	10,000,000		10,000,000	-	-	-	10,000,000
Total			10,000,000		10,000,000				10,000,000

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

Head of Accounts Department - Disbursing Entity:

Name Jesse Mbulira Sign [Signature] Date 09/10/25

FUND ACCOUNT MANAGER,
IGEMBE SOUTH NG-CDF
09 OCT 2025
P. O. Box 98 - 60600,
MAUA.

Head of Accounts Department - Beneficiary Entity:

Name Florence Mwimbi Sign [Signature] Date 28/8/2025

**KIIRUA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

Appendix IV: Reporting of Climate Relevant Expenditures

Project name	Project description	Project objectives	Project activities					Source of funds	Implementing partners
				Q1	Q2	Q3	Q4		
Tree planting	Tree planting event at Muruguma Primary School	Afforestation campaign	tree			77485		AIA	Muruguma Primary School

1. Appendix V: Reporting on Disaster Management Expenditure

Kiirua TTI did not incur any expenditure on disaster Management in the financial year that ended 30th June 2025

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments