

REPUBLIC OF KENYA

PARLIAMENT  
OF KENYA  
LIBRARY



*Enhancing Accountability*



THE NATIONAL ASSEMBLY  
REPORT

DATE: 23 MAR 2022

TABLED BY: L.O.M. OF

CLERK-AT-THE-TABLE: INZUBU

WEST (pm)

**THE AUDITOR-GENERAL**

**ON**

**MUSAKASA TECHNICAL TRAINING  
INSTITUTE**

**FOR THE YEAR ENDED  
30 JUNE, 2020**



*Training to serve*

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# MUSAKASA TECHNICAL TRAINING INSTITUTE

## ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2020.

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

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## - KEY ENTITY INFORMATION AND MANAGEMENT

### (a) Background information

Musakasa Technical Training Institute is located in Bumula Sub-County of Bungoma County, at Musakasa Market along Netima-Napara Road.

The idea to start the institute was born out of informal discussion by the local religious community way back in 2010. This was boosted by the political leadership which availed funds to purchase a 15-acre piece of land. It was registered by the then MOHESIT in December 2012. The first block was constructed in 2013, which houses the offices and lecture rooms. In June 2014, the first batch of 22 students was enrolled in Fashion Design and Garment Making Technology at Artisan level. Currently, the student population is 1116 in the following programs; Fashion Design and Garment making technology, Building and Civil Engineering, Electrical and Electronics Engineering, Information Communication Technology and Business Management, Hair Dressing and Beauty Therapy, Catering and Accommodation, Secretarial studies, Automotive Engineering, Mechanical Engineering, Mechatronic Engineering among others. The institute comprises of 41 teaching staff and 37 non-teaching staff totalling to 78

### (b) Principal Activities

The principal activity of Musakasa Technical Training Institute is to provide training to artisans, craftswomen and men, technicians, technologists, businesswomen and men at artisan, craft and diploma certificate levels.

#### b) Vision, Mission and Motto

##### **Vision**

To Be a Leading Institution in the Provision of Technical and Vocational Training

##### **Mission**

To Provide Quality Technical and Vocational Training in Collaboration with Stakeholders to Produce Highly Skilled and Innovative Human resource

##### **Motto**

Training to Serve.

### Core Values

This strategic Plan is built upon a set of interrelated core values that are embedded in beliefs and desired behavior found within Musakasa Technical Training Institute. The Board of Governors, the management and other stake holders embrace the following core values which represent the fundamental beliefs that influence the way the institute relates and deals with its customers and clients:

- **Excellence** - The Institute shall ensure quality teaching, research and provision of excellence in teaching, research and provision of service to the public.
- **Equity** - The Institute shall ensure fair treatment of staff, students and all other stakeholders without bias.
- **Integrity** – The Institute staff shall have common decorum reflected in their personal appearances, interactions and conducts.
- **Team work** - The Institute is committed to teamwork environment where every person is a valued member treated with respect, encouraged to contribute and recognized and rewarded for his or her efforts.
- **Innovation** – The Institute shall provide opportunities for the creation of new ideas and products for teaching, learning and well-being of the society.

### (c) Key Management

Musakasa Technical Training Institute’s day-to-day management is under the following key organs:

- The Board of Management
- The Principal
- The Administration

### (d) FIDUCIARY MANAGEMENT

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2020 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Charles Marumbu
2.	Deputy Principal	Newton Tarian
3.	Registrar	Geoffrey Khisa
4.	Dean Of Students	Protus Seng’enge
5.	Finance Officer	Christine Wamboka
6.	Procurement Officer	Moses Makumba

### **(e) Fiduciary Oversight Arrangements**

#### **Audit and Risk and Compliance Committee Activities**

The institute Board has established a committee of the Board which provides oversight on the institute financial and other management matters. The institute is also planning to establish an internal audit department that shall report to the Board Committee.

#### **Parliamentary Committee Activities**

The Principal of Musakasa Technical Training Institute is accountable to the national Assembly for the institute's financial management. The Constitution of Kenya, 2010; 135(3) subjects to clause 4, requires that the accounts of all governments and state organs be audited by the Auditor General. Upon audit, the Annual reports and financial statements are usually submitted to the National Assembly to ascertain whether the finances of the institute were prudently managed.

### **(f) REGISTERED OFFICE**

Musakasa Technical Training Institute

Along Netima Napara Road

Off Kimwanga Mayanja

Along Kanduy iMalaba Road

P.O. Box 1249 – 50200,

BUNGOMA.

Tel. 0716056878, 0717624837

Email: [enquiries@musakasa.inst@gmail.com](mailto:enquiries@musakasa.inst@gmail.com)

### **KEY ENTITY INFORMATION AND MANAGEMENT (Continued)**

#### **(g) MUSAKASA TECHNICAL TRAINING INSTITUTE CONTACTS**

Telephone: 0716056878, 0717624837

E-mail: [enquiries@musakasa.inst@gmail.com](mailto:enquiries@musakasa.inst@gmail.com)

(h) MUSAKASA TECHNICAL TRAINING INSTITUTE

(i) BANKERS

1. Kenya Commercial Bank Bungoma Branch

P. O. Box 380, 50200

**BUNGOMA**

2. Cooperative Bank of Kenya Limited

Bungoma Branch

P. O. 1964 - 50200

**BUNGOMA**

(j) INDEPENDENT AUDITORS

Auditor General

Office of Auditor General

Anniversary Towers, University Way

P.O. Box 30084 GOP 00100

Nairobi, Kenya

(k) PRINCIPAL LEGAL ADVISER

The Attorney General

State Law Office

Harambee Avenue P.O. Box 40112

City Square 00200

Nairobi, K

## THE COUNCIL/BOARD OF GOVERNORS



**Name:** Dr Brian W Singoro

**D.O.B:** May 1971

**Key Qualifications:** PhD (DMHA), MA (Econs), Bed (Arts), KACE

**Work Experience:** Ass Lecturer of Economics, Kibabii University Senior Trainer and Presiding officer with IEBC Kabuchai Constituency Bungoma County, Senior head of Department Bukembe High School, Senior Lecturer Department of Geography Kibabii Diploma Teachers Training College, Part-time lecturer in physical environment Bachelor of technology in building and construction, Senior HOD Bungoma Baptist Girls , Senior supervisor, 2009 Kenya Population and housing census, Senior HOD Wamalwa Kijana High School, Principal St. Teresa's high school, Presiding officer General Elections , Founder Principal, St. Christopher's Mabanga Girls. Dr Brian Singoro is the Chairman Board of Governors Musakasa TTI.



**Name:** Samuel Wanyonyi

**D.O.B:** 1951

**Key Qualifications:** MSC, GIS, BSC Survey-  
University of Nairobi **Work**

**Experience:**

Ag. Director/ Senior Deputy Director of TVET at  
Ministry of Education Science and Technology – Kenya

Ag. Principal Programme Coordinator, Technical  
Education Department at Kenya Institute of  
Education/Principal Lecturer(Survey & Mapping)

Mr. Wanyonyi is the member (current) and former  
chairman of the Board of Governors.



**Name:** Jonah Misoi

**D.O.B:** 1965

**Key Qualifications:** BCOM (Accounting Option,  
University of Nairobi, CPA II **Work experience:**

GOK – Office of the President ministry of  
Environment & Natural resources, and the treasury as an  
Accountant.

Kenya Tea Packers Limited – Accountant I,  
Management accountant, Assistant Chief Accountant,  
Senior Financial Accountant, Ag. Head of Finance. Mr.  
Jonah is the Board member.



**Name:** Mr. Ocharo Kebira

**D.O.B:** May 1971

**Key Qualifications:** Certified Professional Mediator, Master of science in Human Resource Management, Diploma in law, Bachelor of Law, KACE Certificate.

**Work experience:** Managing partner Ocharo Kebira and Company Advocates Bungoma, Associate Advocate omagwa Angima and Company Advocates, Legal Assistant Omagwa Angima and Company Advocates Bungoma.

Mr. Ocharo is the BOG Member.



**Name:** Ms Carol A. Owiti

**D.O.B:** 18/08/1990

**Key Qualifications:** MSC Computer systems, B.BIT, D. BIT, CCNA1 (Cisco Certified Network Associate) **Work**

**Experience:** Simplify IT LTD – IT Support Engineer, Huduma Centre Homabay Branch, Mercy corps International Software Development Assistant.

Ms Carol is an independent member of the Board of Governors.



**Name:** Inviolata Siboe

**D.O.B:** 1959

**Key Qualifications:** MSc Construction Project Management JKUAT , BPHIL, University of Nairobi

**Work experience:** Works officer in UON for over five years and has wide experience in various areas in the Public sector.

Lecturer (part time) at Technical University of Kenya – construction department.

Design Assistant; at Kenya Railways Corporation.

Structural Assistant; at the ministry of works




**Name:** Dr Patrick Kuloba

**D.O.B:** 1965


**Key Qualifications:** Doctor of philosophy in Environmental and Biosystems Engineering Master of Science in Mechanical Engineering Bachelor of Science in Agricultural Engineering.

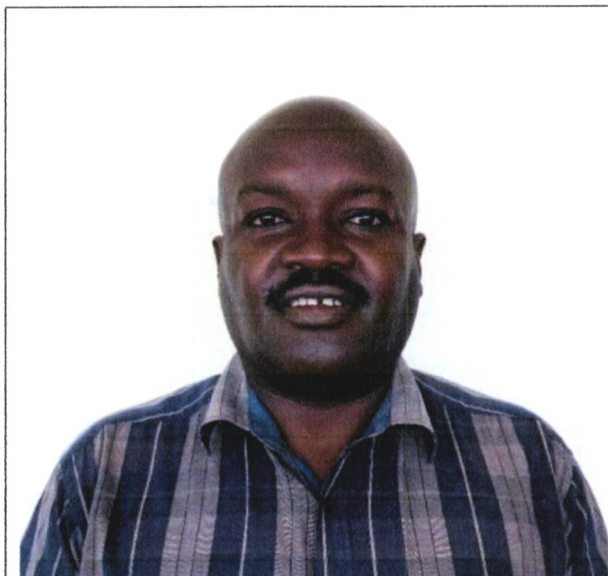
**Work experience:** Kenya Industrial Research and Development Institute

Dr Patrick Kuloba is the BOG Member

 A portrait photograph of Charles Marumbu Vincent, a middle-aged Black man with a shaved head, wearing a light blue and white checkered button-down shirt. He is looking directly at the camera with a neutral expression. The background is plain white.	<p><b>Name:</b> CHARLES MARUMBU VINCENT</p> <p><b>D.O.B:</b> 1973</p> <p><b>Key Qualifications:</b> PhD BM(HR)</p> <p><b>Work Experience:</b> Over 20 years in Educational administration.</p> <p>Mr. Marumbu is the Secretary Board of Governor Musakasa TTI.</p>
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- MANAGEMENT TEAM

 A portrait photograph of Charles Marumbu Vincent, a middle-aged Black man with a shaved head, wearing a light blue and white checkered button-down shirt. He is looking directly at the camera with a neutral expression. The background is a plain, light-colored wall.	<p><b>Name:</b> CHARLES MARUMBU VINCENT</p> <p><b>D.O.B:</b> 1973</p> <p><b>Key Qualifications:</b> PhD BM(HR)</p> <p><b>Work Experience:</b> Over 20 years in Educational administration.</p> <p>Mr. Marumbu is the Secretary Board of Governor Musakasa TTI.</p>
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**Name:** Newton Tarian

**D.O.B:** 31<sup>st</sup> December 1976

**Key Qualifications:** Bachelor of Technology( Tech. Ed(BCT)

**Work Experience:** Over 15 years in Technology Education and Administration

Mr. Tarian is the Deputy Principal Administration Musakasa TTI




**Name:** Geoffrey Khisa

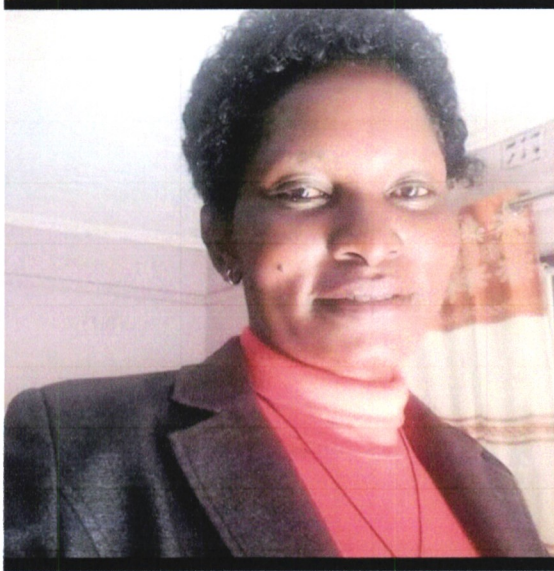
**D.O.B:** 1964

**Key Qualifications:** MBA, BEd

**Work Experience:** Over 21 years in Educational Administration

Mr. Khisa is the Registrar

	<p><b>Name:</b> Protus Seng'enge</p> <p><b>D.O.B:</b> 1976</p> <p><b>Key Qualifications:</b> Bachelor of Technology (TechEd (BCT))</p> <p><b>Work Experience:</b> 11 years in Education</p> <p>Mr. Seng'enge is the Dean of Students</p>
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**Name:** Christine Wamboka Koyabe

**D.O.B:** 17/07/1977

**Key Qualifications:** Certified Public Accountant CPAK(ICPAK Member)  
Bachelor of Commerce Accounting Option.  
Diploma in Accountancy (KNEC)

**Work Experience:** 17 years in Accounting Profession.  
2008 to 2020- Senior Accountant KNUT Bungoma South Branch.  
2003 to 2008-Bursah Napara Girls High School.

Christine Wamboka is the Finance Officer Musakasa Technical Training Institute.



**Name:** Moses Makumba

**D.O.B :**21/3/1985

**Key Qualification:** Bachelor Degree in BA, option Supplies chain management, (KISM-Member),  
Diploma supply chain (KNEC) Diploma project management.

**Work Experience:** 5 years.

Moses Makumba is the Procurement Officer.

## - CHAIRMAN'S STATEMENT

On behalf of the Musakasa Technical Training Institute Board, I am pleased to present the Annual Report for the 2019/2020 financial year. It was a productive financial year and I have enjoyed being part of the dynamic team at Musakasa. The education sector is currently facing reforms with the focus area being quality over quantity as the strategic driving force to the Ministry of Education.

Musakasa Technical Training Institute remains committed to all its stakeholders in executing its mandate as outlined in the 2019-2022 strategic plan whose overall theme is to achieve Global Excellence in Technical Training Institute Education. The Technical Institute is mandated to execute the various strategic directions as set out in the plan, marking its third year of execution.

During FY 2019/2020, Musakasa Technical Training Institute received a good number of students reporting to the Institute enhancing its viability and future growth.

### **New Programs**

In the last financial year, we made application to TVETA to have the below programs accredited. In the financial year ending 30<sup>th</sup> June, 2020, we can confirm having registered and we have a good number of students already enrolled.

1. Diploma Food and Beverage
2. Certificate Food and Beverage
3. Certificate in General Agriculture
4. Diploma in General Agriculture
5. Artisan in plumbing
6. Artisan in Hair Dressing and Beauty Therapy
7. Artisan in Food and Beverage
8. Artisan in Store Keeping
9. Certificate purchasing and supply chain.
10. Diploma purchasing and supply chain.
11. Artisan Welding and Fabrication
12. Certificate Catering and Accommodation
13. Diploma in Catering and Accommodation
14. Diploma in information studies
15. Certificate in information studies **Challenges**

One of the biggest challenges facing Musakasa TTI is an acute shortage of learning space, accommodation and administration offices. The ministry's target for every TVET Institution is to have not less than 5,000 students by the year 2022. We therefore appeal to the government to intervene and help us address this issue even as we strive to fix the challenge as best as we can. **Financial Performance**

In the financial year that ended 30<sup>TH</sup> June 2020 Musakasa Technical Training Institute recorded a better financial performance. This attributed to stringent financial management measures. We recorded a good increase in student enrolment as from 556-1116 thus 101% increase as at 30<sup>th</sup> June 2020.

To improve the Institute's infrastructure and enhance students' experience an ongoing building construction (Tuition/Administration block phase II) has commenced and once completed this will provide more space to students and staff. However, we pray and request that the MOE shall release the development grant to this project on time so as we be able as institute to achieve our infrastructural objective.

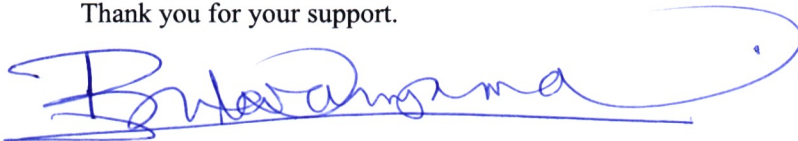
MUSAKASA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2020.

A new building (semi-permanent Mabati classrooms) was constructed to cater for the increasing enrolment. The building comprises of 10 doors.

The institute also managed to purchase two dairy cows.

May I extend my sincere gratitude to Musakasa TTI Board of Governors, our Principal and the entire Management team, our staff members, Students and all our stakeholders for their commitment and support to the Technical Training Institute. I am optimistic that the Institute is set for a prosperous future.

Thank you for your support.



**Dr Brian W Singoro.**  
**Chairman of Board.**

## - REPORT OF THE PRINCIPAL

Dear stakeholders, firstly I would like to state that 2019/2020 FY has been a year of relative success, challenging but fruitful. We at Musakasa Technical Training Institute have continued creating networks and maintained strategic alliances at the regional and global level. The value of these alliances cannot be overstated and are aimed at ensuring the Technical Training Institute has a competitive advantage. We have invested in opportunities to provide exposure, synergy, knowledge sharing and expertise. All these is aimed at contributing to intellectual and human capital.

### **Increased Infrastructure**

In the last FY, we started the construction of Tuition Block phase II. The project is expected to promote practical learning and research in the institute. The project will be suitable since it will be used to promote research, innovation and entrepreneurship. This will contribute to reduction of poverty in the society.

During the financial year, the institute constructed classrooms (semi-permanent Mabati structure) to accommodate the increasing number of students. Within the FY under review the Institute reviewed its strategic plan (2019 – 2022) onto which we maintained the proposal to the government for funding of a tuition block complex phase II. This will address the issue of facilities that has limited enrolment in the Institute due to lack of space.

This is a strong indication that we value infrastructure necessary for leading Institution in the provision of Technical and Vocational Training. It is envisaged that this will enhance student experience and provide excellent facilities for staff and students.

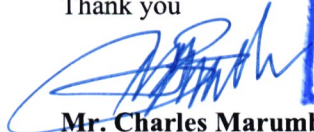
### **Conferences**

Academic workshops and conferences are essential for the growth of Musakasa Technical Training Institute. It provides a basis for benchmarking, networking and research. There were multiple conferences, seminars and workshops organized during the year by Various Institutes. These were largely successful and valuable lessons were gathered.

### **Going Forward**

While the achievements of the years past have put us in a position of strength, our effort in the coming days will be doubled so that we can meet our long term objective of being a globally recognized Centre of training. We shall have to be innovative to stay afloat. To this end, we shall endeavour to become more visible by using generally accepted parameters of measure to place ourselves. For one, ISO certification will help us earn our place as a certified super brand. Our strategic plan is the key direction that remains our guiding blueprint and our emphasis based on the six pillars therein. Our collective effort will make us and our actions will help actualize this dream of the Institute serving society and the world. I wish to convey my gratitude to all staff, both academic and administrative and the students who together, are lending form to our collective dream. Together we shall triumph.

Thank you



**Mr. Charles Marumbu Vincent,  
Principal**





## CORPORATE GOVERNANCE STATEMENT

Musakasa TTI is governed by the Board of Governors. The Board provides strategic direction, exercises control and remains accountable through effective leadership, enterprise, integrity and good judgment. It is diverse in its composition, independent but flexible, pragmatic, objective and focused on balanced and sustainable performance of the Institute.

### Appointment of Board Members

- i. Every appointment is by name and by notice in the Kenya Gazette but ceases if the Council member:
  - a) Serves the appointing authority with a written notice of resignation; or
  - b) Is absent, without the permission of the Chairperson, from the three consecutive meetings; or
  - c) Is convicted of an offence and sentenced to imprisonment for a term exceeding six months or to a fine exceeding twenty thousand shillings; or
  - d) Is incapacitated by prolonged physical or mental illness from performing his duties as a member of the Council; or
  - e) Conducts himself in a manner deemed by the appointing authority to be inconsistent with membership of the Council.
- ii. Any removal of a Board member under (i) above, shall be through formal revocation.

### Ethics and Conduct

The Board adheres to the Code of Conduct and Ethics for State Corporations (SCs) which focuses on ethical conduct and integrity at the workplace. It defines the Board's commitment to the highest standards of behaviour so as to contribute to the achievement of the national development goals. The Code sets out expectations for individual behaviour necessary to meet these standards and includes requirements and guidance to help carry out their roles with integrity and in compliance with the law. By exemplifying the ethical behaviours and corporate values described in the Code, the Board is expected to uphold Article 10 of the Constitution of Kenya, 2010 on National Values and Principles of Governance and Chapter 6 on Leadership and Integrity.

### Conflict of Interest Policy & Disclosures

A conflict of interest may arise where a Board member or close family member such as a spouse, child, parent or sibling has private interests that could improperly influence the performance of the Board member's official duties and responsibilities. Conflict may also arise where a Board member uses their office for personal gain.

Board members are required to avoid conflict of interest and deal at arm's-length in any matter that relates to the organization. However, a Board member who identifies an area of conflict shall be required to disclose any actual or potential conflict of interest to the Board. In so reporting, the Board member is required to provide all relevant information, including information which relates to their immediate family members by blood or marriage which is related to the area of conflict. When declared, the Board member shall abstain from decisions where the conflict exists.

The Secretary keeps a record of conflicts of interest declared, for accountability purposes, and as a rule of good practice on appointment and on regular intervals or at any time when circumstances change, all members shall in good faith disclose to the Board for recording, any other business or interest likely to create a potential conflict of interest.

### **Board Remuneration**

Board members are remunerated for their services in accordance with State Corporations Act provisions and/or guidance from the State Corporations Advisory Committee. In line with best practice, the remuneration includes Honoraria for the Chair of Board and allowances for all members on attendance of Board meetings.

### **Board Induction and Training**

When new Board members are appointed, the Institute organizes for induction in order to familiarize themselves with their responsibilities as Members of Board, general principles of corporate governance and Council practices. The induction programme provides the Board members with an orientation of the organization, strategic plans, financial status and policies, risk management, compliance programmes and the Code of Conduct and Ethics. The current Council members were inducted in the year under review. **Board Responsibilities**

Board of Governors, during the inauguration on 19<sup>th</sup> September 2017, was sensitized on their roles and responsibilities according to the TVET Act which were.

- a) Overseeing the conduct of education and training in the Institute in accordance with the provisions of TVET Act 2013 and any other written law.
- b) Promoting and maintaining standards, quality and relevance in education and training in the Institute in accordance with the TVET Act 2013 and any other written law.
- c) Administering and managing the property of the Institute
- d) Developing and implementing the Institute's Strategic Plan – *MTTI Strategic Plan 2015 – 2019 was developed by the Board.*
- e) Preparing annual estimates of revenue and expenditure for the Institute and incurring expenditure on behalf of the Institute
- f) Receiving, on behalf of the Institute, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institution or other bodies or persons.
- g) Determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of TVET Act 2013
- h) Mobilizing resources for the Institute
- i) Developing and reviewing programmes for training and to make recommendation to TVETA – *the Board is in the process of launching CBET Curriculum*
- j) Regulating the admission and exclusion of students from the Institute, subject to a qualifications framework and the provisions of TVET Act 2013
- k) Approving collaboration or association with other institutions and industries in and outside Kenya subject to prior approval by the Ministry.
- l) Recruiting and appointing trainers from among qualified professionals and practicing trades persons in relevant sectors of industry
- m) Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the Institute in consultation with the Authority
- n) Making regulations governing organization, conduct and discipline of the staff and students
- o) Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submit the same to the Board.
- p) Providing for the welfare of the students and staff of the Institute
- q) Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the Institute
- r) Discharging all other functions conferred upon it by TVET Act 2013 or any other written law

The meeting attendance of the Board members during the Full Board meeting is shown below:

S/No	Name	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1.	Dr Brian W Singoro	✓	✓	✓	✓
2.	Mr Samuel Wanyonyi	✓	✓	✓	✓
3.	Mr Jonah Misoï	✓	✓	✓	✓
4.	Dr Patrick Kuloba	✓	✓	✓	✓
5.	Mr. Ocharo Kebira	✓	x	✓	✓
6.	Mr Inviolata Siboe	✓	✓	✓	✓
7.	Ms. Carol Owiti	✓	✓	✓	✓
8.	Charles Marumbu	✓	✓	✓	✓

## MANAGEMENT DISCUSSION AND ANALYSIS

### **The Institute operational and Financial Performance.**

Generally, the Institute operated at a net surplus of Kshs.17, 301,998 during the financial year. This was majorly due to the factors below;

- Reduction on expenditure as a result of COVID-19.
- Increase in students' population.

This is an indication that the polytechnic is growing well and the going concern is guaranteed.

### **Compliance with Statutory Requirements**

By the end of the year, the Musakasa had paid all its statutory requirements in terms of NSSF, NHIF, PAYE and all withholding taxes from contractors payable to KRA. The Institute has been withholding taxes on all payment made to contractors and remitting them to KRA. The Institute is operating under legal frame works necessary under public sector requirement such as;

- The Constitution of Kenya, 2010
- TVET Act, 2013
- PFM Act, 2012
- Procurement and Assets Disposal act, 2015
- IPSAS standards.
- All other relevant laws in its operation(regular circulars from treasury and ministry of education)

### **Key Projects the Institute Implemented**

*The Institute has the following projects:*

*i) Tuition Block phase II -wing A (WIP)*

The project is expected to promote practical learning and research in the Institute. The project will be sustainable since it will be used to promote research, innovation and entrepreneurship. This will contribute to reduction of poverty in the society. This project is financed by Government of Kenya. The contract sum of the project was Ksh 19,918,916.80

*ii) Construction of classrooms:*

During the financial year 2019/2020, the Institute constructed classrooms to accommodate the increasing number of students. The money used was from A in A *iii) Proposed Tuition block Phase II*

A proposal was made to the government for funding of a tuition block complex phase II. This will address the issue of facilities that has limited enrolment in the Institute for lack of capacity. This project is anticipated to cost Kshs. 60,604,600.00 and is to be financed by Government of Kenya. The government of Kenya has disbursed a total of Kshs 13, 078,162 as at 30<sup>th</sup> June 2020.

**Major risks the Institute is facing;**

**Operational Risks**

The Institute faces competition for resources including; students, staff and financial resources.

The Institute's financial assets are trade receivables as well as cash and short-term deposits which arise directly from its operations. The Institute has financial liabilities comprising trade and other payables which are all current. The management has ensured timely payment to suppliers and other service providers, hence no historic debt.

The Institute has exposure to the following risks:

i) Liquidity risks ii) Credit risks

The Council has overall responsibility for the establishment and oversight of the Institute's risk management framework.

**Liquidity Risk**

Liquidity risk is the risk that the Institute will not be able to meet its financial obligations as they fall due. The Institute's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Institute's reputation.

**Credit Risk**

Credit risk is the risk of financial loss to the Polytechnic if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the organization's receivables from customers. The Institute receives fees from students as well as capitation from the Government which minimizes the credit risk exposure.

*Material Arrears and Financial Obligations*

The Institute had substantial fees arrears totalling to Ksh.20, 458,651 which had not been received by the year end.

## REPORT OF THE BOARD OF GOVERNORS

The Board submits the report together with the financial statements for the year ended June 30, 2020 which shows the state of Musakasa TTI'S affairs.

### Principal activities

The principal activities of the Musakasa TTI continues to be provision of training to artisans, craftswomen and men, technicians, technologists, businesswomen and men at artisan, craft and diploma certificate levels.

### Results

The results of the entity for the year ended June 30 2020 are set out from page 1

## BOARD OF GOVERNORS

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

### Auditors

The Auditor General is responsible for the statutory audit of Musakasa TTI in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 were nominated by the Auditor General to carry out the audit of the Institution for the year ended June 30, 2020 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

  
Charles Marumbu

B.O.G Secretary Bungoma

Date... 14/06/2021



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INSTITUTE  
HAWAIIAN TECHNICAL  
FOR EMPLOY

## STATEMENT OF BOARD OF GOVERNORS MEMBERS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and (*section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 - (entities should quote the applicable legislation under which they are regulated)*) require the board members to prepare financial statements in respect of that Institution which give a true and fair view of the state of affairs of Musakasa TTI at the end of the financial year/period and the operating results of the Institution for that year/period. The board members are also required to ensure that Musakasa TTI keeps proper accounting records which disclose with reasonable accuracy the financial position of the Institution. The board members are also responsible for safeguarding the assets of Musakasa TTI.

The board members are responsible for the preparation and presentation of Musakasa TTI'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, 2019. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Institution; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The board members accept responsibility for Musakasa TTI'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 State Corporations Act, and the TVET Act*) – *entities should quote applicable legislation as indicated under*). The board members are of the opinion that Musakasa TTI's financial statements give a true and fair view of the state of the Institution's transactions during the financial year ended June 30, 2020, and of the Institution's financial position as at that date. The board members further confirm the completeness of the accounting records maintained for the Institution, which have been relied upon in the preparation of the Institution's financial statements as well as the adequacy of the systems of internal financial control.

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

### Approval of the financial statements

Musakasa TTI's financial statements were approved by the Board on 10<sup>th</sup> September 2020 and signed on its behalf by:



Board Chairman



Board Member



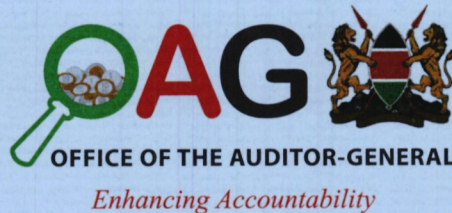
Board Secretary



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DIVISION  
FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
WASHINGTON, D. C.

# REPUBLIC OF KENYA

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

## REPORT OF THE AUDITOR-GENERAL ON MUSAKASA TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2020

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### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Musakasa Technical Training Institute set out on pages 1 to 39, which comprise the statement of financial position as at 30 June, 2020, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Musakasa Technical Training Institute as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training (TVET) Act, 2013 and the Public Finance Audit Act, 2012.

#### Basis for Qualified Opinion

##### 1. Capital Fund and Reserves

The statement of financial position reflects a balance of Kshs.152,550,694 and Kshs.8,395,976 in respect Reserves and Capital Fund respectively. The balances have not been supported by way of notes to the financial statements as required by International Public Sector Accounting Standards (IPSAS) 1 which provides that all the components in the financial statements should be supported by way of notes.

Consequently, the financial statements are not presented in accordance with International Public Sector Accounting Standards' reporting framework.

## **2. Property, Plant and Equipment - Additions in Assets**

The statement of financial position reflects property, plant and equipment balance of Kshs.126,910,639 which as disclosed in Note 21 to the financial statements includes an amount of Kshs.6,196,639 being additions during the year. However, the amount has not been supported with purchase documents such as local purchase orders, invoices and cash sales.

Further, the certificate of work reflects an amount of Kshs.4,866,849 for work in progress while Note 21 to the financial statements reflects an amount of Kshs.4,380,165, resulting to an unreconciled difference of Kshs.486,684.

Management has not disclosed in the financial statements the depreciation policy used by the Institute.

In addition, the assets register maintained by the Institute does not contain the required details such as suppliers or contractors, date of acquisition, estimated useful life, physical location, condition of the asset and serial numbers of the respective assets.

Consequently, the accuracy and completeness of the property, plant and equipment balance of Kshs.126,910,639 reflected in the statement of financial position as at 30 June, 2020 could not be confirmed.

## **3. Unsupported Trade and Other Payables**

The statement of financial position reflects a balance of Kshs.772,160 in respect of trade and other payables from exchange transactions. The balance has not been supported with a creditors' ledger showing details of invoices from the suppliers, demand notes, and description of services rendered or work done. The creditors aging analysis was also not maintained hence it was not possible to determine how long the creditors have been outstanding.

In the circumstances, the accuracy and completeness of the trade and other payables balance of Kshs.772,160 could not be confirmed.

## **4. Lack of Trial Balance**

Management did not provide for audit review the trial balance as at 30 June, 2020 to support the figures and balances reflected in the financial statements in line with Regulation 57(2 and 3) of the Public Finance Management (National Government) Regulations, 2015.

Consequently, the accuracy and completeness 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 Musakasa 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.

### **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. There were no key audit matters to report in the year under review.

### **Other Matter**

### **Budgetary Control and Performance**

The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.36,078,800 and Kshs.25,299,017 respectively resulting to an under-funding of Kshs.10,779,784 or 30% of the budget. Similarly, the Institute expended Kshs.22,321,272 against an approved budget of Kshs.22,321,272 resulting to an under-expenditure of Kshs.13,756,828 or 38% of the budget.

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

## **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 matter described in the Basis for Conclusion on Lawfulness and Effectiveness in 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. Late Submission of Financial Statements**

The financial statements of the Institute for the year under review were submitted for audit on 18 November, 2020, and not within the statutory deadline of 30 September, 2020, as required by Section 47(1) of the Public Audit Act, 2015 and the Public Finance Management Act, 2012, which provide that financial statements should be submitted for audit within three months after the end of the financial year to which the accounts relate.

In the circumstances, Management in breach of the law.

#### **2. Remuneration of Directors**

##### **2.1. Irregular Payment of Sitting Allowance**

Included in the remuneration of Directors balance of Kshs.1,271,040 is an amount of Kshs.141,000 which was paid as sitting allowance to two persons who did not qualify for

a sitting allowance as they were public officers in receipt of a salary contrary to the provisions of Section 10(1) of the State Corporations Act, Cap 446 which states that the chairman and members of a Board, other than the Chief Executive Officer and public officers in receipt of salary, should be paid out of the Funds of the state corporation such sitting allowances or other remuneration as the Board may, within the scales of remuneration specified from time to time as the Committee approve.

## **2.2. Non-Deduction of Pay as You Earn (PAYE)**

The statement of financial performance reflects an expenditure of Kshs.1,271,040 incurred by the Institute as remuneration of Directors. However, no evidence was provided to show whether the Institute deducted and remitted Pay As You Earn thereon to Kenya Revenue Authority as required by Regulation 23(2)(a) of the Public Finance Management (National Government) Regulations, 2015.

In the circumstances, Management is in breach of the law.

## **3. Management of Temporary Imprest**

The statement of financial performance reflects an expenditure balance of Kshs.5,127,126 in respect of use of goods and services which includes an amount of Kshs.611,100 being temporary imprest paid to four officers. However, the imprest amount was not supported with an imprest warrants contrary to the provisions of Regulation 93(8) of the Public Finance Management (National Government) Regulations, 2015, which requires that there should be an effective and efficient way of managing and controlling temporary imprests.

In the circumstances, Management is in breach of the law.

## **4. Construction of Computer Laboratory**

The Institute awarded a contract for the construction of a computer laboratory block at a contract sum of Kshs.19,918,916. During the year under review, the contractor was paid an amount of Kshs.4,866,849. The contract document provided for audit indicates that the project was to be executed within fifty-two (52) weeks from the date of site possession and the completion date was to be 4 April, 2021. The Bills of Quantity for the project was not provided for audit review. As a result, it was not possible to ascertain whether the contractor was paid for work done as per specifications. However, as at 3 May 2021, the project was not complete and the contractor was not on site.

In the circumstance, it has not been possible to establish whether value for money was obtained on the expenditure Kshs.4,866,849 spent on the project.

The audit was conducted in accordance with ISSAI 4000. The standard requires 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 are in compliance, in all material respects, with the authorities that

govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standard requires that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and 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 control 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 control.

In preparing the financial statements, Management is responsible for assessing the Institute's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Institute or 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 are in compliance 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**

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015, and submit the audit report in compliance with Article 229(7) of the Constitution. 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 and weakness 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 addition to the audit of the financial statements, a compliance review is planned and performed to express a conclusion with limited assurance as to whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

Further, in planning and performing the audit of the financial statements and review of compliance, I consider internal control 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 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to

those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Institute to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Institute to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

  
CPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**17 February, 2022**

IV. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2020

	Notes	2019/2020	2018/2019
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the National Government—grants/ gifts in kind	6	27,045,000	15,720,000
Public contributions and donations		-	-
<b>Total Revenue from non-exchange transactions</b>		<b>27,045,000</b>	<b>15,720,000</b>
<b>Revenue from exchange transactions</b>			
Rendering of services- Fees from students	7	25,516,470	15,382,290
Sale of goods	8	-	7,265
Rental revenue from facilities and equipment	9	-	385,810
Other income	10	-	36,000
<b>Revenue from exchange transactions</b>		<b>25,516,470</b>	<b>15,811,365</b>
<b>Total revenue</b>		<b>52,561,470</b>	<b>31,531,365</b>
<b>Expenses</b>			
Use of goods and services	11	5,127,126	5,557,400
Employee costs	12	5,929,536	3,715,132
Remuneration of directors	13	1,271,040	1,755,300
Depreciation and amortization expense	14	12,861,452	12,778,603
Repairs and maintenance	15	3,004,970	1,442,545
Contracted services		-	-
General expenses	16	7,065,348	5,584,269
<b>Total expenses</b>		<b>35,259,472</b>	<b>30,833,249</b>
<b>Other gains/(losses)</b>			
Gain on sale of assets		-	-
<b>Total other gains/(losses)</b>		<b>-</b>	<b>-</b>
<b>Net Surplus for the year</b>		<b>17,301,998</b>	<b>698,116</b>

The notes set out on pages 7 to 40 form an integral part of the Annual Financial Statements.

MUSAKASA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2020.

V. STATEMENT OF FINANCIAL POSITION AS AT 30<sup>TH</sup> JUNE 2020

	Notes	2019/2020	2018/2019
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	17	13,596,198	10,655,723
Receivables from exchange transactions	18	20,458,651	9,617,618
Receivables from non-exchange transactions	19	18,705,000	6,360,000
Inventories	20	148,480	140,240
<b>Total Current Assets</b>		<b>52,908,329</b>	<b>26,773,581</b>
<b>Non-current assets</b>			
Property, plant and equipment	21	126,910,639	133,575,452
Intangible assets		-	-
Long term receivables from exchange transactions	18	-	9,000
<b>Total Non-current Assets</b>		<b>126,910,639</b>	<b>133,584,452</b>
<b>Total assets</b>		<b>179,818,968</b>	<b>160,358,033</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	22	772,160	2,708,362
Current Provisions		-	-
Payments received in advance	24(b)	798,140	604,457
<b>Total Current Liabilities</b>		<b>1,570,300</b>	<b>3,312,819</b>
<b>Non-current liabilities</b>			
Non-current provisions	24(a)	-	480,881
Borrowings		-	-
<b>Total Non-current liabilities</b>		<b>-</b>	<b>480,881</b>
<b>Total liabilities</b>		<b>1,570,300</b>	<b>3,793,700</b>
<b>Capital and Reserves</b>			
Reserves		152,550,694	146,354,055
Accumulated surplus		17,301,998	698,116
Capital Fund		8,395,976	9,512,162
<b>Total Capital and Reserves</b>		<b>178,248,668</b>	<b>156,564,333</b>
<b>Total Liabilities and Capital &amp; Reserves</b>		<b>179,818,968</b>	<b>160,358,033</b>

The Financial Statements set out on pages 1 to 5 were signed on behalf of the Institute Council/ Board of Governors by:

  
Chairman of Board of Governors

  
Finance Officer

  
Principal

Date: 14/06/2021

ICPAK No. 25961

Date: 14/6/2021

Date: 14/06/2021





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VI. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2020

	Accumulated reserve	Fair value adjustment reserve	Retained earnings	Capital/Development Grants/Fund	Total
<b>Balance b/f at July 1, 2018</b>					<b>0</b>
Accumulated Reserve	0				<b>0</b>
Fair value adjustment on quoted investments					<b>0</b>
Total comprehensive income					<b>0</b>
Capital/Development grants received during the year					<b>0</b>
Transfer of depreciation/amortisation from capital fund to retained earnings					<b>0</b>
<b>Balance c/d as at June 30, 2019</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>
<b>Balance b/f as at July 1, 2019</b>	<b>0</b>	<b>0</b>	<b>0</b>	4,829,826	<b>4,829,826</b>
Accumulated Reserve	152,550,694				<b>152,550,694</b>
Total comprehensive income			17,301,998		<b>17,301,998</b>
Capital/Development grants received during the year				3,566,150	<b>3,566,150</b>
Transfer of depreciation/amortisation from capital fund to retained earnings					<b>0</b>
<b>Balance c/d as at June 30, 2020</b>	<b>152,550,694</b>	<b>0</b>	<b>17,301,998</b>	<b>8,395,976</b>	<b>178,248,668</b>

**VII STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2020**

		<b>2019/2020</b>	<b>2018/2019</b>
	<b>Note</b>	<b>Kshs</b>	<b>Kshs</b>
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other Government entities/Govt. grants	6(c)	18,713,663	9,360,000
Public contributions and donations			
Rendering of services- Fees from students	7(b)	12,821,471	9,091,848
Sale of goods		0	7,265
Rental revenue from facilities and equipment		0	385,810
Finance income		0	36,000
Other income ,rentals and agency fees			0
<b>Total Receipts</b>		<b>31,535,134</b>	<b>18,880,923</b>
<b>Payments</b>			
Compensation of employees	12	5,929,536	3,715,132
Use of goods and services	11	5,127,126	5,557,400
General Expense	16	7,065,348	5,584,269
Directors Remuneration	14	1,271,040	1,755,300
Repair & Maintenance	15	3,004,970	1,442,545
<b>Total Payments</b>		<b>22,398,020</b>	<b>18,054,646</b>
<b>Net cash flows from operating activities</b>		<b>9,137,114</b>	<b>826,277</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets	21	-6,196,639	-7,856,156
Proceeds from sale of property, plant and Equipment			
Decrease in non-current receivables			-7,856,156
Increase in investments			
<b>Net cash flows used in investing activities</b>		<b>-6,196,639</b>	<b>-7,029,879</b>
<b>Cash flows from financing activities</b>			17,685,602
Proceeds from borrowings			10,655,723
Repayment of borrowings			9,360,000
<b>Net cash flows used in financing activities</b>		<b>0</b>	
<b>Net increase/(decrease)in cash and cash equivalents</b>		<b>2,940,475</b>	<b>- 6,574,050</b>
Cash and cash equivalentsat1 July 2019	17	10,655,723	17,685,602
<b>Cash and cash equivalents at 30 June 2020</b>	17	<b>13,596,198</b>	<b>10,655,723</b>

VII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30<sup>th</sup> JUNE 2020

	Budget	Actual	Performance difference	VARIANCE(%)	Remarks
	Shs	Shs	Shs		
Revenue	2019/2020	2019/2020	2019/2020		
TUITION	13,190,000	10,302,515	2,887,485	22%	(a)
P/EM	5,850,000	3,958,706	1,891,294	32%	(b)
L.T.T	4,020,000	2,669,400	1,350,600	34%	(c)
RMI	2,250,000	1,520,500	729,500	32%	(d)
ACTIVITY	1,962,000	1,101,000	861,000	44%	(e)
EWC	1,866,800	1,017,400	849,400	46%	(f)
ADMINISTRATION COST	2,800,000	1,600,470	1,199,530	43%	(g)
ATTACHMENT	1,920,000	1,000,000	920,000	48%	(h)
BOARDING	720,000	644,030	75,970	11%	
EXAM	1,200,000	1,174,500	25,500	2%	
TENDER	50,000	52,000	- 2,000	-4%	
FARM	250,000	258,496	- 8,496	-3%	
DEVELOPMENT GRANT(TUITION BLOCK)	-	-	-		
<b>Total income</b>	<b>36,078,800</b>	<b>25,299,017</b>	<b>10,779,784</b>		
<b>Expenses</b>					
TUITION	13,190,000	4,045,494	9,144,506	69%	(i)
P/EM	5,870,000	5,929,536	- 59,536	-1%	
L.T.T	4,010,000	3,601,171	408,829	10%	
R.M.I	3,150,000	3,004,970	145,030	5%	
ACTIVITY	1,962,000	849,529	1,112,471	57%	(j)
EWC	1,716,100	232,103	1,483,997	86%	(k)
ADMINISTRATION COST	2,805,000	2,564,314	240,686	9%	
ATTACHMENT	1,570,000	239,963	1,330,037	85%	(l)
BOARDING	185,000	169,300	15,700	8%	
EXAM	1,250,000	1,311,000	- 61,000	-5%	
TENDER	70,000	65,772	4,228	6%	
FARM	300,000	308,120	- 8,120	-3%	
DEVELOPMENT GRANT(TUITION BLOCK)	-	-	-		
<b>Surplus for the period</b>	<b>36,078,100</b>	<b>22,321,272</b>	<b>13,756,828</b>		

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**Budget notes**

- a) *The variance in a,b,c,d,e,f,g and h shows that the Institution did not meet its revenue collecting target due to unavailability of learning activities as a result of COVID-19. Note that most of the institution income is collected from school fees (Students and Governmental capitation).*
  - b) *The variance in i,j,k and l shows that actual expenditure to the highlighted vote heads was less than the projected budget because there were no activities going on in the institution as a result of COVID-19*
-

## VIII. NOTES TO THE FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

Musakasa Technical Training Institute is established by and derives its authority and accountability from TVET Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to offer Training in Technical skills.

### 2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *entity's* accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Notes

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *entity*.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, (*include any other applicable legislation*), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

### 3. ADOPTION OF NEW AND REVISED STANDARDS

#### i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2019

Standard	Impact
IPSAS 40: Public Sector Combinations	<b>Applicable: 1<sup>st</sup> January 2019</b> The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only). Business combinations and combinations arising from non-exchange transactions are covered purely under Public Sector combinations as amalgamations.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 ADOPTION OF NEW AND REVISED STANDARDS (Continued)

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2019

Standard	Effective date and impact:
<p><b>IPSAS 41:</b> Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2022:</b> The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul>
<p><b>IPSAS 42:</b> Social Benefits</p>	<p><b>Applicable: 1<sup>st</sup> January 2022</b> The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess: (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.</p>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### iii. Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2019.

## 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### a) Revenue recognition i) Revenue from non-exchange transactions

#### Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income 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.

#### Dividends

Dividends or similar distributions must be recognized when the shareholder's or the entity's right to receive payments is established.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Revenue recognition (Continued) ii) Revenue from exchange transactions (continued)

**Rental income**

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

b) Budget information

The original budget for FY 2019/2020 was approved by the Board. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations on the FY 2019/2020 budget following the Board's approval.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actual as per the statement of financial performance has been presented under section xxx of these financial statements.

c) Taxes

**Current income tax**

The entity is exempt from paying taxes as per schedule xxx of the xxx Act.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) *Taxes (continued)*

***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*

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of *12* years.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use.

e) *Property, plant and equipment*

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. 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

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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.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*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 so as 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.

*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

*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

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- 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

*i) Financial instruments*

***Financial assets Initial recognition and measurement***

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

***Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

***Held-to-maturity***

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

***Impairment of financial assets***

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or an entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

*i) Financial instruments (Continued)*

***Financial assets (Continued)***

***Impairment of financial assets (Continued)***

- The debtors or an entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g., changes in arrears or economic conditions that correlate with defaults)

***Financial liabilities***

***Initial recognition and measurement***

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

***Loans and borrowing***

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

*i) 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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*i) Inventories (Continued)*

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.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

*j) Provisions*

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

***Contingent liabilities***

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

***Contingent assets***

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

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**k) Nature and purpose of reserves**

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

*l) Changes in accounting policies and estimates*

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

**m) Employee benefits**

*Retirement benefit plans*

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

*n) Foreign currency transactions*

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

*o) 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

*p) Related parties*

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

*q) Service concession arrangements*

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

*r) 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 imprest and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

*s) Comparative figures*

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

*t) 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, 2020.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**5 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY**

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

*Estimates and assumptions*

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

*Useful lives and residual values*

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

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

*Provisions*

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

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 a) TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	2019-2020	2018-2019
	kshs	kshs
Operational grant		15,720,000
Other grants		
<b>Conditional grants</b>		
Capitation grant	27,045,000	
Other organizational grants		
<b>Total Government grants and subsidies</b>	<b>27,045,000</b>	<b>15,720,000</b>

6b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of the Entity sending the grant : Ministry of Education	Amount recognized to Statement of Comprehensive Income KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund. KShs	Total grant income during the year KShs	2018-2019 KShs
CAPITATION GRANT (received)	8,340,000			8,340,000	6,360,000
CAPITATION GRANT (receivables)	18,705,000			18,705,000	6,360,000
OPERATION GRANT				-	3,000,000
<b>Total</b>	<b>27,045,000</b>			<b>27,045,000</b>	<b>15,720,000</b>

6 c) TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	2019-2020	2018-2019
	kshs	kshs
Capitation grant 2019-2020	8,340,000	
Capitation grant 2018-2019	6,360,000	6,360,000
<b>Development grants</b>	<b>3,566,150</b>	
Operational grant	447,513	3,000,000
<b>Total Government grants and subsidies</b>	<b>18,713,663</b>	<b>9,360,000</b>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**7 a) RENDERING OF SERVICES**

<b>Description</b>	<b>2019-2020</b>	<b>2018-2019</b>
	<b>kshs</b>	<b>kshs</b>
Tuition fees	9,083,100	5,041,400
Activity fees	<b>2,048,520</b>	1,229,880
Examination fees		585,610
Personal Emoluments	4,485,750	2,493,000
Electricity, Water & Conservancy	2,249,400	1,329,600
LT& T	2,927,700	1,772,800
RMI	2,017,500	1,108,000
Registration fees		160,000
Attachment fees	2,704,500	1,662,000
<b>Total Rendering of Services</b>	<b>25,516,470</b>	<b>15,382,290</b>

**7 b) RENDERING OF SERVICES**

<b>Description</b>	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>kshs</b>
Tuition fees	2,279,955	561,248
Activity fees	278,130	110,000
Personal Emoluments	913,730	415,100
Electricity, Water & Conservancy	371,926	102,000
LT& T	581,860	131,022
RMI	258,800	71,000
Registration fees	58,000	23,000
Attachment fees	435,990	57,978
Administration	48,080	-
HELB	7,595,000	7,620,500
<b>Total Rendering of Services</b>	<b>12,821,471</b>	<b>9,091,848</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**8 SALE OF GOODS AND SERVICES**

Description	2019-2020	2018-2019
	kshs	kshs
Sale of books		
catering	-	
Sale of farm produce	-	7,265
<b>Total Sale of goods</b>	=	<b><u>7,265</u></b>

**9 RENTAL REVENUE FROM FACILITIES AND EQUIPMENT**

Description	2019-2020	2018-2019
	kshs	kshs
Boarding Fees	-	385,810
<b>Total rentals</b>	-	<b>385,810</b>

**10 OTHER INCOME**

Description	2019-2020	2018-2019
	kshs	kshs
Insurance recoveries		
Income from sale of tender		36,000
Services concession income		
Deferred Income	-	-
<b>Total other income</b>	-	<b>36,000</b>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 USE OF GOODS AND SERVICES

Description	2019-2020	2018-2019
	kshs	kshs
EWC	232,103	840,811
Tuition	4,045,494	4,716,589
Security		
Activity	849,529	
Subscriptions		
<b>Total good and services</b>	<b>5,127,126</b>	<b>5,557,400</b>

12 EMPLOYEE COSTS

Description	2019-2020	2018-2019
	kshs	kshs
Salaries and wages	5,929,536	3,715,132
Employee related costs- Contributions to pensions and medical aids		
Travel, motorcar, accommodation, subsistence and other allowances		
<b>Total Employee costs</b>	<b>5,929,536</b>	<b>3,715,132</b>

13 REMUNERATION OF DIRECTORS

Description	2019-2020	2018-2019
	kshs	kshs
Chairman's Honoraria	356,000	433,000
Directors' emoluments	915,040	1,322,300
Other allowances		
<b>Total director emoluments</b>	<b>1,271,040</b>	<b>1,755,300</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14 DEPRECIATION AND AMORTIZATION EXPENSE

Description	2019-2020	2018-2019
	kshs	kshs
Property, plant and equipment	12,861,452	12,778,603
Intangible assets		
Investment property carried at cost		
<b>Total depreciation and amortization</b>	<b>12,861,452</b>	<b>12,778,603</b>

15 REPAIRS AND MAINTENANCE

Description	2019-2020	2018-2019
	kshs	kshs
RMI	3,004,970	1,442,545
Investment property– earning rentals		
Equipment and machinery		
<b>Total Repairs and Maintenance</b>	<b>3,004,970</b>	<b>1,442,545</b>

MUSAKASA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2020.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16 GENERAL EXPENSES

<b>General Expenses</b>		
<b>Description</b>	<b>2019-2020</b>	<b>2018-2019</b>
	<b>kshs</b>	<b>kshs</b>
Bank Charges	-	47,871
LTT	3,408,171	3,178,688
ATTACHMENT	239,963	58,865
ACTIVITY	-	1,144,864
CATERING	163,680	10,310
FARM	395,420	240,277
HELB REFUND	106,170	60,044
ADM COST	943,944	14,900
Examination	1,808,000	819,300
TENDER	-	9,150
<b>Total general expenses</b>	<b>7,065,348</b>	<b>5,584,269</b>

**MUSAKASA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2020.**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**17 CASH AND CASH EQUIVALENTS**

<b>Description</b>	<b>2019-2020</b>	<b>2018-2019</b>
	<b>kshs</b>	<b>kshs</b>
Current account	13,596,198	9,847,676
Cash in hand	-	401,172
Mpesa	-	406,875
Fixed deposits account		
Staff car loan/ mortgage		
Others(specify)		
<b>Total cash and cash equivalents</b>	<b>13,596,198</b>	<b>10,655,723</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

18 RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2019-2020	2018-2019
	kshs	kshs
<b>Current receivables</b>		
Student debtors	20,458,651	9,617,618
Rent debtors		
Consultancy debtors		
Other exchange debtors		
Less: impairment allowance		
<b>Total current receivables</b>	<b>20,458,651</b>	<b>9,617,618</b>
<b>Non-current receivables</b>		
Refundable deposits		
Advances to staff	-	9,000
Public organizations	-	
Less: impairment allowance	-	
<b>Total non-current receivables</b>	<b>-</b>	<b>9,000</b>
<b>Total receivables</b>	<b>20,458,651</b>	<b>9,626,618</b>

MUSAKASA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2020.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Description	2019-2020	2018-2019
	kshs	kshs
<b>Current receivables</b>		
Transfers from other govt. entities	18,705,000	6,360,000
Undisbursed donor funds		
Other debtors(non - exchange transactions)		
Less: impairment allowance		
<b>Total current receivables</b>	<b>18,705,000</b>	<b>6,360,000</b>

20 INVENTORIES

Description	2019-2020	2018-2019
	kshs	kshs
Consumable stores	-	117,415
Maintenance stores		
Health Unit stores		
Electrical stores	148,480	
Cleaning materials stores		
Catering stores	-	22,825
<b>Total Inventories</b>	<b>148,480</b>	<b>140,240</b>

MUSAKASA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2020.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

21 PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	library books	Plant and equipment	Capital Work in progress	Total
Cost	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
At 1 July 2018	8,700,000	38,483,741	130,000	4,400,000	1,434,115	461,408	84,888,635	0	138,497,899
Additions		4,976,259		415,000	115,885	69,012	330,000	1,950,000	7,856,156
Disposals									0
Transfers/adjustments									0
At 30 <sup>th</sup> June 2019	8,700,000	43,460,000	130,000	4,815,000	1,550,000	530,420	85,218,635	1,950,000	146,354,055
At 1 July 2018									0
Depreciation	0	869,200	32,500	601,875	516,615	106,084	10,652,329	0	12,778,603
Impairment								0	0
At 30 June 2019	0	869,200	32,500	601,875	516,615	106,084	10,652,329	0	12,778,603
Depreciation	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
At 30 <sup>th</sup> June 2018	0	0	0	0	0	0	0	0	0
Net book values									0
At 30 <sup>th</sup> June 2019	8,700,000	42,590,800	97,500	4,213,125	1,033,385	424,336	74,566,306	1,950,000	133,575,452
At 30 <sup>th</sup> June 2018	8,700,000	43,460,000	130,000	4,815,000	1,550,000	530,420	85,218,635	1,950,000	146,354,055
At 1 July 2019	8,700,000	43,460,000	130,000	4,815,000	1,550,000	530,420	85,218,635	1,950,000	146,354,055
Additions		1,667,994		0	148,480	0	0	4,380,165	6,196,639
Disposals									0
Transfers/adjustments									0
At 30 <sup>th</sup> June 2019	8,700,000	45,127,994	130,000	4,815,000	1,698,480	530,420	85,218,635	6,330,165	152,550,694
At 1 July 2019	0	869,200	32,500	601,875	516,615	106,084	10,652,329	0	12,778,603
Depreciation	0	902,560	32,500	601,875	566,103	106,084	10,652,329	0	12,861,452
Disposals	0	0	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0	0	0
Transfer/adjustment	0	0	0	0	0	0	0	0	0
At 30 <sup>th</sup> June 2020	0	1,771,760	65,000	1,203,750	1,082,718	212,168	21,304,658	0	25,640,055
Net book values									0
At 30 <sup>th</sup> June 2020	8,700,000	43,356,234	65,000	3,611,250	615,762	318,252	63,913,977	6,330,165	126,910,639
At 30 <sup>th</sup> June 2019	8,700,000	42,590,800	97,500	4,213,125	1,033,385	424,336	74,566,306	1,950,000	133,575,452

Depreciation rates

Note: Our rates are on straight line except for land

Building – 2%, Motor Vehicle – 25%, Furniture & Fittings – 12.5%, Computer – 33.3%, Library Books – 20%, Plant & Equipment – 12.5%

MUSAKASA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2020.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

22 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2019-2020	2018-2019
	kshs	kshs
Trade payables	772,160	2,277,767
Fees paid in advance		
Third party payments (Contractors Retention)	-	430,595
Other payables		
<b>Total trade and other payables</b>	<b>772,160</b>	<b>2,708,362</b>

MUSAKASA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2020.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

23. DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

		2019-2020	2018-2019
Financial institution	Account number	Kshs	Kshs
<b>a) Current account</b>			
Kenya Commercial bank	1166608387	3,045,663	63,543
Kenya Commercial bank	1166608247	2,153,081	730,293
Kenya Commercial bank	1166608077	8,395,976	9,0559,72
Co-operative bank of Kenya	01134291182100	1,478	408
<b>Sub- total</b>		<b>13,596,198</b>	<b>9,850,216</b>
<b>b) On - call deposits</b>			
Kenya Commercial bank			
Equity Bank - etc.			
<b>Sub- total</b>			
<b>c) Fixed deposits account</b>			
Kenya Commercial bank			
Bank B			
<b>Sub- total</b>			
<b>d) Staff car loan/ mortgage</b>			
Kenya Commercial bank			
Bank B			
<b>Sub- total</b>			
<b>e) Others(specify)</b>			
Cash in transit			
cash in hand			401,172
M pesa			404,335
<b>Sub- total</b>			<b>805,507</b>
<b>Grand total</b>		<b>13,596,198</b>	<b>10,655,723</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

24 (a) CURRENT PROVISIONS

Description	Leave provision	Debtor's provision	Other provision	Total
Balance at the beginning of the year		480,881	-	480,881
Additional Provisions			-	-
Less Provision utilised				-
Transfers from non-current provisions				-
<b>Total provisions</b>		<b>480,881</b>	<b>-</b>	<b>480,881</b>

24 (b) PAYMENTS RECEIVED IN ADVANCE

Description	2019-2020	2018-2019
	kshs	kshs
Student Fees	798,140	604,457
Others		
	<b>798,140</b>	<b>604,457</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

25 CASH GENERATED FROM OPERATIONS

<b>Surplus for the year before tax</b>	<b>17,301,998</b>	<b>698,116</b>
<b>Adjusted for:</b>		
Depreciation	12,861,452	12,778,603
Non-cash grants received		
Contributed assets		
Impairment		
Gains and losses on disposal of assets		
Contribution to provisions		480,881
Contribution to impairment allowance		
Finance income		
<b>Working Capital adjustments</b>		
Increase in inventory	-8,240	-140,240
Increase in receivables	-19,042,930	-15,475,808
Increase in deferred income	0	
Increase in payables	-1,936,202	2,768,362
Increase in payments received in advance		286,318
<b>Net cash flow from operating activities</b>	<b>9,137,114</b>	<b>698,116</b>

26 FINANCIAL RISK MANAGEMENT

The entity'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 company does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

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

(i) *Credit risk*

The entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and

**MUSAKASA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2020.**

deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company'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 entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Receivables from exchange transactions	9,617,618	9,617,618		
Receivables from non-exchange transactions	6,360,000	6,360,000		
Bank balances	10,306,045	10,306,045		
<b>Total</b>	<b>26,283,663</b>	<b>26,283,663</b>		
<b>At 30 June 2020</b>				
Receivables from exchange transactions	20,458,651	20,458,651		
Receivables from non-exchange transactions	18,705,000	18,705,000		
Bank balances	13,596,198	13,596,198		
<b>Total</b>	<b>52,759,849</b>	<b>52,759,849</b>		

**27. FINANCIAL RISK MANAGEMENT (Continued)**

*(i) Credit risk (continued)*

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

The entity has significant concentration of credit risk on amounts due from 2017

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

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

*(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.

<b>At 30 June 2019</b>				
Trade payables		2,708,362		2,708,362
Current portion of borrowings				
Provisions			480,881	480,881
Deferred income				
Employee benefit obligation				
<b>Total</b>		<b>2,708,362</b>	<b>480,881</b>	<b>3,189,243</b>
<b>At 30 June 2020</b>				
Trade payables		772,160		772,160
Current portion of borrowings				
Provisions				
Deferred income				
Employee benefit obligation				
<b>Total</b>		<b>772,160</b>		<b>772,160</b>

**MUSAKASA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2020.**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**28 FINANCIAL RISK MANAGEMENT (Continued)**

*(iii) Market risk*

The board has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing 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, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. 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 Management Committee.

The company's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

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

*(iii) Capital Risk Management*

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

Revaluation reserve	152,550,694	146,354,055
Retained earnings	17,301,998	698,116
Capital reserve		
<b>Total funds</b>	<b>169,852,692</b>	<b>147,052,171</b>
Total borrowings		
Less: cash and bank balances	13,596,198	10,655,723
Net debt/(excess cash and cash equivalents)	13,596,198	10,655,723
<b>Gearing</b>		

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**29 RELATED PARTY BALANCES**

*Nature of related party relationships*

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

**Government of Kenya**

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

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

**30 CAPITAL COMMITMENTS**

Capital commitments	2019-2020	2018-2019
	Kshs	Kshs
Authorised for	60,604,600.00	60,604,600.00
Authorised and contracted for	19,918,916.80	4,976,259.00
<b>Total</b>	<b>80,523,516.80</b>	<b>65,580,859.00</b>

**31 EVENTS AFTER THE REPORTING PERIOD**

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

**32 ULTIMATE AND HOLDING ENTITY**

The entity is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of xxx. Its ultimate parent is the Government of Kenya.

**33 Currency**

The financial statements are presented in Kenya Shillings (Kshs).

MUSAKASA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2020.

APPENDIX I: PROJECTS IMPLEMENTED BY THE ENTITY

**Projects**

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

1. TUITION BLOCK PHASE II		GOK		60,604,600	NO	NO

**Status of Projects completion**

1	TUITION BLOCK PHASE II (WING-A)	19,918,916.80	4,380,165	22%	60,604,600	4,380,916.80	GOK

MUSAKASA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2020.

APPENDIX II: INTER-ENTITY TRANSFERS

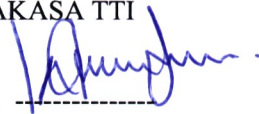
	<b>ENTITY NAME:</b>	MUSAKASA TTI		
	<b>Break down of Transfers from the State Department of MOE</b>			
	<b>FY 2019/2020</b>			
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>	<u>Indicate the FY to which the amounts relate</u>
		15/7/2019	6,360,000	2018/2019
		18/7/2019	447,513	2018/2019
		23/10/2019	2,557,500	2019/2020
		15/5/2020	5,782,500	2019/2020
		<b>Total</b>	<b>15,147,513</b>	
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>	<u>Indicate the FY to which the amounts relate</u>
		24/7/2019	3,566,150	2018/2019
		<b>Total</b>	<b>3,566,150</b>	

The above amounts have been communicated to and reconciled with the parent Ministry

Finance Manager

MUSAKASA TTI

Sign



Head of Accounting Unit

Ministry

Sign-----

