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TABLED BY:	DEPUTY MAJORITY WHIP
CLERK-AT THE-TABLE:	CHRISTINE NDIRITU

**THE AUDITOR-GENERAL**

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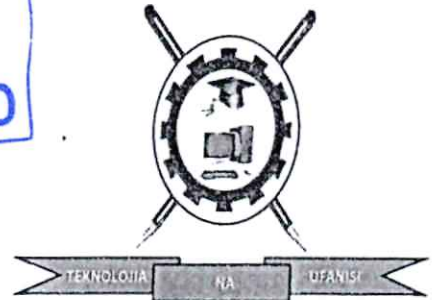
**MANDERA TECHNICAL TRAINING  
INSTITUTE**

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

**MANDERA COUNTY**







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# *MANDERA TECHNICAL TRAINING INSTITUTE*

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
30<sup>TH</sup> JUNE 2024

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

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

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**Table of Contents**

1. Acronyms and Definition of Key Terms.....	ii
2. Key Entity Information and Management.....	iii
3. The Board of Governors .....	vii
4. Key Management Team .....	x
5. Chairman's Statement .....	xi
6. Report of the Senior Principal.....	xiii
7. Statement of Performance against Predetermined Objectives .....	xiv
8. Corporate Governance Statement.....	xvi
9. Management Discussion and Analysis .....	xviii
10. Environmental And Sustainability Reporting Statement.....	xxii
11. Report of the Council/Board of Governors .....	xxix
12. Statement of Board of Governors Responsibilities .....	xxx
13. Report of the Independent Auditor Mandera Technical Training Institute .....	xxxii
14. Statement of Financial Performance for The Year Ended 30 June 2024.....	1
15. Statement of Financial Position as at 30th June 2024 .....	2
16. Statement of Changes in Net Asset for The Year Ended 30 June 2024 .....	4
17. Statement of Cash Flows for The Year Ended 30 June 2024 .....	5
18. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2024...	6
19. Notes to the Financial Statements.....	8
20. Appendices .....	31

**1. Acronyms and Definition of Key Terms**

**A. Acronyms**

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College

**B. Definition of Key Terms**

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

**Comparative Year**- Means the prior period.

**2. Key Entity Information and Management**

**(a) Background information**

Mandera Technical Training Institute was established under the TVET Act 2013 on 28 January 2016. The institute is located (North West of Mandera East Sub-County) in the peripheral areas of the town of Mandera County Headquarters. It was established in 2016 as a Technical Training Institute to provide technical training for the middle level man power for both the private and public sectors of the economy. The trainees in the institute are drawn from fresh secondary school leavers, graduates from other tertiary institutions, employees on part-time release basis and the informal (Jua Kali) sector. The Institution operates under the Education Act and offers curriculum developed by the Kenya Institute of curriculum development (KICD), the National Industrial Training Authority (NITA), Kenya Accountants and Secretaries National Examination Board (KASNEB) and Competency-based education and training (CBET). The institution offers courses at Artisan, Craft and Diploma levels in electrical and business department. The courses are taught either part-time, fulltime or open distance learning.

**(b) Principal Activities**

The principal activity of Mandera Technical Training Institute is to produce graduates with competent skills that meet the dynamic demand of the industry.

**Vision**

To be a leader in provision of quality technical, vocational and entrepreneurial training in the region and beyond

**Mission**

To produce innovative and industrious graduates with relevant technical, technological and entrepreneurial knowledge and skills to fit in the labour market locally and globally

**Mandate**

-To produce highly skilled manpower that is also suitable for further training through quality, inclusive and equitable TVET programs responsive to National, Regional and Global competitiveness.

- To train highly skilled workforce that is suitable for further professional development through quality inclusive and equitable TVET programs responsive to national and global competitiveness

**(c) Key Management**

Mandera Technical Training Institute day-to-day management is under the following key organs:

- The Board of Governors
- The Principal
- The fiduciary Management which comprises: The Principal, The Deputy Principals, The Registrar, The Dean of Students, and the Finance Officer

(d) **Fiduciary Management**

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

SN.	Designation	Name
1.	Principal	Mr. Jabir Ahmed Abdirahman
2	Deputy principal Academics	Mr. Vincent Bosire Maroro
3	Registrar (s)	Mr. Abass Rashid Hassan
4	Dean of students	Mr. Guliye Abdi Mohamed
5	Head of Finance	Mr. Abdiaziz Hussein Hassan

## Key Entity Information and Management (Continued)

### (e) Fiduciary Oversight Arrangements

The fiduciary oversight arrangements are designed to ensure the financial and operational integrity of the institution, and the key activities include:

#### 1. Audit and Risk Committee Activities

- **Mandate:** The Audit and Risk Committee is responsible for ensuring that proper financial controls are in place and that risks are identified, monitored, and mitigated.
- **Activities:**
  - Regular internal and external audits to evaluate compliance with financial regulations and reporting standards.
  - Risk assessments and implementation of risk management strategies.
  - Monitoring the effectiveness of internal controls and recommending improvements where necessary.

#### 2. Finance and Operations Committee Activities

- **Mandate:** This committee oversees the financial planning, budgeting, and operations of the institution.
- **Activities:**
  - Review and approve annual budgets, financial reports, and forecasts.
  - Monitor the institution's financial health, including revenue streams, expenditures, and cash flow management.
  - Ensure operational efficiency and the alignment of financial resources with institutional goals.

#### 3. Academic Committee Activities




- **Mandate:** The Academic Committee ensures academic integrity, compliance with education standards, and the proper allocation of resources for academic programs.
- **Activities:**
  - Oversight of curriculum development, quality assurance, and accreditation processes.
  - Monitoring academic performance and recommending necessary improvements.
  - Ensuring financial allocations support academic excellence and growth.





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

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- (f) **Entity Headquarters**  
Mandera Technical Training Institute  
P.O. Box 257-70300  
Mandera –Kenya  
Neboi Shopping Centre, Mandera- Khalalio-Aresa- Rhamo Road  
Mandera –Kenya
  
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- (h) **Entity Bankers**  
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Mandera.  
P.O. Box 275 - 70300  
Mandera, Kenya
  
- (i) **Independent Auditors**  
Auditor-General  
Office of Auditor General  
Anniversary Towers, Institute Way  
P.O. Box 30084  
GPO 00100  
Nairobi, Kenya
  
- (j) **Principal Legal Adviser**  
The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya

3.The Board of Governors





SN.	Member/ Director	Details
1.	 Hussein Abdi Hassan Ag. Chairman	<p><b>D.O B:</b> 14/05/1972</p> <p><b>Education</b>                      PhD- Education administration studies                      Master in Education Administration and planning                      Bachelor in Education                      Certificate in P1 Primary Teacher</p> <p><b>Experience</b>                      Currently working with IGAD</p>
2.	 Fatuma Billow Salat Member	<p><b>D.O.B:</b> 24/12/1988</p> <p><b>Education</b>                      Msc Disaster management and Sustainable Development                      Bachelor of Art in Community Development                      Diploma in Community Development and Social Work</p> <p><b>Experience</b>                      Economic Recovery Manager at Danish Refugee Council - Mandera</p>
3.	 Hassan Abdi Yussuf Member	<p><b>D.O.B:</b> 17/07/1992</p> <p><b>Education:</b>                      Bachelor in Architecture                      Bsc Architectural Technology                      Certificate in Project Management                      Certificate in Sustainable Architecture                      Certificate in policy making</p> <p><b>Experience:</b>                      Directorate of Public Work Mandera County Government</p>

<p>4.</p>	 <p>Abdikadir M. Tache Member</p>	<p>D.O.B: 15/10/1974</p> <p><b>Education:</b>  Master in Business Administration  Bachelor of Commerce – Finance Option  CPA holder</p> <p><b>Experience:</b>  Former CEO MADAWSCO  Current Chief Officer Finance- Mandera County Government</p>
<p>5.</p>	 <p>Mohamed Noor Abdi Member</p>	<p>D.O.B: 15/05/1994</p> <p><b>Education:</b>  Bachelor Degree in Development studies and Advance Computer Studies  Institute of Advance Technology Computer</p> <p><b>Experience:</b>  Current CDF Chairman Mandera East Constituency</p>
<p>6.</p>	 <p>Abdullahi Mohamed Abdi Member</p>	<p>D.O.B: 01/01/1974</p> <p><b>D.O.B:</b>  <b>Education:</b>  Hold Executive Msc Leadership and policy studies  Bachelor of Education  Diploma in Management</p> <p><b>Experience:</b>  CEO Mandera County Education Bursary Board</p>
<p>7.</p>	 <p>Ahmed Mahat Omar Member</p>	<p>D.O.B: 04/02/1953</p> <p><b>Education:</b>  Msc Conflict Resolution and peace building  Bachelor of Art -University of South Africa  Postgraduate Diploma in Education  Diploma in Education Management \ Certificate in Public Administration and Management</p> <p><b>Experience:</b>  Regional Director - Network For Peace Cohesion and Heritage Trust</p>

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

<p>8.</p>	 <p>Yussuf Mohamed Kassim Regional Director</p>	<p><b>D.O.B:</b> 01/01/1969</p> <p><b>Education:</b> Master of Business Administration Bachelor Education</p> <p><b>Experience:</b> Regional Director TVET -Wajir and Mandera County Former High School Principal</p>
<p>9.</p>	 <p>Jabir Ahmed Abdirahman Principal/Secretary BoG</p>	<p><b>D.O.B:</b> 01/01/1993</p> <p><b>Education:</b> Bachelor Education Business mathematics</p> <p><b>Experience:</b> Principal Elwak TVC Principal Wajir East TVC Current Principal Mandera TTI</p>

4. Key Management Team

No.	Member/ Director	Details
1.	 Mr. Jabir Ahmed Abdirahman	<p><b>D.O.B:</b> 01/01/1993</p> <p><b>Education:</b> Bachelor Education Business mathematics</p> <p><b>Experience:</b> Principal Elwak TVC Principal Wajir East TVC Current Principal Mandera TTI</p>
2.	 Mr. Bosire Vincent Maroro	<p><b>B.O.B:</b> 01/01/1980</p> <p><b>Education:</b> Bachelor of Electrical and Electronics Engineering</p> <p><b>Experience:</b> Mr. Vincent Bosire is the Current Deputy Principal Academics Mandera Technical Training Institute</p>
3.	 Mr. Abass Rashid Hassan	<p><b>D.O.B:</b> 26/05/1998</p> <p><b>Education:</b> Bachelor of Information Communication Technology</p> <p><b>Experience:</b> Mr. Abass Rashid has experience over 1 year as a Registrar and examination officer</p>
4.	 Mr. Abdiaziz Hussein Hassan	<p><b>D.O.B:</b> 10/08/1995</p> <p><b>Education:</b> Bachelor of Commerce Finance Option from University of Nairobi Diploma in Purchasing and Supply Currently Doing CPA</p> <p><b>Experience:</b> Abdiaziz Hussein has experience over 5 years in both Procurement and Accounting in Public Sector</p>

## **5. Chairman's Statement**

It is our responsibility to provide the required leadership in designing suitable plans and strategies that will contribute to high and sustainable socio-economic development. It is our undertaking to ensure that Mandera TTI has a credible Strategic Plan and Performance Contract that will deliver the desired goals.

It is also our undertaking that we will perform our responsibilities diligently and to the best of our abilities to support the achievement of the agreed performance targets.

The Strategic Plan of Mandera Technical Training Institute (MTTI) has been developed through an all-inclusive participatory process. It articulates the Institute's Vision for Kenya's TVET System and identifies the strategic imperatives to be implemented during the next five years. It goes on to prioritize specific resources upon which the college will be focused.

The Strategic Plan is developed in the context of increasing global competitiveness and the needs of Kenya within Kenya Vision 2030. The underpinning values are inclusion, participation and relevance. In line with this, the Institute's priorities include tackling the various existing challenges especially given the fact that our college is in the Arid and Semi-arid Areas (ASAL).

Through Strategic Planning the Institute seeks to provide relevant knowledge and skills that addresses the needs of the domestic and global economy.

Our challenge therefore is to identify the needs of our communities and infuse training in technologies and concepts that are practical in line with industry demands.

The college is committed to gradually introduce Competency Based Education and Training (CBET) with a major focus on infusing industry expectations in our training methodologies. In this regard, the Plan proposes a systematic facet of issues from which pertinent objectives are realized and addressed through derived strategies.

To provide appropriate evidence to Kenya's decision makers, MTTI should complement the efforts of the Government's Poverty Reduction Strategy; and its development objectives as articulated in various official policy documents. Strategic Planning of MTTI is expected to lead to the realization of a wide range of other important benefits including, increasing entrepreneurship, economic growth, enhanced productivity across sectors and increased income per capita. The Government recognizes that MTTI holds a vital key to implementation of the "Big four" initiatives and other national priorities in order to improve the quality of life of Kenyans and making Kenya globally

competitive. The "Big Four" prioritizes on affordable housing, manufacturing, food security and affordable universal health care.

The successful implementation of the plan requires devoted collaboration all key stakeholders including the various level Government. The plan is therefore, contain the strategies for the increased collaboration between the stakeholders in the sector in terms of the resource mobilization, funding and governance.

The MTTI Strategic Plan essentially presents its Corporate Strategy. It provides a sufficient framework within which Annual Work Plans will be developed. In this regard, it has been aligned to the Ministerial Strategic Plan, Medium Term Plans within Kenya Vision 2030 paradigm etc. the purpose of this Strategic Plan is therefore: -

- (i) To present key milestones in the Institution's TVET programs
- (ii) To present the institute's ideology on the TVET's Strategic options identified and modalities for the national respective agenda as a foundation for Vision 2030.
- (iii) To avail a tool for engagement and negotiation between the Governments, key Stakeholders and Collaborators regarding the financing of TVET.
- (iv) To provide a basis for resource targeting.
- (v) To provide a basis for programme implementation and performance evaluation.



**MR. HUSSEIN ABDI HASSAN**  
**CHAIRMAN, BOARD OF GOVERNORS**

#### **6. Report of the Senior Principal**

In the global arena, Science, Technology and Innovation (ST&I) is the driver for rapid world's economic prosperity, social development and provision of tools and solutions to address global challenges. For this reason, the government through the Ministry of Education has strengthened the focus of Science, Technology and Innovation and Technical Education Policies as underlying the country's National Development efforts.

The Government's National Development Agenda is clearly outlined in various key policy documents including the Economic Recovery Strategy for Wealth and Employment Creation (ERSWEC) 2003-2007 and the National Development Plan 2002-2008. The government also recognizes that its Development Agenda can be accelerated if there is renewed focus on the integration of ST&I in all the Social-Economic sectors as outlined in the Kenya Vision 2030.

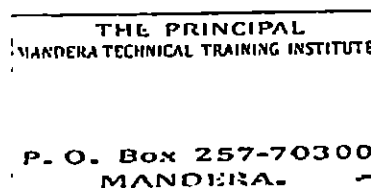
The government has therefore embraced Science, Technology and Innovation and Technical Education (TE) as one of its top priorities.

The State Department of Vocational and Technical Training in the Ministry of Education has been mandated to spearhead the integration of S.T & I. and T.E and Higher Education in National Development. It has prepared its Strategic Plan as a comprehensive statement on how it plans to pursue its mandate for the next five years. In line with the government and the Ministry's Development Agenda, MTTI as one of the TVET institutions charged with the mandate of training middle level technical manpower, presents this Strategic Plan as its Road Map to guide its Development Agenda for the next five years.

The Strategic Plan reviews the Vision and Mission that will encompass all those involved in its execution. It also reviews the analysis of the Internal and External environment using Strengths, Weaknesses, Opportunities and Threats (SWOT) and Political, Economic, Social, Technological, Environmental and Legal (PESTEL) analysis. Subsequently, it identifies key stakeholders and their roles, outlines the Strategic issues and objectives and identifies the strategies to address them. The reviewed Plan prioritizes activities to be implemented under the strategies, and provides an Implementation Plan, a Monitoring and Evaluation system and a projection of the Resource requirements.



**MR. JABIR AHMED ABDIRAHMAN**  
**PRINCIPAL**



## 7. Statement of Performance against Predetermined Objectives

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the national government entity's performance against predetermined objectives.

Mandera Technical Training Institute has 3 strategic pillars and objectives within current Strategic Plan for the FY 2021- FY 2026. These strategic pillars are as follows:

Pillar 1: Physical Facilities and Infrastructure

Pillar 2: Increase Student enrolment

Pillar 3: Environmental management

Mandera Technical Training Institute develops its annual work plans based on the above X pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Mandera Technical Training Institute achieved its performance targets set for the FY 2021/2026 period for its 3 strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Physical Facilities and Infrastructure	To improve on physical facilities and infrastructure	<ul style="list-style-type: none"> <li>• Student Satisfaction with ICT Facilities</li> <li>• Increased Water Storage Capacity</li> </ul>	<ul style="list-style-type: none"> <li>▪ Qualify needs</li> <li>▪ Identify Implementation stages</li> <li>▪ Quantify financial requirements</li> <li>▪ Identify sources of funding</li> <li>▪ Tender</li> <li>▪ Select Contractor</li> <li>▪ Certify Commission</li> </ul>	Improvement of 2 ICT Lab and constructions of underground water tank
Increase Student enrolment	To enhance student enrolment by improving student's wellbeing and cultivating a dynamic training	Attracting High Number of Trainees form all over the Country	Mount aggressive publicity campaign <ul style="list-style-type: none"> <li>• Establish a marketing plan</li> <li>• Advertise in the media</li> <li>• Carry out Outdoor Advertising</li> </ul>	Increased enrolment Number of Trainees

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

	environment that evolves with market demands.		Increase co-curricular activities <ul style="list-style-type: none"> <li>Plan and participate in co-curricular activities</li> </ul>	
Environmental management	To enhance environmental management and sustainable development by establishing partnerships with relevant stakeholders	conduct environmental impact assessment for every new project	<ul style="list-style-type: none"> <li>Participate in environmental conservation days</li> <li>Landscape and beautify the compound</li> </ul>	Tree planting around New Administration Block, Dining Hall, along the roads between new administration block and classrooms and around the field

## 8. Corporate Governance Statement

Mandera Technical Training Institute is dedicated to upholding the highest standards of corporate governance to ensure transparency, accountability, and integrity in all our activities. We believe that effective governance is fundamental to building trust among our stakeholders and achieving our mission of providing quality technical and vocational education.

### Governance Structure

**Board of Governors:** The College is governed by a Board of Governors responsible for providing strategic direction, overseeing management, and ensuring compliance with legal and regulatory requirements. The Board comprises individuals with expertise in education, business, and community leadership, who bring diverse perspectives and insights to decision-making.

**Committees:** The Board has established committees to support its functions, including the Academic Affairs Committee, Finance Committee, and Governance Committee. These committees are tasked with specific responsibilities to ensure effective oversight and decision-making within their respective areas.

**Management:** The day-to-day operations of the College are managed by the Principal and senior management team. Management is committed to implementing the strategic objectives set by the Board and upholding the College's values of excellence, innovation, and inclusivity.

### Ethical Standards and Corporate Responsibility

Mandera Technical Training Institute is committed to conducting its affairs with the highest standards of ethics, integrity, and social responsibility. We adhere to a code of conduct that guides the behaviour of all employees and stakeholders, emphasizing honesty, fairness, and respect for diversity. Additionally, the College actively engages with the local community and industry partners to promote sustainable development and contribute positively to society.

### Risk Management and Internal Controls

The College recognizes the importance of effective risk management and internal controls in safeguarding its assets and achieving its objectives. We have implemented robust risk management processes and internal control mechanisms to identify, assess, and mitigate risks across all areas of operation. Regular monitoring and evaluation ensure the effectiveness of these controls in maintaining the College's financial stability and operational resilience.

### Stakeholder Engagement

Mandera Technical Training Institute is committed to fostering open and transparent communication with all its stakeholders, including students, faculty, staff, parents, government agencies, and the wider community. We actively seek feedback and input from stakeholders to inform decision-making and continuously improve our programs and services.

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

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In conclusion, Mandera Technical Training Institute is dedicated to maintaining the highest standards of corporate governance to fulfil our educational mission and serve the needs of our stakeholders. We believe that strong governance practices are essential for building trust, ensuring accountability, and driving sustainable growth and success.

The College affirms that good corporate governance is simply good business. The College commits to ensure that we comply with the statutory and all the legal requirements as well as meeting the set deadlines.

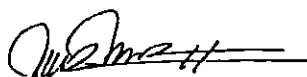
The core mandate of the institution is training as well as carrying out research activities. This entails imparting CBET skills, attitude and knowledge to the trainees. There are Five (7) departments and basically engineering courses collectively form our centre for excellence including Electrical and Electronics, Mechanical and Automotive, Information Communication Technology, Business Studies and Entrepreneurship, Liberal Studies Department, Building Technology and health Science.

During the year under review, the College engaged in several Local activities such as ball games and Athletics within the institution.

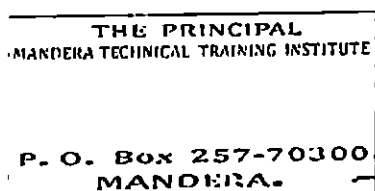
Senior staff during the year underwent several capacity building sessions in Mombasa, and Nairobi to increase their management skills.

Currently, the College is partnering with Local Organization Like KPLC, Local NGOs and County Government of Mandera for Industrial attachment Training to our students

The College has been a mentoring institution in the implementation of the up-coming TVET institutions which is now complete and handed over to the new Principals. The projects, located in Lafey Constituency are in Lafey Sub -County and other projects are in Wajir County, Eldas Sub-County.



**JABIR AHMED ABDIRAHMAN**  
**PRINCIPAL/SECRETARY TO BOARD OF GOVERNORS**



## 9. Management Discussion and Analysis

The College's operational and financial performance

The Insecurity in our area has heavily impacted on our revenue as there was no students coming from outside this County.

(1) The Board commits to ensure that a proper management structure is in place and to make sure that the structure functions to maintain corporate integrity, reputation and responsibility.

(2) The Board has a commitment to monitor and evaluate the implementation of strategies, policies, and management criteria and plans of Mandera Technical Training Institute and its mentored institutions.

(3) The Board constantly reviews the viability and financial sustainability of the College once every year.

(4) The Board commits to ensure that Mandera Technical Training Institute complies with all the relevant laws, regulations, governance practices, accounting and auditing standards.

### Challenges

- In Security in the region has hindered growth in the College and this has contributed to Low enrolment in the College.
- Hardship related issues hinder capacity growth of our staff and this results to low staff moral and little or no income generating activities to generate more income to the institution
- Inadequate physical facilities in the College such as student hostels are some of the challenges relating to low enrolment.

### 1. Operational Performance Overview

The institution has experienced growth in both enrolment and program offerings over the past year, as highlighted by several key performance indicators (KPIs):

Indicator	2023/24 Target	2023/24 Performance
Student Enrolment Growth	30%	42%
Graduation Rate	85%	95%
Staff Retention Rate	90%	100%

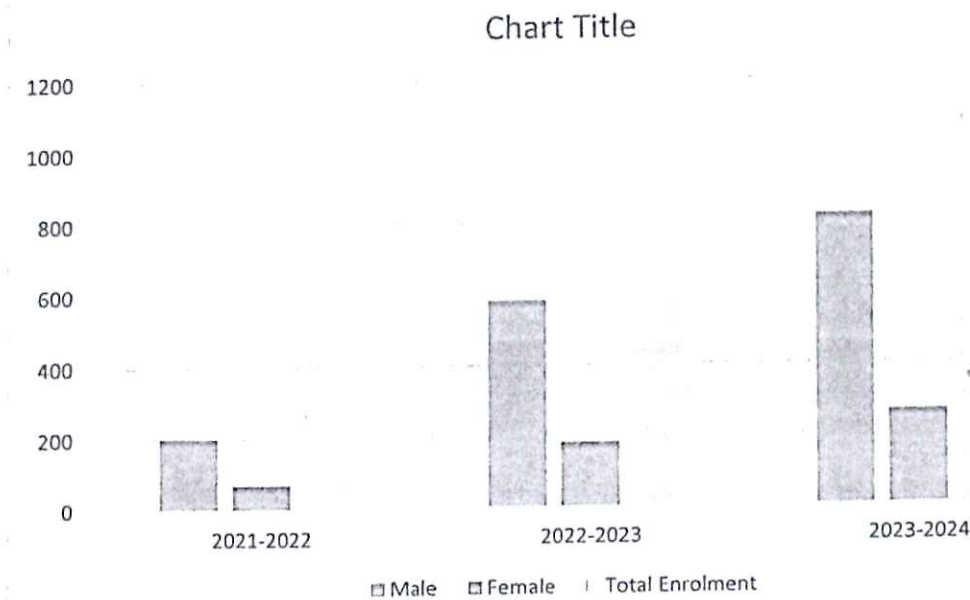
- **Enrolment Growth:** Student enrolment has increased by 42%, surpassing the target of 30%, which has placed additional demand on classroom facilities.
- **Classroom Utilization:** Utilization remains high, but there is still room for optimizing schedules to increase efficiency.
- **Staff Retention Rate:** The institution aimed to keep at least 90% of its workforce, expecting a possible 10% turnover. This is a realistic target in many organizations, acknowledging that some turnover is natural due to retirement, resignations, or other personal reasons. Achieving 100% retention indicates that no employees left during the

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

period under review. This is an excellent outcome and reflects very positively on Mandera TTI's work environment, employee satisfaction, and overall management.

**Graph 1: Enrollment Growth Over the Past 3 Years**

Year	Male	Female	Total Enrolment
2021-2022	202	70	272
2022-2023	579	182	761
2023-2024	816	264	1080



**2. Financial Performance Overview**

The institution's financial performance reflects strong revenue growth due to higher enrolment, but operational costs have also risen, primarily due to inflation and infrastructure expansion projects.

Financial Indicator	2023/24 Target	2023/24 Performance
Revenue Collection Rate	50%	65%
Debt Repayment (Statutory & Other)	100%	94%

- **Revenue Collection:** The institution collected 65% of expected revenue, slightly Above target due to delayed student fee payments and Capitation Delay.
- **Debt Repayment (Statutory & Other):** This means that the goal for Mandera TTI is to fully repay all its debts within a set period, likely a financial year, ensuring no arrears. The 94% performance suggests that while the institution has been able to repay a significant portion of its debts (94%), it fell short of the full target by 6%. This could indicate delays or difficulties in repaying some of the statutory or other financial obligations, or it could be due to cash flow issues.

### **3. Key Projects and Investment Decisions**

#### **a. ICT Labs improvement**

- The ICT labs improvement project has been completed, which likely involved upgrading infrastructure, increasing the number of computers and tables, improving internet connectivity, enhancing software resources, or modernizing teaching aids.
- **Performance:**
  - **Performance of the ICT Labs** would be assessed based on the objectives set at the beginning of the project. This could include factors like:
    - **Access:** Increased capacity for students to use ICT facilities.
    - **Technology Upgrade:** Introduction of new hardware (computers, projectors, smart boards) and software (learning platforms, programming tools, etc.).
    - **Internet Connectivity:** Improved bandwidth and Wi-Fi coverage for students and staff.
    - **Maintenance:** Better management and upkeep of ICT equipment.
    - **Training:** Providing instructors and students with updated training on how to use the new or improved systems.

#### **b. Underground Water Tank Expansion**

- The expansion of the underground water tank could involve increasing the storage capacity of the tank, improving its structure, or adding systems to make water access more efficient. Completion suggests that these tasks were successfully carried out.
- **Performance Metrics:**
  - The performance of the underground water tank expansion can be measured against key objectives that were likely set before the project began. Some typical metrics might include:
    - **Increased Storage Capacity:** The primary goal of the expansion would likely be to increase the volume of water that can be stored. This could be quantified by comparing the pre-expansion and post-expansion capacities.
    - **Efficiency of Water Distribution:** The project's performance could also be assessed based on how well the tank integrates with the existing plumbing and water distribution

system. Improved water pressure or reduced time for water to be distributed across the campus could be key indicators of success.

- **Environmental Impact:** In Mandera, where water conservation is critical, the performance of the tank could also be evaluated by its contribution to sustainable water management, such as reducing waste or the need for external water sources.

#### **4. Compliance with Statutory Requirements**

The institution has remained compliant with all statutory obligations, including tax filings, social security contributions, and health insurance for employees.

- **Compliance with Tax Payments:** 100% compliance rate
- **Pension Contributions:** All payments are up-to-date
- **Environmental Compliance:** Water conservation and waste management initiatives are in place, adhering to national environmental regulations.

#### **10. Environmental And Sustainability Reporting Statement**

The College affirms that good corporate governance is simply good business. The College commits to ensure that we comply with all the legal requirements as well as meeting set deadlines. We commit to provide excellent training environment for our students who are our major clients.

##### **Sustainability strategy and profile**

Mandera Technical Training Institute (TTI) top management is committed to advancing sustainability initiatives in line with national and global priorities. Our sustainability strategy focuses on integrating environmental stewardship, social responsibility, and economic resilience into our core operations.

##### **Broad Trends and Priorities:**

- **Political and Macroeconomic Trends:** The changing political landscape and macroeconomic conditions in Kenya, including policies aligned with Kenya Vision 2030 and the United Nations Sustainable Development Goals (SDGs), are influencing Mandera TTI's sustainability priorities. As part of the Technical and Vocational Education and Training (TVET) sector, we emphasize equipping learners with the skills necessary for a green economy, while also working to ensure the institution's operations are environmentally and socially sustainable.
- **International Best Practices:** Our sustainability strategy draws from international best practices in green campus initiatives, energy efficiency, and resource conservation. Mandera TTI is actively working towards adopting practices aligned with the Global Reporting Initiative (GRI) standards for sustainability reporting, while also incorporating the principles of the Paris Climate Agreement on reducing carbon emissions.
- **Key Achievements:**
  - **Water Management:** Completion of the underground water tank expansion project to ensure water security and reduce reliance on external water sources.
  -
- **Challenges:** Despite these achievements, challenges remain in areas such as renewable energy adoption and waste management infrastructure, where further investments are required.

##### **Environmental performance**

Mandera TTI is guided by an environmental policy that emphasizes resource conservation, sustainable waste management, and biodiversity protection. This policy aligns with Kenya's National Environmental Policy and the Environmental Management and Coordination Act (EMCA) of 1999.

The college have planted over 2000 trees especially the neem trees around the compound which provide shade for the students, staff and visitors. The trees help to filter out the dust and carbon dioxide from the environment hence improving the quality of air that we breathe inside and around the institution. Despite the Institution being in a semi-arid area, the management has ensured that there is adequate flowing water for sanitation, consumption. And watering of the trees.



*Tree Planting event at Mandera Technical Training Institute by CS Ezekiel Machogu EGH during grand opening ceremony of Mandera TTI Administration Block*



*Tree planting events at Mandera Technical Training Institute during National Tree planting day*



*The trees planted at Mandera TTI are now growing*

## Employee welfare

### Hiring Policies:

Mandera TTI follows strict guidelines for equitable hiring, focusing on maintaining a gender-balanced workforce. The institution strives to meet a gender ratio in its staffing that reflects the wider population while adhering to Kenya's 2/3 gender rule. Stakeholder engagement, including consultations with staff unions and local communities, is considered in the hiring process, which is reviewed annually to ensure compliance with evolving labor laws.

### Career Development and Skill Enhancement:

The institute places a strong emphasis on staff training and development. Employees are encouraged to attend workshops, seminars, and other professional development opportunities to enhance their skills. A structured appraisal system is in place, which evaluates staff performance and ensures that career progression is tied to skill development and competencies. The reward system at Mandera TTI recognizes outstanding performance, contributing to high employee retention rates, as evidenced by a recent 100% staff retention performance.

### Safety and Health Compliance:

Mandera TTI adheres strictly to the Occupational Safety and Health Act (OSHA) of 2007. The institution has a comprehensive safety policy that includes regular training for staff and students on safety procedures. Health and safety audits are conducted periodically to ensure compliance with OSHA standards, and any identified risks are promptly addressed. The institution also ensures that safety equipment, such as fire extinguishers and first aid kits, are available and maintained in all key facilities.

**Market place practices-**

Mandera Technical Training Institute (TTI) is committed to upholding high standards of ethical conduct in all its marketplace practices, promoting fairness, integrity, and responsibility in its operations. Below is an outline of the organization's efforts to maintain responsible business practices.

**a) Responsible Competition Practice**

Mandera TTI is dedicated to ensuring that it competes fairly within the education sector while maintaining the highest standards of integrity and transparency.

- **Anti-Corruption:** The institute has strict anti-corruption policies in place to ensure all activities are conducted ethically. The leadership enforces compliance with national anti-corruption laws, including the Public Officers Ethics Act, which guides employees to act with integrity.
- **Responsible Political Involvement:** Mandera TTI maintains a neutral stance on political issues and avoids any undue political involvement. The institution ensures that staff and students engage with political matters responsibly and without bias, ensuring no disruption to learning and operations.
- **Fair Competition:** In the education sector, Mandera TTI focuses on maintaining ethical practices by providing quality training and upholding excellence in service delivery. The institution fosters collaboration with other educational institutions and avoids practices that could be considered detrimental to competitors.
- **Respect for Competitors:** Mandera TTI respects its competitors by focusing on its strengths rather than undermining other institutions. The organization emphasizes continuous improvement in the quality of education and does not engage in negative campaigns against competing institutions.

**b) Responsible Supply Chain and Supplier Relations**

Mandera TTI recognizes the importance of maintaining a responsible and fair relationship with its suppliers to ensure long-term, sustainable partnerships.

- **Good Business Practices:** The institution adheres to ethical procurement practices, ensuring transparency, accountability, and fairness in the tendering process. Suppliers are selected based on merit, quality, and adherence to sustainable practices.
- **Honoring Contracts:** Mandera TTI ensures that all contracts with suppliers are honored in a timely and professional manner. The institution avoids delays in payments and provides clear terms of engagement to ensure mutual understanding and respect.
- **Respecting Payment Practices:** The institute prioritizes prompt payment of suppliers and contractors to build trust and maintain good relationships. Payment practices are monitored regularly to ensure compliance with agreed terms, avoiding any delays that could damage supplier relationships.

#### c) Responsible Marketing and Advertisement

Mandera TTI takes great care in ensuring that all marketing and promotional activities are conducted ethically and reflect the values of the institution.

- **Ethical Marketing Practices:** The institution avoids misleading or exaggerated claims in its marketing and communication efforts. Marketing campaigns focus on promoting the quality of education, the institution's infrastructure, and student success stories without resorting to unethical or false advertising.
- **Transparency:** Mandera TTI provides accurate and verifiable information about its courses, admissions, fees, and policies to prospective students and stakeholders. The institution strives to ensure that all its marketing materials, whether digital or print, are clear, truthful, and representative of the services offered.

#### d) Product Stewardship

Mandera TTI is committed to safeguarding the rights and interests of its students, who are the primary consumers of its educational services.

- **Safeguarding Consumer Rights:** Mandera TTI ensures that students have access to high-quality, accredited educational programs that meet industry standards. The institution is transparent about its course offerings, fees, and academic policies, ensuring students are fully informed when making decisions.
- **Student Support Services:** The institution offers robust support services, including counseling, academic advising, and career development resources, to ensure that students are set up for success. Feedback mechanisms are in place to ensure that students' concerns and grievances are addressed promptly and fairly.
- **Continuous Improvement:** Mandera TTI regularly reviews its curricula and teaching methods to ensure they remain relevant and aligned with industry needs. The institution also seeks feedback from students, employers, and industry experts to continuously improve the quality of its programs.

#### Other Contributions to Society:

In addition to responsible marketplace practices, Mandera TTI contributes to broader societal development through various initiatives.

- **Education:** Mandera TTI is focused on providing accessible and high-quality technical and vocational education to students from diverse backgrounds, contributing to workforce development in the region.
- **Sports Development:** The institute actively promotes sports by organizing and participating in inter-institutional competitions, providing students with opportunities to develop physical fitness, teamwork, and leadership skills.
- **Healthcare:** Mandera TTI works to promote health and wellness among students and staff by organizing health awareness campaigns, offering access to health services, and ensuring a clean and safe campus environment.

- **Labour Relations:** The institution maintains good labor relations by ensuring that all staff have contracts that comply with Kenyan labor laws. Open channels of communication between management and staff help resolve any issues quickly and fairly.
- **Staff Training and Development:** Mandera TTI prioritizes continuous professional development for its staff, offering training programs to improve their skills and knowledge. Performance appraisals and promotions are merit-based, ensuring a fair and transparent process.
- **Water and Sanitation Initiatives:** Following the completion of the underground water tank expansion, the institution ensures access to clean water for both staff and students. Efforts to maintain high standards of sanitation across campus help create a healthy learning environment.

### Corporate Social Responsibility / Community Engagements

#### Water Supply to Local Schools

Mandera Technical Training Institute (TTI) is dedicated to supporting the local community through various CSR initiatives, including providing essential resources such as water to educational institutions. This effort is particularly impactful in regions where access to clean water is limited.

#### Schools Benefiting from the Water Supply Initiative:

- **Neboi Secondary School:**
  - **Overview:** Mandera TTI supplies clean water to Neboi Secondary School, addressing a critical need for reliable water sources. This support ensures that the school can maintain proper hygiene and health standards for its students and staff.
  - **Impact:** Improved access to water helps in preventing waterborne diseases, enhances the school environment, and supports various school activities.
- **Special Schools for Deaf and Blind Students:**
  - **Overview:** Two special schools catering to deaf and blind students also receive water supply support from Mandera TTI. These institutions face unique challenges and benefit greatly from a reliable water source.
  - **Impact:** Ensuring a steady supply of water contributes to the well-being of students with special needs, supporting their daily activities and enhancing their educational experience.

#### 2. Scholarship for Special Students

Mandera TTI is committed to promoting inclusive education by providing scholarships specifically for students with special needs. This initiative aligns with the institution's broader goal of supporting underrepresented and disadvantaged groups.

**Key Aspects of the Scholarship Program:**

- **Target Group:** Scholarships are awarded to students with special needs who are enrolled in Mandera TTI. This includes students with disabilities who require additional support to pursue their technical and vocational education.
- **Support Offered:** The scholarships cover various aspects such as tuition fees, learning materials, and other related expenses. This financial support helps to alleviate the burden on families and ensures that students can focus on their studies.
- **Impact:** By providing scholarships, Mandera TTI enhances educational opportunities for students with special needs, allowing them to acquire valuable skills and knowledge that can lead to meaningful employment and greater independence.

**Overall Impact of CSR Initiatives:**

- **Educational Advancement:** The provision of water and scholarships helps improve the quality of education for all students, particularly those from marginalized backgrounds. Access to clean water and financial support contributes to a better learning environment and greater academic success.
- **Health and Well-being:** Ensuring a reliable water supply addresses health concerns related to waterborne diseases, while scholarships reduce financial stress and support the well-being of students with special needs.
- **Inclusive Education:** By focusing on special needs education and providing targeted support, Mandera TTI promotes an inclusive approach to education, ensuring that all students have the opportunity to succeed regardless of their circumstances.

**11. Report of the Council/Board of Governors**

The Board members submit their report together with the audited financial statements for the year ended June 30, 2024, which show the state of the Mandera Technical Training Institute affairs.

**Principal activities**

The principal activities of the Mandera Technical Training Institute are to provide quality technical Education

**Results**

The results of the Mandera Technical Training Institute for the year ended June 30 are set out on page 38

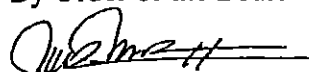
**Board of Governors**

The members of the Board who served during the year are shown on page vii, viii and ix. During the year 30th June 2024 Chairman term ended and Hussein Abdi Hassan was appointed as Ag. Chairman.

**Auditors**

The Auditor General is responsible for the statutory audit of the *Mandera TTI* in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or Institute of Certified Public Accountants were nominated by the Auditor General to carry out the audit of the *Mandera TTI* for the year/period ended June 30, 2024, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

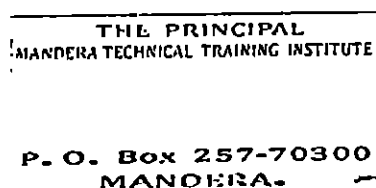
By Order of the Board



.....  
Secretary of the Board

Nairobi

Date: 26/02/2025



**12. Statement of Board of Governors Responsibilities**

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

The Board members are responsible for the preparation and presentation of the Mandera Technical Training Institute financial statements, which give a true and fair view of the state of affairs of the Mandera Technical Training Institute for and as at the end of the financial year (period) ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the 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 Mandera Technical Training Institute, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for the Mandera Technical Training Institute's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act 2013. The council members are of the opinion that the Mandera Technical Training Institute financial statements give a true and fair view of the state of Mandera Technical Training Institute transactions during the financial year ended June 30, 2024, and of the Mandera Technical Training Institute financial position as at that date. The Council members further confirm the completeness of the accounting records maintained for the Mandera Technical Training Institute, which have been relied upon in the preparation of the Mandera Technical Training Institute financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Principal has assessed the Mandera Technical Training Institute ability to continue as a going concern. Nothing has come to the attention of the Council members to indicate that the Mandera Technical Training Institute will not remain a going concern for at least the next twelve months from the date of this statement.

# REPUBLIC OF KENYA



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

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Manderu Technical Training Institute set out on pages 1 to 35, which comprise of the statement of financial position

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

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

### **Basis for Qualified Opinion**

#### **1. Unsupported Transfers from Other National Government Entities**

The statement of financial performance reflects transfers from other National Government entities of Kshs.31,262,307 as disclosed in Note 6 to the financial statements. However, the amount was based on Differentiated Unit Cost (DUC) or capitation model. In May, 2023 the Government introduced a new funding model for Universities and Technical and Vocational Education and Training (TVET) institutions which sought to phase out the Differentiated Unit Cost (DUC) or capitation model. Following introduction of the new funding model, it was not possible to confirm if the Institute will receive the expected amount disclosed and outstanding receivables which had accumulated to Kshs.29,128,000 as at 30 June, 2024.

In the circumstances, the accuracy and completeness of transfers from other National Government entities of Kshs.31,262,307 could not be confirmed.

#### **2. Doubtful Recoverability of Current Portion of Receivables from Exchange Transactions**

The statement of financial position reflects current portion of receivables from exchange transactions balance of Kshs.56,278,561 which as disclosed in Note 17 to the financial statements is in respect of student debtors. However, the aging analysis and ledger details were not provided in support of the accounts receivables. Further, it was noted that the Institute did not have a debtors Management Policy which serves as a guide in management of fees debtors. Further, it was noted that receivables increased from Kshs.31,627,731 as of 30 June, 2023 to Kshs.56,278,561 as at 30 June, 2024, representing an increase of seventy-eight percent (78%). However, no provision for bad and doubtful debts was made and there was no evidence of efforts undertaken to collect the outstanding amounts.

In the circumstances, the accuracy and recoverability of current portion of receivables from exchange transactions balance of Kshs.56,278,561 could not be confirmed.

### **3. Unsupported Property, Plant and Equipment**

The statement of financial position reflects property, plant and equipment balance of Kshs.4,585,752 and as disclosed in Note 19 to the financial statements. Review of documents provided for audit and physical inspection revealed that the Institute acquired property plant and equipment and received development grants for construction of buildings, infrastructure, buildings, plant and equipment, furniture and fittings of unknown value from Mandera County Government. However, the respective assets acquired were not revalued and the balance of Kshs.4,585,752 disclosed in the financial statements was therefore understated. Further, the property plant and equipment balance excluded undetermined value of a parcel of land belonging to the Institute where the building structures sits. In addition, the fixed assets register maintained by the Management excluded the values of assets and was not in the format prescribed by The National Treasury Circular No. 5/2020 of 25 February, 2020 on preparation of fixed asset and liability registers for public entities.

In the circumstances, it was not possible to confirm the accuracy and completeness of the property plant and equipment balance of Kshs.4,585,752.

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

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects revenue budget and actual on comparable basis amounts of Kshs.53,533,260 and Kshs.33,573,332 respectively, resulting in an under-funding of Kshs.19,959,928 or 37% of the budget. Similarly, the Institute spent Kshs.33,754,660 against actual receipts of Kshs.33,573,332, resulting in an over-expenditure of Kshs.181,328 on available funds representing 1% of the actual receipts.

The under-funding affected implementation of the planned activities and may have adversely impacted on the operations of the Institute.

My opinion is not modified in respect of this matter.

## **Key Audit Matters**

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

## **Other Matter**

### **Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management did not resolve the issues or give any explanation for the failure to resolve them.

## **Other Information**

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

In connection with my audit on the Institute's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I

confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

## **Basis for Conclusion**

### **1. Unapproved Budget**

The statement of comparison of budget and actual amounts reflects total final revenue budget of Kshs.53,533,260 and expenditure budget of Kshs.53,533,260. However, no evidence was provided to confirm that the budget was approved by the Ministry of Education. This was contrary to Section 22(2) of the Technical and Vocational Education and Training Act, 2013 which requires the Board of Governors to incur expenditure for the purpose of the Institution in accordance with estimates approved by the Cabinet Secretary and any approved expenditure under any head of the estimates may not be exceeded without the prior written approval of the Cabinet Secretary.

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

### **2. Non-Compliance with Law on Ethnic Composition**

Review of the payroll data revealed that the Institute had a total of forty-eight (48) staff as at 30 June, 2024. However, out of this number, thirty-eight (38), representing approximately 79%, were from one dominant ethnic community. Further, forty (40) members of staff representing 83% were of the same gender. This was contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and no public establishment shall have more than one third of its staff from the same ethnic community.

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

### **3. Non-Compliance with Law on Gender balance**

Review of the payroll data revealed that the Institute had a total of forty-eight (48) staff as at 30 June, 2024. However, out of this number, forty (40) members of staff representing 83% were of the same gender. This was contrary to Section 36(3)(b) of the Public Service Commission Act, 2017 which provides that in making appointments or promotions, the Commission of authorized officer are bound by the constitutional principles which require that no one gender constitutes more than two thirds of those appointed.

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

### **4. Non-Disclosure of Institute of Certified Public Accountants of Kenya Membership Number**

The Institute of Certified Public Accountants of Kenya membership number the Finance Officer who signed the financial statements was not disclosed in the relevant sections of the financial statements. This was contrary to the requirement of the Public Sector

In the circumstances, the financial statements are not compliant with the requirement by the Public Sector Accounting Standards Board.

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Lack of Internal Audit Function**

The Institute did not have an internal audit unit during the year under review as required by Section 73(1)(a) of the Public Finance Management Act, 2012 which stipulates that every National Government entity shall ensure that it has appropriate arrangements in place for conducting internal audit according to the guidelines of the Public Sector Accounting Standards Board.

In the circumstances, the effectiveness of internal controls in the Institute could not be confirmed.

#### **2. Lack of Segregation of Duties**

Review of the operations of the Institute revealed that the Finance Officer was also executing procurement the roles and responsibilities. In view of this state of affairs, there was an increased risk of irregularities due to lack of segregation of duties.

In the circumstances, the effectiveness of internal controls could not be confirmed.

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

### **Responsibilities of the Management and Board of Governors**

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

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

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

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

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

### **Auditor-General's Responsibilities for the Audit**

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

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

Nairobi

17 April, 2025

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

14. Statement of Financial Performance for The Year Ended 30 June 2024

	Notes	FY	FY
		2023/2024	2022/2023
		Kshs	Kshs
<b>Revenue from Non-Exchange transactions</b>			
Transfers from other National Government entities	6	31,262,307	26,269,072
		<b>31,262,307</b>	<b>26,269,072</b>
<b>Revenue from Exchange transactions</b>			
Rendering of services- fees from students	7	49,982,060	23,726,780
Rental revenue from facilities and equipment	8	0	12,600
Miscellaneous income	9	40,000	0
<b>Revenue from Exchange transactions</b>		<b>50,022,060</b>	<b>23,739,380</b>
<b>Total Revenue</b>		<b>81,284,367</b>	<b>50,008,452</b>
<b>Expenses</b>			
Use of goods and services	10	24,754,343	11,448,765
Employee costs	11	6,983,587	7,149,611
Board Expenses	12	728,000	130,000
Depreciation and amortization expense	13	20,973	0
Repairs and maintenance	14	1,061,750	1,494,748
Transfer to Eldas and Lafey TVC	15	4,577,472	3,439,072
<b>Total Expenses</b>		<b>38,126,125</b>	<b>23,662,256</b>
<b>Other Gains/(Losses)</b>		<b>0</b>	<b>0</b>
<b>Net surplus/(deficit) for the year</b>		<b>43,158,242</b>	<b>26,346,256</b>

The Financial Statements set out on pages 1 to 6 were signed by:



Chairman of Board

Date: 26/02/2025



Principal

Date: 26/02/2025



Finance Officer

ICPAK No

Date: 26/02/2025

THE PRINCIPAL  
MANDERA TECHNICAL TRAINING INSTITUTE  
  
P. O. Box 257-70300  
MANDERA.

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

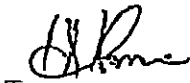
15. Statement of Financial Position as at 30th June 2024

Description	Notes	FY	FY
		2023/2024	2022/2023
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	16	6,302,900	2,806,893
Current portion of receivables from exchange transactions	17	56,278,561	31,627,731
Receivables from non-exchange transactions	18	29,128,000	14,669,000
<b>Total Current Assets</b>		<b>91,709,461</b>	<b>53,277,478</b>
<b>Non-Current Assets</b>			
Property, plant, and equipment	19	4,585,752	1,048,665
<b>Total Non-Current Assets</b>		<b>4,585,752</b>	<b>1,048,665</b>
<b>Total Assets</b>		<b>96,295,213</b>	<b>54,326,143</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables from exchange transactions	20	3,431,080	4,620,252
<b>Total Current Liabilities</b>		<b>3,431,080</b>	<b>4,620,252</b>
<b>Non-Current Liabilities</b>			
<b>Total Liabilities</b>		<b>3,431,080</b>	<b>4,620,252</b>
<b>Net Assets</b>		<b>92,864,133</b>	<b>49,705,891</b>
<b>Represented By:</b>			
Accumulated Surplus		68,736,387	25,578,145
Capital Fund		24,127,746	24,127,746
<b>Net Assets</b>		<b>92,864,133</b>	<b>49,705,891</b>

The Financial Statements set out on pages 1 to 6 were signed by:

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

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.....  
Chairman of Board

Date: 26/02/2025



.....  
Principal

Date: 26/02/2025



.....  
Finance Officer

ICPAK No

Date: 26/02/2025

THE PRINCIPAL  
MANDERA TECHNICAL TRAINING INSTITUTE  
  
P. O. Box 257-70300  
MANDERA

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

Description	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2022	(768,111)	24,127,746	23,359,635
Capital grants received during the year	-	-	-
Surplus/(deficit) for the year	26,346,256	-	26,346,256
At June 30, 2023	25,578,145	24,127,746	49,705,891
At July 1, 2023	25,578,145	24,127,746	49,705,891
Surplus/(deficit) for the year	43,158,242	0	43,158,242
At June 30, 2024	68,736,387	24,127,746	92,864,133

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

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

Description	Note	FY 2023/2024	FY 2022/2023
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other National Government entities	6	16,803,307	11,600,072
Rendering of services- fees from students	7	24,884,832	15,120,770
Rental revenue from facilities and equipment		0	12,600
Miscellaneous income	9	40,000	0
<b>Total Receipts</b>		<b>41,728,139</b>	<b>26,733,442</b>
<b>Payments</b>			
Use of goods and services	10	21,453,113	11,448,765
Employee costs	11	6,983,587	7,149,611
Board Expenses	12	728,000	130,000
Repairs and maintenance	14	931,900	1,494,748
Transfer Lafey TVC	15	1,038,400	3,439,072
Transfer Eldas TVC	15	3,539,072	0
<b>Total Payments</b>		<b>34,674,072</b>	<b>23,662,196</b>
<b>Net Cash Flows from operating activities</b>		<b>7,054,067</b>	<b>3,071,246</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets	19	(3,558,060)	(1,048,665)
<b>Net cash flows used in investing activities</b>		<b>3,558,060</b>	<b>(1,048,665)</b>
<b>Cash flows from financing activities</b>			
<b>Net Increase/(Decrease) in Cash and Cash equivalents</b>		<b>3,496,007</b>	<b>2,022,581</b>
Cash and Cash equivalents at 1 JULY	16	2,806,893	784,312
<b>Cash and Cash equivalents at 30 JUNE</b>	16	<b>6,302,900</b>	<b>2,806,893</b>

18. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2024

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference	
<b>Revenue</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>%</b>	
Transfers from other National Government entities	22,830,000	-	22,830,000	8,648,500	14,181,500	62%	a)
Rendering of services- fees from students	30,703,260	-	30,703,260	24,924,832	5,778,428	19%	b)
<b>Total Income</b>	<b>53,533,260</b>	<b>-</b>	<b>53,533,260</b>	<b>33,573,332</b>	<b>19,959,928</b>	<b>37%</b>	<b>c)</b>
<b>Expenses</b>							
Use of goods and services	35,226,949	-	35,226,949	21,453,113	13,673,836	39%	d)
Employee costs	10,200,000	-	10,200,000	6,983,587	3,216,413	32%	e)
Board Expenses	1,700,000	-	1,700,000	728,000	972,000	57%	f)
Repairs and maintenance	2,106,311	-	2,106,311	931,900	1,174,411	56%	g)
Development	4,300,000	-	4,300,000	3,558,060	741,940	17%	h)
<b>Total Expenditure</b>	<b>53,533,260</b>	<b>-</b>	<b>53,533,260</b>	<b>33,754,660</b>	<b>19,778,600</b>	<b>37%</b>	
<b>Surplus for the Period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-181,328</b>	<b>181,328</b>		
<b>Capital Expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

Budget notes

- a) Movement is due to less capitation Received from Ministry of education state department for TVET. The budgeted turnout was 761 students where each was supposed to receive kshs. 30,000 for 2023-2024 financial Year but instead the institution received kshs. 11,000 for 761 students. Capitation from the government has not been realized in time.
- b) Movement is due to the fees collected from students through direct payment from parents and bursaries. Much of this fund has not been realized as a result of prolong Drought in Mandera County and the all Nation.

- c) Movement is due to realization of capitation funds from the government. This has resulted to a utilization of only the A-I-A funds from collected from the students and other internally incomes although not sufficient.
- d) Movement is due to cost cutting measures in the prudence use of the available funds to meet the target goals.
- e) Movement is due to the use of temporary or contractual staff have been less than anticipated, resulting in savings.
- f) Movement is due to the board induction that have been deferred to a future date due to operational priorities leading to the postponement of the associated expenses.
- g) Movement is due to the initial budget was prepared based on projected RMI needs, which may have included contingency for unforeseen issues. However, actual requirements were lower than anticipated, leading to reduced spending.
- h) Movement is due to the initial budget did not account for all financial requirements, leading to a funding gap that affected the software purchase. The project was underfunded, which restricted the procurement process.

**19. Notes to the Financial Statements**

**1. General Information**

Mandera TTI is established by and derives its authority and accountability from PFM Act. The Mandera TTI is wholly owned by the Government of Kenya and is domiciled in Kenya. The Mandera TTI principal activity is providing Technical Education.

**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 Mandera Technical Training Institute accounting policies. There were no areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Mandera Technical Training Institute. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1<sup>st</sup> January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Mandera TTI. The new standard requires Mandera TTI to recognise, measure and present information on right of use assets and lease liabilities. The standard had no impact in preparation of financial statements
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1<sup>st</sup> January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. The standard had no impact in preparation of financial statements
IPSAS 45: Property Plant and Equipment	<i>Applicable 1<sup>st</sup> January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. [PSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets. The standard had no impact in preparation of financial statements
IPSAS 46: Measurement	<i>Applicable 1<sup>st</sup> January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by:

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

	<p>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</p> <p>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>The standard had no impact in preparation of financial statements</p>
IPSAS 47: Revenue	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an Mandera TTI shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>The standard had no impact in preparation of financial statements</p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p>The standard had no impact in preparation of financial statements</p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p>The standard had no impact in preparation of financial statements</p>

*iii. Early adoption of standards*

Mandera TTI did not early adopt any new or amended standards in year 2024 the Mandera TTI adopted standard 45 and 47. The impact of these standards on Mandera TTI financial statements is has no impact.

**4. Summary of Significant Accounting Policies**

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

**Transfers from other government entities**

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

- ii) Revenue from exchange transactions

**Rendering of services**

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

**Sale of goods**

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

**Interest income**

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

**Rental income**

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

**b) Budget information**

The original budget for FY 2023/2024 was approved by the Council or Board on 02/01/2024. 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 Mandera TTI upon receiving the respective approvals to conclude the final budget. Accordingly, the Mandera TTI budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 1 under section 14. Statement of Financial Performance For The Year Ended 30 June 2024 of these financial statements.

**c) Taxes**

*Current income tax*

The Mandera Technical Training Institute is exempt from paying taxes under Income Tax Act cap 470 Section 13(1), Part I of the First schedule (10)

*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 20-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

**e) Property, plant and equipment**

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

**f) Leases**

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Mandera TTI. 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 Mandera TTI also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Mandera TTI 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 Mandera TTI. 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. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

**h) Research and development costs**

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

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

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

**i) Financial instruments**

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

## *Financial assets*

### *Classification*

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

### **Subsequent measurement**

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

### **Amortized cost**

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

### **Fair value through net assets/ equity**

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

### **Fair value through surplus or deficit**

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

### **Trade and other receivables**

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

### **Impairment**

The Mandera TTI assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The Mandera TTI recognizes a loss allowance for such losses at each reporting date.

### *Financial liabilities*

#### *Classification*

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

#### **j) Inventories**

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

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

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

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

### **Inventories (Continued)**

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

### **k) Provisions**

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

### ***Contingent liabilities***

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

### **l) Social Benefits**

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

**m) Nature and purpose of reserves**

The Mandera TTI creates and maintains reserves in terms of specific requirements.

**n) Changes in accounting policies and estimates**

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

**o) Employee benefits**

**Retirement benefit plans**

The Mandera TTI 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 Mandera TTI (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.

**p) 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.

**q) 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.

**r) Related parties**

The Mandera TTI 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 Mandera TTI, or vice versa. Members of key management are regarded as related parties and comprise the directors, the Principal and senior managers.

**s) Service concession arrangements**

The Mandera TTI analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Mandera TTI 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 Mandera TTI also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**t) Cash and cash equivalents**

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

**u) Comparative figures**

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

**v) Subsequent events**

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

## **5. Significant Judgments and Sources of Estimation Uncertainty**

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

### **Estimates and assumptions.**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Mandera TTI 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 Mandera TTI. 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 Mandera TTI
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset

### **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.

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.

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

6. Transfers from other National Government entities

Description	FY: 2023/2024	FY: 2022/2023
	Kshs	Kshs
<b>Unconditional Grants</b>		
Capitation Grants	23,107,500	22,830,000
Operational Grant	1,500,000	0
<b>Total unconditional Grants</b>	<b>24,607,500</b>	<b>22,830,000</b>
<b>Conditional Grants amortised/ recognised in revenue</b>		
Learning facilities and Administration block- Eldas TVC	3,439,072	3,439,072
Learning facilities and Administration block-LafeY TVC	3,215,735	0
<b>Total Government Grants and Subsidies</b>	<b>31,262,307</b>	<b>26,269,072</b>

7. Rendering of Services

Description	FY: 2023/2024	FY: 2022/2023
	Kshs	Kshs
Tuition Fees	22,584,890	11,199,000
Activity Fees	1,086,000	0
Industrial Attachment Fees	986,000	72,000
Examination Fees	3,731,770	4,220,350
Facilities and Materials	21,593,400	8,235,430
<b>Total Revenue from The Rendering of Services</b>	<b>49,982,060</b>	<b>23,726,780</b>

8. Rental revenue from facilities and equipment

Description	FY: 2023/2024	FY: 2022/2023
	Kshs	Kshs
Hire of Facilities and Equipment	0	12,600
<b>Total</b>	<b>0</b>	<b>12,600</b>

9. Miscellaneous Income

Description	FY: 2023/2024	FY: 2022/2023
	Kshs	Kshs
Others Elwak TVC contribution to TVET 100	40,000	0
<b>Total other income</b>	<b>40,000</b>	<b>0</b>

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

10. Use of Goods and Services

Description	FY: 2023/2024	FY: 2022/2023
	Kshs	Kshs
Teaching and learning materials	2,847,109	309,247
Industrial attachment costs	0	12,000
Electricity	480,000	466,708
Water	2,881,972	132,671
Activity	165,000	240,500
Professional and consultancy services	0	20,000
Subscriptions	180,000	0
Advertising	466,000	97,440
Examination fees	3,731,770	2,709,980
Travelling and accommodation	4,687,800	1,511,100
Fuel and oil	445,400	75,000
Insurance	18,500	0
Firewood	565,500	336,000
Food supply	5,837,589	4,516,762
Postage	18,900	0
Printing and stationery	830,180	55,000
Hire charges	825,725	629,750
Bank charges	41,398	34,307
Telephone expenses	30,000	80,000
Internet expenses	150,000	175,800
Training expenses	101,000	30,000
Staff uniform	148,000	0
Other ( <i>specify</i> )	302,500	16,500
<b>Total good and services</b>	<b>24,754,343</b>	<b>11,448,765</b>

11. Employee Costs

Description	FY: 2023/2024	FY: 2022/2023
	Kshs	Kshs
Salaries and wages	6,272,435	6,698,371
Employee related costs - contributions to pensions and medical aids	112,176	111,000
Performance and other bonuses	244,000	40,000
Social contributions	354,976	300,240
<b>Employee Costs</b>	<b>6,983,587</b>	<b>7,149,611</b>

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

12. Board Expenses

Description	FY: 2023/2024	FY: 2022/2023
	Kshs	Kshs
Directors Emoluments	728,000	130,000
<b>Total</b>	<b>728,000</b>	<b>130,000</b>

13. Depreciation and Amortization expense

Description	FY: 2023/2024	FY: 2022/2023
	Kshs	Kshs
Property, plant and equipment	20,973	0
<b>Total depreciation and amortization</b>	<b>20,973</b>	<b>0</b>

14. Repairs and Maintenance

Description	FY: 2023/2024	FY: 2022/2023
	Kshs	Kshs
Property	986,250	1,360,048
Computers and accessories	75,500	134,700
<b>Total Repairs and Maintenance</b>	<b>1,061,750</b>	<b>1,494,748</b>

15. Transfer to Mentor Account

Description	FY: 2023/2024	FY: 2022/2023
	Kshs	Kshs
Lafey TVC	1,038,400	0
Eldas TVC	3,539,072	3,439,072
<b>Total Transfer</b>	<b>4,577,472</b>	<b>3,439,072</b>

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

16. Cash and Cash Equivalents

Description	FY: 2023/2024	FY: 2022/2023
	Kshs	Kshs
Current Account	6,302,900	2,806,893
<b>Total Cash and Cash Equivalents</b>	<b>6,302,900</b>	<b>2,806,893</b>

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

Financial Institution	Account number	FY: 2023/2024	FY: 2022/2023
		Kshs	Kshs
<b>a) Current Account</b>			
Kenya Commercial Bank	1197776346	4,501,450	2,747,727
Kenya Commercial Bank	1197775870	1,801,451	58,446
<b>Sub- Total</b>		<b>6,302,900</b>	<b>2,806,173</b>
<b>b) Others</b>			
Cash in Hand		0	720
<b>Sub- Total</b>		<b>0</b>	<b>720</b>
<b>Grand Total</b>		<b>6,302,900</b>	<b>2,806,893</b>

17. Receivables from Exchange transactions

17. Current Receivables from Exchange transactions

Description	FY: 2023/2024	FY: 2022/2023
	Kshs	Kshs
<b>Current Receivables</b>		
Student Debtors	56,278,561	31,627,731
<b>Total Current Receivables</b>	<b>56,278,561</b>	<b>31,627,731</b>

18. Receivables from Non-Exchange transactions

Description	FY: 2023/2024	FY: 2022/2023
	Kshs	Kshs
<b>Current Receivables</b>		
Capitation Grants	29,128,000	14,669,000
<b>Total Current Receivables</b>	<b>29,128,000</b>	<b>14,669,000</b>

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

Description	FY: 2023/2024		FY: 2022/2023	
	Kshs	% of the total	Kshs	% of the total
Less than 1 year	29,128,000	63.3%	14,669,000	64.25%
<b>Total</b>	<b>29,128,000</b>	<b>63.3%</b>	<b>14,669,000</b>	<b>64.25%</b>

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

19. Property, Plant and Equipment

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Other Assets (specify)	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 July 2022	-	-	-	-	-	-	-	-	-
Additions	-	1,048,665	-	-	-	-	-	-	1,048,665
At 30 <sup>th</sup> June 2023	-	1,048,665	-	-	-	-	-	-	1,048,665
Additions	-	3,558,060	-	-	-	-	-	-	3,558,060
Disposals	-	-	-	-	-	-	-	-	-
At 30 <sup>th</sup> June 2024	-	4,606,725	-	-	-	-	-	-	4,606,725
<b>Depreciation and Impairment</b>									
At 1 July 2022	-	1,048,665	-	-	-	-	-	-	1,048,665
Depreciation	-	20,973	-	-	-	-	-	-	20,973
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
At 30 July 2023	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
At 30 <sup>th</sup> Jun 2024	-	1,027,692	-	-	-	-	-	-	1,027,692
Net Book Values	-	1,027,692	-	-	-	-	-	-	1,027,692
At 30 <sup>th</sup> Jun 2023	-	1,048,665	-	-	-	-	-	-	1,048,665
At 30 <sup>th</sup> Jun 2024	-	4,585,752	-	-	-	-	-	-	4,585,752

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

**Notes to the Financial Statements (Continued)**

**Valuation**

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020).

**19 (b) Property, Plant and Equipment at Cost**

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Buildings	4,606,725	20,973	4,585,752
<b>Total</b>	<b>4,606,725</b>	<b>20,973</b>	<b>4,585,752</b>

**20. Trade and Other Payables**

Description	FY: 2023/2024		FY: 2022/2023	
	Kshs		Kshs	
Trade payables	3,431,080		4,620,252	
<b>Total Trade and Other Payables</b>	<b>3,431,080</b>		<b>4,620,252</b>	
<b>Ageing analysis:</b>	<b>FY: 2023/2024</b>	<b>% of the Total</b>	<b>FY: 2022/2023</b>	<b>% of the Total</b>
Under one year	3,431,080	9.76%	4,620,252	17.9%
<b>Total (to tie to totals above)</b>	<b>3,431,080</b>	<b>9.76%</b>	<b>4,620,252</b>	<b>17.9%</b>

**21. Financial Risk Management**

The Mandera TTI 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.

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

The Mandera TTI financial risk management objectives and policies are detailed below:

**(i) Credit risk**

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

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
<b>At 30 June 2023</b>				
Receivables from exchange transactions	31,627,731	31,627,731	-	-
Receivables from non-exchange transactions	14,669,000	0	-	-
Bank balances	2,806,893	833,323	-	-
<b>Total</b>	<b>49,103,624</b>	<b>32,461,054</b>	<b>-</b>	<b>-</b>
<b>At 30 June 2024</b>				
Receivables from exchange transactions	56,278,561	25,057,228	-	-
Receivables from non-exchange transactions	29,128,000	-	-	-
Bank balances	6,302,900	2,806,893	-	-
<b>Total</b>	<b>91,709,461</b>	<b>27,864,121</b>	<b>--</b>	<b>-</b>

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 Mandera TTI has significant concentration of credit risk on amounts due from 2021

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.

**(ii) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the Mandera TTI directors, who have built an appropriate liquidity risk management framework for the management of the

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

entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2023</b>				
Trade Payables	-	-	4,620,252	4,620,252
<b>Total</b>	-	-	4,620,252	4,620,252
<b>At 30 June 2024</b>				
Trade Payables	-	-	3,431,080	3,431,080
<b>Total</b>	-	-	3,431,080	3,431,080

**(iii) Market risk**

The Mandera TTI has put in place an internal audit function to assist it in assessing the risk faced by the Mandera TTI 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 Mandera TTI 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 Mandera TTI 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 Mandera TTI exposure to market risks or the manner in which it manages and measures the risk.

**22. Related Party Balances**

**Nature of related party relationships**

Mandera TTI and other parties related to the Mandera TTI 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 Mandera TTI, holding 100% of the Mandera TTI equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

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

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

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

Description	FY: 2023/2024	FY: 2022/2023
	Kshs	Kshs
<b>Transactions with Related Parties</b>		
a) Sales to related parties		
B) Purchases from related parties		
Purchases of electricity from kplc	480,000	466,708
<b>Total</b>	<b>480,000</b>	<b>466,708</b>
b) Grants /Transfers from the Government		
Grants from National Govt	24,607,500	8,161,000
<b>Total</b>	<b>24,607,500</b>	<b>8,161,000</b>
c) Expenses incurred on behalf of related parties		
d) Key Management Compensation		
Directors' emoluments	728,000	130,000
<b>Total</b>	<b>728,000</b>	<b>130,000</b>

**23. Segment Information**

Mandera Technical Training Institute Has only one area of operation

**24. Contingent Assets and Contingent Liabilities**

Mandera Technical Training Institute did not have any contingent nor Liability

**25. Capital Commitments**

Mandera Technical Training Institute did not have capital commitments in financial year 2023/2024

**26. Events After the Reporting Period**

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

**27. Ultimate and Holding Entity**

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

**28. Currency**

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

20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/GRO/AUD/MTTI/MDR/7(8)	Late submission of the 2018/2019, 2019/2020, and 2020,2021 Financial statement	The issues of late submission of financial statement for FY: 2018/2019, 2019/2020 and 2020/2021 for Mandera Technical Training Institute, during those years the institute dose not have an Accountant.	Resolved	
OAG/GRO/AUD/MTTI/MDR/7(8)	Property, Plant and Equipment	Regarding the ownership for land, the Title deed for institution has not been secured and the process has been going for a number of years without conclusion. The audits rightly point out the absence of a detailed and well-prepared property, plant and equipment schedule and net book values for assets, as at the close of Financial year 2022/2023. The Mandera technical training institute Management Team, arrange on assets valuation through the staff of ministry of housing and urban development.	Not Resolved	31 <sup>st</sup> December 2024
OAG/GRO/AUD/MTTI/MDR/7(8)	Unsupported Receivables from	During the start of Mandera Technical Training Institute in the year 2017 Mandera County	Resolved	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Exchange Transactions.	Government promised all student scholarship, which they did in the first year only but later refuse to pay for students. Mandera TTI is now forcing students to clear their fee arrears. Issues on supportive document for receivables from exchange transaction is ready and to be submitted with this letter.		
OAG/GRO/AUD/MTTI/MDR/7(8)	Budgetary Control and Performance	As for the budgetary shortfall that meant we could not meet our revenue and expenditure target, due to the prolonged drought in the Mandera county and the all nation. This really affect our revenue collection which is majorly from capitation grant from government and fees paid by students hence lack of meeting our budgetary targets in terms revenue and expenditure.	Resolved	
OAG/GRO/AUD/MTTI/MDR/7(8)	Failure by the board of Governors to hold required meetings	The institution acknowledges the lapse in holding the required Board of Governors (BoG) meetings. This was due to the expiration of the term of the previous board, and the delay in the approval process for appointing a new BoG by the Ministry of Education.  Efforts were made to expedite the approval process; however, the Ministry's procedures for vetting and confirming new board members took longer than expected. As a result, the	Resolved	

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


Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		institution was unable to convene the required meetings within the stipulated timeframe.		
OAG/GRO/AUD/MTTI/MDR/7(8)	Lack of Human Resource Policy and Approved Staff Establishment	<p>The institution acknowledges the absence of a formal Human Resource Policy and an approved staff establishment. We recognize the importance of these frameworks in ensuring effective management and organization of our staff.</p> <p>Currently, efforts are underway to develop a comprehensive Human Resource Management (HRM) policy and establish a formal staff structure. We are working closely with relevant stakeholders to ensure that these documents are aligned with best practices and institutional needs.</p>	Not resolved	30 <sup>th</sup> June 2024
OAG/GRO/AUD/MTTI/MDR/7(8)	Lack of key policy document	<p>the absence of key policy documents, which are crucial for guiding operations and ensuring compliance with regulatory requirements.</p> <p>We are currently in the process of developing and finalizing these essential documents, working in consultation with relevant stakeholders to ensure they meet institutional and legal standards.</p>	Not resolved	30th June 2024

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/GRO/AUD/MTTI/MDR/7(8)	Lack of internal Audit Department	<p>The institution acknowledges the absence of an Internal Audit Department, which is essential for ensuring internal controls and compliance.</p> <p>While the department is not currently in place, we are committed to establishing this crucial function in the near future. Plans are being developed to ensure the Internal Audit Department is properly structured and staffed to meet institutional needs.</p>	Not resolved	End of next financial year
OAG/GRO/AUD/MTTI/MDR/7(8)	Non establishment of audit committee	<p>The institution acknowledges the previous non-establishment of an Audit Committee. We are pleased to report that an Audit Committee has now been established and is fully operational.</p> <p>This committee is actively engaged in overseeing audit processes, ensuring compliance, and strengthening the institution's governance framework. The issue has been fully resolved.</p>	Resolved	
OAG/GRO/AUD/MTTI/MDR/7(8)	Lack Segregation of duties	Management acknowledges that the current situation, where the Finance Officer is also responsible for procurement duties, presents a challenge in maintaining proper segregation of duties. We understand that this increases the	Not resolved	By the end of next financial year

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>risk of potential conflicts of interest, reduced checks and balances, and possible errors or fraud.</p> <p>This overlap in roles is a result of the organization's limited resources, which have constrained our ability to hire additional staff to properly separate these functions. We recognize the importance of addressing this issue and are actively working towards a sustainable solution.</p>		



THE PRINCIPAL  
MANDERA TECHNICAL TRAINING INSTITUTE

P. O. Box 257-70300  
MANDERA.

.....

Name: JABIR AHMED ABDIRAHMAN  
Accounting Officer  
MANDERA TTI  
Date : 26/02/2025

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

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**Appendix II: Projects Implemented by Mandera Technical Training Institute**

**Projects**

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

Mandera Technical Training Institute is not running any development project at the moment

**Status of Projects completion**

Mandera Technical Training Institute is not running any development project at the moment

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

Appendix III- Inter-Entity Confirmation Letter


Name of transferring: Mandera Technical Training Institute

Name of beneficiary: Eldas Technical and Vocational College


Confirmation of amounts received by Eldas Technical and Vocational College as at 30 <sup>th</sup> June 2024					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
MOE/SDTVET/DTE8/161 (14) Vol 1 (39)	03/04/2024	-	3,439,072.00	3,439,072.00	
<b>Total</b>		-	<b>3,439,072.00</b>	<b>3,439,072.00</b>	

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

Head of Accounts Department – Mandera TTI :

Name : JABIR AHMED ABDIRAHMAN      Sign:       Date: 26/02/2025

Head of Accounts Department – Eldas TVC:

Name : JIMALE ABDILLE MOHAMED Sign:       . Date: 26/02/2025

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**Appendix IV: Reporting of Climate Relevant Expenditures**

There was no expenditure related to Climate in the FY 2023/2024

**Appendix V: Reporting on Disaster Management Expenditure**

There was no expenditure related to Disaster Management in the FY 2023/2024