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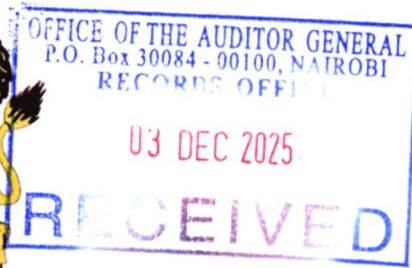
 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 04 MAR 2026	DAY: WED
TABLED BY:	DEPUTY LEADER OF THE MAJORITY PARTY
CLERK-AT THE-TABLE:	V. WAMBUI

THE AUDITOR-GENERAL

ON

NATIONAL INDUSTRIAL TRAINING AUTHORITY

FOR THE YEAR ENDED 30 JUNE, 2025



NATIONAL INDUSTRIAL TRAINING AUTHORITY

DRAFT ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDING

30TH JUNE 2025

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

National Industrial Training Authority – Annual Reports and Financial Statements
For the year ended June 30, 2025

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National Industrial Training Authority – Annual Reports and Financial Statements
For the year ended June 30, 2025

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1. ACRONYMS, ABBREVIATIONS AND GLOSSARY OF TERMS

CEO	Chief Executive Officer
DG	Director General
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MD	Managing Director
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
WB	World Bank
VC	Vice Chancellor
NITA	National Industrial Training Authority

B: Glossary of Terms

Fiduciary Management- Members of Management directly entrusted with the responsibility of financial resources of the organisation.

Comparative Year- Means the prior financial reporting period.

2. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The National Industrial Training Authority (NITA) is a State Corporation established under the Industrial Training Act (CAP 237) under the Ministry of Labour and Social Protection. NITA is domiciled in Kenya with the Headquarters located in Commercial Street, Industrial Area Nairobi. The Authority has regional offices in Mombasa, Kisumu, Nakuru, Nyeri, Embu, Eldoret, Athi River, Thika and Kakamega. The mandate of the Authority is to promote the highest standards in the quality and efficiency of industrial training in Kenya and ensure adequate supply of properly trained manpower at all levels in industry.

The Authority is governed by a Board of Directors under whom the Director General serves. The Director General is responsible for the day-to-day management of the Authority and strategic direction.

(b) Principal Activities

NITA's principal mandate, vision and mission are as follows:

Vision

An authority transforming and enhancing competitive skills development for Industry in Kenya.

Mission

To enhance skills development, productivity and employability through effective regulation of demand driven training at all levels of industry.

Core Values

Shared Prosperity; Knowledge Focus; Innovation and Inclusivity, Leadership and Integrity; Lifelong Learning; Efficiency; Resilience – SKILLER.

Strategic Goals

To enhance customer satisfaction and inclusivity by growing the number of employers contributing to the levy from 35,000 to 61,500 by 2028, employees contributing to the levy from 1.2m to 3.7m in 2028, annual trainees from 196,769 to 332,965 and training providers from 788 to 1,244 in 2028; To enhance reimbursement of training levy; Enhance Brand Management and visibility; Facilitate financial sustainability by growing the annual revenue from Kshs. 2 billion to Kshs 3.683 billion by 2028 as well as enhancing efficiency and effectiveness in resource mobilization; Enhance operational automation; Attract, develop, engage and retain a competent staff complement; Strengthen Leadership, Governance and Risk Management.

Mandate

Industrial training; assessing and collecting industrial training levy and fees; regulating trainers registered under the Act; developing industrial training curricula; integrating labour market information into skills development; harmonizing curricula and certificates of competence; Assessing industrial training, testing occupational skills and awarding

**National Industrial Training Authority – Annual Reports and Financial Statements
For the year ended June 30, 2025**

certificates including Government trade test certificates; equating certificates; accrediting institutions engaged in skills training for industry.

NITA has five industrial training centres:

1. NITA, Nairobi
2. NITA, Mombasa
3. NITA, Athi River
4. NITA, Nairobi Textile Training Institute
5. NITA, Kisumu

(c) Key Management

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

- Board of Directors
- Director General
- Management

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Ag. Director General	Ag. Theresa K. Wasike (Ms.)
2.	Director, Industrial Training and Skills Development	Ms. Jane Kamau
3.	Director Corporate Services	Mr. Gerald Kirimi
4.	Ag. Corporation Secretary/Manager Legal Services	Ms. Caroline Kibiwott
5.	Ag. Manager, Labour Migration	Mr. Karoli Otieno
6.	Centre Manager, NITA Nairobi	Mr. Fidelis Odumo
7.	Assistant Manager, Nairobi Textile Training Institute	Ms. Lucy Wambugu
8.	Centre Manager, NITA Kisumu	Mr. Joel Barua
9.	Centre Manager, NITA Athi River	Ms. Millicent Otom
10.	Centre Manager, NITA Mombasa	Mr. Festus Musyoki
11.	Manager, Accounts	Mr. Julius Ndenge
12.	Manager, Human Resource and Administration	Mr. Sammy Maiyo
13.	Manager, Internal Audit	Ms. Teresa Lagat
14.	Manager, Supply Chain Management	Ms. Elvina Osodo
15.	Manager, Information Communication Technology	Mr. Festus Kitui
16.	Ag. Manager, Assessment and Certification	Mr. Augustine Rono
17.	Ag. Manager Registration and Accreditation	Mr. Peter Njiru
18.	Ag. Manager Quality Assurance	Mr. Joshua Aburi
19.	Ag. Manager Planning and Risk Management Coordination	Mr. Felix Ogutu
20.	Ag. Manager Industrial Training Development	Mr. Benard Osongo
21.	Ag. Manager Research and Curriculum Development	Ms. Phyllis Kiplagat
22.	Ag. Manager, Resource Mobilization and Enterprise Development	Ms. Kabale Buda
23.	Ag. Manager, Levy Administration	Dr. Benard Okemwa

(e) Fiduciary Oversight Arrangements

The National Industrial Training Board constituted four standing committees to provide oversight as follows:

1. Industrial Training and Strategy Committee (IT&SC)
2. Finance and Levy Administration Committee (FLAC);
3. Human Resource, Governance and Administration Committee (HRGAC),
4. Audit and Risk Management Committee (ARMC)
5. The Board also established an Ad-hoc committee to oversee implementation of the ERP project

The ITSC provides oversight on Industrial Training as well as strategy through the relevant departments namely industrial training development, assessment and certification, curriculum development and management of the Industrial Training Centres, Corporate Communications, ICT and Marketing.

The FLAC provides oversight on all matters related to Finance and Levy Administration. It oversees the budgeting process and Financial Statements, income generating activities including resource mobilization and marketing. The Committee also provides oversight on the operations of the Levy Department, and Supply Chain Management Department. The

HRGAC provides oversight on Human Resource, Governance and Administration of the Authority. Its responsibilities include supporting an adequate, competent and well-motivated workforce. The Committee is also charged with ensuring that other NITA resources (e.g. Offices and pool motor vehicles) are utilized in an optimal manner. It also ensures that tenets of good corporate governance are maintained.

The ARMC provides oversight on risk management, internal controls, external audit, compliance and overall organizational reporting as stipulated in the Audit and Risk Management Committee Charter.

NITA is also guided and complies with circulars giving guidance from the National Treasury as well as any other direction given by the Parent Ministry.

(f) Headquarters

P.O. Box 74494-00200-NAIROBI
Commercial Street-Industrial Area
opposite KEMSA
Nairobi, KENYA

(g) Contacts

Telephone : (254) 720-917897/
(254)-736-290676
E-mail: directorgeneral@nita.go.ke
Website: www.nita.go.ke

(h) Bankers

1. Kenya Commercial Bank Ltd.
Industrial Area Branch
P. O. Box 18031-00500
Nairobi, Kenya

2. National Bank of Kenya Ltd.
Harambee Avenue Branch
P.O. Box 41862
City Square 00200
Nairobi, Kenya

(i) Independent Auditors




Auditor General
Office of the Auditor General
Anniversary Towers, University 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 DIRECTORS



NAME	QUALIFICATION AND WORK EXPERIENCE
<div data-bbox="349 356 707 645" data-label="Image"> </div> <p data-bbox="264 741 783 846" style="text-align: center;">Hon. Aden Noor Ali, MBS Chairperson – National Industrial Training Board</p>	<p data-bbox="815 329 1142 360">Date of Birth: 10/10/1968</p> <p data-bbox="815 367 1484 600">Academic Qualifications include Bachelor’s degree in Education from Kenyatta University, Executive Master's degree in Leadership and Management from Moi University, and a Master's degree in Tribunal Administration from the Foundation of Administrative Justice in Edmonton, Canada.</p> <p data-bbox="815 645 1484 837">Experience - six years as Director in the Transport Licensing Appeals Board and chairman of the National Transport Safety Authority Board; 20 years of teaching experience which underscores his dedication to education and capacity-building.</p> <p data-bbox="815 882 1484 994">As Chairman of Ropisa Foundation, Mr. Aden is deeply passionate about creating job opportunities for the youth through skills empowerment initiatives.</p>
<div data-bbox="333 1055 703 1417" data-label="Image"> </div> <p data-bbox="269 1456 775 1559" style="text-align: center;">Ms. Carolyn Rutto Representing the Central Organization of Trade Unions – Kenya (COTU-K).</p>	<p data-bbox="815 1043 1126 1075">Date of Birth: 6/26/1969</p> <p data-bbox="815 1081 1484 1249">Ms. Carolyn C. Rutto is a dedicated labour leader and public service professional with extensive experience in advocacy, social dialogue, and stakeholder engagement within the trade union movement. She currently serves as a</p> <p data-bbox="815 1272 1484 1507">Ms. Rutto holds a Certificate in Public Relations from the Regional Government Institute (RGI), a P1 Teaching Certificate from Kericho Teachers Training College, and pursued MBChB studies at the University of Nairobi, reflecting a multidisciplinary background that spans education, healthcare, and communication.</p> <p data-bbox="815 1529 1484 1765">In her leadership journey, she has served as the 2nd Assistant Secretary General at COTU (K), contributing to national policy advocacy and the advancement of workers’ rights. She is a member of the General Wages Council and serves on the Reconciliation Committee, playing a key role in dispute resolution and wage advisory.</p>

 <p>Mr. Mark J. Obuya, EBS, MCI Arb Representing Federation of Kenya Employers (FKE)</p>	<p>Date of Birth: 24/04/1957 Mr. Mark J. Obuya, EBS, MCI Arb, is a highly accomplished legal and governance professional with extensive experience in the labour, insurance, and financial sectors.</p> <p>Mr. Obuya holds a Master of Laws (LL.M) and a Bachelor of Laws (LL.B), along with a Diploma from the Kenya School of Law. He is a Chartered Insurer, a Certified Trustee, and a member of the Chartered Institute of Arbitrators (MCI Arb).</p> <p>Mr. Obuya has held numerous senior leadership roles, including serving as the National President of the Federation of Kenya Employers (FKE) and the Chairman of the Association of Kenya Insurers (AKI), Trustee of the National Social Security Fund (NSSF), Board Member National Bank of Kenya, Board Member, National Syndemic Diseases Control Council (NSDCC). He also served as President and Director of the Insurance Institute of Kenya.</p>
 <p>Mr. Samwel Mayaka Independent Director</p>	<p>Date of Birth: 12/24/1980 Mr. Samwel Mayaka is a seasoned engineer and dynamic leader with multifaceted experience spanning business leadership, sales and marketing, technical product management, and entrepreneurship. He has held senior leadership positions across the oil and automotive industries, with a track record of driving growth and operational excellence and has made significant contributions to private sector growth and innovation over the last 20 years.</p> <p>He holds a Bachelor's degree in Mechanical Engineering and a post-graduate certification in marketing practice.</p> <p>Mr. Mayaka is deeply committed to impactful and servant leadership. He is a strong advocate for meritocracy and ethics and is passionate about youth empowerment. His approach combines strategic insight with a passion for developing talent and delivering value-driven results.</p>
 <p>Mr. Wesley K. Siele Representing Federation of Kenya Employers (FKE)</p>	<p>Date of Birth: 5/26/1970 Mr. Wesley K. Siele is a seasoned Human Resource and Governance expert with over two decades of experience in both the private and public sectors. He currently serves as the Chief Executive Officer of the Agricultural Employers Association (AEA)</p> <p>Mr. Siele holds a Master of Business Administration (MBA) from Jomo Kenyatta University of Agriculture and Technology (JKUAT), a Postgraduate Diploma in Human Resource Management, and a Bachelor of Arts (Honours) degree from Karnatak University. He is also</p>

	<p>a trained Mediator and a recognized expert in Governance and Leadership.</p> <p>Mr. Siele brings a wealth of hands-on experience, having worked with renowned organizations such as James Finlay Flowers Limited, where he managed human resource functions for over 2,600 employees, and Friendship Container Manufacturers, where he served as Head of Human Resources.</p> <p>His leadership has significantly contributed to strengthening industrial relations and workforce development in the agricultural sector.</p>
<div data-bbox="371 707 687 1016" data-label="Image"> </div> <div data-bbox="268 1043 778 1146" data-label="Caption"> <p>Rev. Joel Kandie Chebii, OGW Representing the Central Organization of Trade Unions – Kenya (COTU-K).</p> </div>	<p>Date of Birth: 10/20/1953</p> <p>Rev. Brother Joel Kandie Chebii, OGW is a seasoned trade unionist and advocate for workers' rights, with a distinguished career in labour leadership and vocational training. He is the Vice Chairman General of COTU (K), where he plays a key role in shaping national labour policies and championing social dialogue.</p> <p>He holds a Higher Diploma in Entrepreneurship Education in Kenya and a Diploma in Vocational and Technical Training of Trainers, both awarded through the International Labour Organization (ILO). In addition, he holds a Diploma in Theology, reflecting his strong ethical grounding and commitment to service.</p> <p>Rev. Brother Chebii's commitment to worker representation spans several decades and evident in the various positions he has served. He served as the National General Secretary of the Tailors and Textiles Workers Union, National Chairman and as the Assistant National Treasurer of the same union while also serving as a Board Member of COTU (K).</p>
<div data-bbox="349 1576 711 1890" data-label="Image"> </div> <div data-bbox="320 1899 719 2038" data-label="Caption"> <p>Dr. Benard Shikoli Isalambo Alternate Director to PS State Department for Technical and Vocational Training</p> </div>	<p>Date of Birth: 10/9/1965</p> <p>Dr. Benard Shikoli Isalambo represents the Principal Secretary, State Department for Technical and Vocational Training under the Ministry of Education.</p> <p>He currently serves as the Director of Competency-Based Education and Training (CBET) and Income Generating Activities (IGA) at the Ministry, where he provides strategic leadership in the design, rollout, and quality assurance of CBET programs in Kenya's TVET sector.</p> <p>Dr. Isalambo brings a wealth of experience in education policy, curriculum development, and vocational training, and is a champion of industry-responsive</p>

	<p>training that promotes innovation, productivity, and employability.</p> <p>His role on the Board enhances NITA’s mandate to regulate and coordinate industrial training in line with national development goals and labour market trends.</p>
 <p>Mr. Rastus Shikuku Alternate Director to PS of the National Treasury</p>	<p>Date of Birth: 10/1/1982</p> <p>Mr. Rastus Shikuku is an accomplished finance professional and public sector economist with a strong background in budgeting, financial management, and fiscal policy.</p> <p>Mr. Shikuku holds a Master of Business Administration (MBA) in Finance from the University of Nairobi and is a Certified Public Accountant (CPA-K), reflecting his strong academic and professional grounding in financial management and public accountability.</p> <p>He serves as an Assistant Director of Budget at the National Treasury, where he is involved in national planning, budget formulation, expenditure tracking, and ensuring effective resource allocation in alignment with Kenya’s development priorities.</p>
 <p>Dr. Rachel Monyoncho Representing Federation of Kenya Employers (FKE)</p>	<p>Date of Birth: 3/28/1963</p> <p>Dr. Rachel Monyoncho is a distinguished Human Resource and Governance professional with over 30 years of progressive experience across both the private and public sectors. Her career spans a diverse range of industries, including Pharmaceuticals, Manufacturing, Fast-Moving Consumer Goods (FMCG), Technology, and Security served as the Regional Human Resources Director for Eastern Africa at Coca-Cola Sabco and G4S, overseeing operations across seven countries.</p> <p>She holds a Bachelor of Science degree in Biological Sciences, a Master of Business Administration (MBA) in Strategic Management, and a Doctor of Philosophy (PhD) in Business Management, specializing in Organizational Theory and Behavior.</p> <p>Dr. Monyoncho is a Certified Behavioral Coach, a Certified Personality Assessor, and a Certified Emotional Intelligence Survey Tool Practitioner. She has received extensive training both locally and internationally in Human Resources, Adult Learning, Internal Audit, Leadership, and Corporate Governance.</p> <p>She has served on several boards, including CIC Life Insurance and the National Health Insurance Fund (NHIF).</p>




 <p style="text-align: center;">Ms. Millicent Muli Alternate Director to PS, Ministry of Labour and Social Protection</p>	<p>Date of Birth: 02/06/1968 Ms. Millicent Muli represents the PS Ministry of Labour and Social Protection. She is a dedicated public servant and experienced labour professional currently serving as a Senior Deputy Labour Commissioner at the Ministry of Labour and Social Protection. She brings with her a strong background in labour policy, workforce development, and public administration.</p> <p>Ms. Muli holds a Master of Arts degree in International Studies and a Bachelor of Arts degree, both from the University of Nairobi. She also possesses a Higher National Diploma in Human Resource Management, underscoring her commitment to effective people management and institutional development.</p> <p>In her role at the Ministry, she has been instrumental in promoting fair labour practices, social dialogue, and policy implementation in alignment with Kenya’s employment and skills development agenda.</p>
 <p style="text-align: center;">Mr. Francis B. Wangara, MBS Representing the Central Organization of Trade Unions – Kenya (COTU-K).</p>	<p>Date of Birth: 11/11/1955 Mr. Francis B. Wangara, MBS, is a seasoned trade unionist and workers’ rights advocate with extensive experience in labour relations, workplace representation, and social dialogue. He currently serves as the General Secretary of the Kenya Union of Sugar Plantation Workers.</p> <p>Mr. Wangara is a trained Paralegal and holds a Diploma in Trade Union Training from the International Training Centre of the ILO (ITC-ILO), Turin, Italy. His training focused on International Labour Standards (ILS) and the ILO Declaration on Fundamental Principles and Rights at Work, as well as its follow-up mechanisms — further strengthening his capacity to promote decent work and labour rights.</p> <p>He is also the First Signing Trustee of the Central Organization of Trade Unions – Kenya (COTU-K) and has served for many years as an Executive Board Member of the organization, contributing to national labour policy and advocacy.</p> <p>Mr. Wangara has served on several boards, including as a Member of the Advisory Board at the Ethics and Anti-Corruption Commission (EACC).</p>





 <p>Theresa K. Wasike M.A in International Relations (KIEV STATE UNIVERISITY)</p>	<p>Ag. Director General</p>
 <p>Ms. Caroline Kibiwott Master of Laws (LLM) UoN Bachelor of Laws (LLB) Moi Univ. Certified Public Secretary of Kenya CPS (K) Diploma Kenya School of Law MCI Arb</p>	<p>Ag. Corporation Secretary</p>

RETIREMENT OF BOARD DIRECTORS

There was no retirement of Board Directors during the financial year.




4. MANAGEMENT TEAM




 <p>Theresa K. Wasike M.A in International Relations (KIEV STATE UNIVERISITY)</p>	<p>Ag. Director General</p>
 <p>Jane W. Kamau BSc. Mechatronic Eng. JKUAT MSc Energy Management (University of Nairobi)</p>	<p>Director, Industrial Training & Skills Development</p>
 <p>Gerald Kiriimi MSc Science (Finance) BCOM (Finance), CPA(K), SLDP</p>	<p>Director, Corporate Services</p>

 <p>Ms. Caroline Kibiwott Master of Laws (LLM) UoN Bachelor of Laws (LLB) Moi Univ. Certified Public Secretary of Kenya CPS (K) Diploma Kenya School of Law MCI Arb</p>	<p>Ag. Corporation Secretary</p>
 <p>Sammy Maiyo MSc Commerce in Internal Business BBA (HRM) Member Institute of Human Resource Management</p>	<p>Manager, Human Resource and Administration</p>
 <p>Julius M. Ndenge MBA from Kenyatta University BCOM Finance, CPA (K)</p>	<p>Manager Accounts</p>
 <p>Dr. Bernard Okemwa Onserio (PHD) Phd- Bio-Statistics (Moi Univ.) Msc. Biometry (UoN)</p>	<p>Ag. Manager Levy Administration</p>

 <p>Teresa Lagat MBA from University of Nairobi CFE, CPA (K)</p>	<p>Manager Internal Audit</p>
 <p>Elvina Osodo MBA in Procurement and Supply Chain Management from University of Nairobi, BBA(Entrepreneurship)KEMU Diploma in Procurement and Supply Chain Management TUK Member of KISM.</p>	<p>Manager, Supply Chain Management</p>
 <p>Festus Kitui MSc.in Management Information system from the Institute of Technology Australia (IOTA) and BSc. in Mathematics, Physics & Computing from Maseno University.</p>	<p>Manager, Information Communication Technology</p>

 <p>Fidelis Odumo MBA - Marketing (Mt. Kenya University), B.com - Marketing (Kenyatta University)</p>	<p>Centre Manager- NITA Nairobi</p>
 <p>Augustine Rono Msc. Entrepreneurship</p>	<p>Ag. Manager - Assessment and Accreditation</p>
 <p>Ms. Kabale Buda Bachelor of Business Management (BBM)</p>	<p>Ag. Manager, Resource Mobilization and Enterprise Development</p>
 <p>Eng. Festus Musyoki MBA (Project Management) Kenyatta University B. Tech (Textile. Eng) Moi University EBK Member</p>	<p>Centre Manager, NITA Mombasa</p>

 <p>Millicent Janet Otom MBA – Daystar University BBM (Marketing)</p>	<p>Centre Manager, NITA Athi River</p>
 <p>Joel Barua MBA Operations Management BSc. Physics DIP – HRM Member IHRM, KIM, CILT</p>	<p>Centre Manager, Nita Kisumu</p>
 <p>Joshua Kibiti M'Aburi MSc. – Project Management, Bachelors of Science, PGD in Education</p>	<p>Ag. Manager, Quality Assurance</p>

 <p>Felix G. Ogutu MA. Project Planning, BA. Economics, SMC, SLDP</p>	<p>Ag. Manager, Planning & Risk Management Coordination</p>
 <p>Phyllis Sitienei Kiplagat MBA, Post Graduate Diploma Computer Science, Bachelor of Education (Arts)</p>	<p>Ag. Manager Research and Curriculum Development</p>
 <p>Benard Ouma Osongo BA Mathematics and Economics. Post Graduate Diploma in Education. CCNA Certified</p>	<p>Ag. Manager Industrial Training Development</p>



Peter Njiru
Msc. Textiles Technology
QMS Lead Auditor & RPL Expert
Member PTAK and NQI

**Ag. Manager Registration and
Accreditation**

5. CHAIRMAN’S STATEMENT

The 2024/2025 Financial Year marks another significant milestone for the National Industrial Training Authority (NITA) as we made substantial progress in fulfilling our mandate to develop a competent, productive, and globally competitive workforce. Despite macroeconomic and operational challenges, the Board remained committed to providing strategic oversight, ensuring policy alignment, and supporting management in achieving performance contract targets.

I am pleased to note that the Authority achieved an overall performance of **91.98%** demonstrating a commendable execution of its obligations under the performance contract.

Notable achievements include the certification of over 84,000 candidates through the Government Trade Test, surpassing the target of 80,000. Under the Affordable Housing Project (AHP), NITA assessed and certified **10,688** persons on site.

In terms of revenue generation, the Authority recorded a collection of Ksh. 2.3 billion, representing an achievement of 94.66%. This was due to increased collection from Industrial Training Levy (KSh. 1,562,918,161) as well as assessment and certification fees (KSh. 569,455,948).

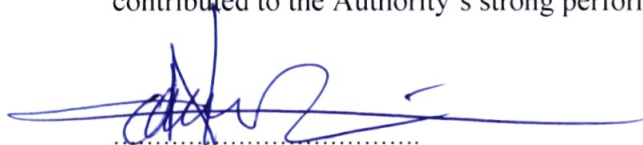
During the year under review, NITA successfully implemented the Female Engineering Program (FEP), sponsoring 25 girls from marginalized counties in the 17th intake. This initiative forms part of the Authority’s Corporate Social Responsibility that focus on empowering female youth in STEM fields.

In support of the government’s agenda on climate action and sustainability, the Authority partnered with Ministry of Labour staff to plant close to 20,000 trees to mitigate against climate change.

The Authority also achieved full digitization of several customer-facing services on the e-Citizen platform and successfully implemented the customized Citizen’s Service Charter, including provisions for inclusivity through Braille and sign language. These milestones reflect our strategic direction to improve service delivery, efficiency, and accessibility.

As the Board, we reaffirm our commitment to good governance, innovation, financial prudence, and stakeholder engagement. We will continue working closely with the management and partners to deepen industry linkages, accelerate skills development, and expand access to industrial training and certification opportunities across Kenya.

I extend my sincere gratitude to our partners, staff, and stakeholders whose collective efforts contributed to the Authority’s strong performance in 2024/2025.



Aden Noor Ali, MBS
Chairman, NITA Board

6. REPORT OF THE DIRECTOR GENERAL

The 2024/25 financial year was a period of deliberate action and strong execution as the National Industrial Training Authority (NITA) advanced its mandate to enhance industrial training and promote skills development across Kenya. Our performance was defined by strategic expansion, digital transformation, and collaborative engagements that elevated our service delivery to new heights.

NITA also intensified efforts to reach underserved segments through the Recognition of Prior Learning (RPL) program. In partnership with various stakeholders, including county governments and industry players, we conducted **multiple RPL outreach initiatives** that enabled artisans to gain formal certification based on their practical competencies. These efforts are critical in bridging the skills documentation gap for workers already in the labour market.

Human capital development remained a cornerstone of our strategy. Over **400 staff members** underwent capacity building in industrial training, ICT systems, and performance management. This has translated into improved efficiency in curriculum delivery, assessment processing, and customer relations.

During the reporting period, the Authority continued to align training programs with evolving industry needs. A total of 10 new curricula were developed and 5 were successfully piloted, culminating in the publication of 10 industry-relevant training programs. Notable among these were curricula for Biogas System Installer, Plumber, and Pipe Fitter at National Skills Certificate Level V, reflecting NITA's commitment to expanding green and infrastructure-focused training opportunities.

As part of our digital transformation agenda, the Authority successfully digitized two critical services: the Learning Management System (LMS) and the Skills Upgrading application process. The LMS has streamlined content delivery and trainee engagement across all NITA centers, enhancing accessibility and instructional efficiency. Meanwhile, the digitization of the Skills Upgrading process has improved service turnaround time and transparency, allowing skilled individuals to seamlessly apply for training and certification. These innovations reflect our commitment to leveraging technology for inclusive, efficient, and responsive service delivery.

On behalf of the Executive Management and staff, I express my gratitude to the NITA Board, the Ministry of Labour and Social Protection, industry stakeholders, and development partners for their unwavering support. Together, we are empowering Kenyans through skills and transforming livelihoods for national development.



.....
Theresa K. Wasike (Ms)

Ag. DIRECTOR GENERAL

7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2024/2025

This section of the report outlines a detailed assessment of the Programme Performance review for FY 2024/25. It details the achievements of both financial and non-financial performance indicators against the targeted outputs for the period under review. During this period, the Authority implemented various initiatives with the aim of regulating industrial training and attachment, curriculum development for industrial training, and administration of Industrial Training Levy.

The Authority also played a key role in accrediting institutions engaged in skill training in the industry, assessing industrial training, testing occupational skills and awarding certificates including government trade tests. The Authority was also involved in provision of industrial skills through training and certification of youth and women in the textile and apparel industry with a view of increasing export and creation of employment opportunities; and in the construction industry. The key achievements realized during this period are outlined in the table below.

PROGRAMME PERFORMANCE REVIEW 2024/2025

Program	Annual Target	Actual achievement (July, 2024 to 30TH JUNE, 2025)	Remarks
1. Absorption of Allocated funds	Annual budget to be spent Ksh. 2,602,667,928	Spent Ksh. 2,537,074,505 against an annual budget of Ksh. 2,602,667,92 giving 92%.	<ul style="list-style-type: none"> • Achievement was 98%. • This achievement was due to the fact that the expenditure is based on revenue generated and invoices processed for payments for goods and services.
2. A-in-A collection	Annual target Ksh. 2,962,289,000 to be collected	Collected Ksh. 2,186,718,084. against a target of Ksh. 2,962,289,000	<ul style="list-style-type: none"> • Achievement was 74%
3. Payment of Pending Bills	The Authority have pending bills which accounts to more than 1%.	The total amount of outstanding creditors is Ksh. 977,608,995	The Authority maintains a list of pending creditors that is supported by a budget.
4. Skills Development in Support of the “BETA” Increased	Assess and Certify 11,000 persons under the Affordable Housing Project (AHP); reported quarterly	The Authority assessed 10, 688 persons against a target of 11,000	<ul style="list-style-type: none"> • Achievement was • The performance was attributed to increased demand for RPL products in the AHP.

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Program	Annual Target	Actual achievement (July, 2024 to 30TH JUNE, 2025)	Remarks
	Engage and Train 10,000 persons engaged in Micro, Small & Medium Size Enterprises (MSME) on Entrepreneurship; reported quarterly.	The Authority trained 9,237 against a target of 10,000 persons in <i>Entrepreneurship</i> at the industrial training centre	<ul style="list-style-type: none"> • Achievement was 92.37%
	Train 11,000 persons engaged in Agricultural and value addition; reported quarterly.	The authority trained 11,229 persons against a target of 11,000 translating to 102.08%	<ul style="list-style-type: none"> • Achievement was 102.08% • The performance was due to sensitization for the employers.
	Train 10,000 persons engaged in Digital Superhighway and Creative Economy; reported quarterly.	The Authority trained 9,237 persons against a target of 10,000 representing 92.37%	<ul style="list-style-type: none"> • Achievement was 92.37%
5. Persons Assessed in Competencies Increased	Assess and Certify Competencies of 80,000 Persons through Government Trade Test (GTT) by 30th June 2025.	The Authority assessed 84,291 persons against a target of 80,000 translating to 105.37%	<ul style="list-style-type: none"> • Achievement was 105.37% • The over performance was attributed to sensitization of trainees and centre managers due to enhanced marketing activities through various forums inclusive of social media.
	Assess and certify 70,000 Migrant Workers; reported quarterly.	The Authority assessed 41,780 immigrant workers against a target of 70,000 accounting to %	<ul style="list-style-type: none"> • Achievement was 59.69 % • The performance was due to the under revision of payment by Saudi Government and negative publicity through the media.
6. Persons assessed through Recognition of Prior Learning (RPL) increased	Assess and Certify 6,000 workers from the formal and informal sector through RPL by 30th June 2025	The Authority assessed 7,270 candidates against a target of 6,000 translating to 121.17%	<ul style="list-style-type: none"> • Achievement was 121.17% •
	Conduct capacity building for 1,000 Master Craftsmen (MCS) under	A Total of 1,061 master craftsmen capacity built in informal sector enterprises through for continued use under NYOTA	Achievement was 106.1%

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Program	Annual Target	Actual achievement (July, 2024 to 30TH JUNE, 2025)	Remarks
	NYOTA Project; reported quarterly.		
	Accredit 20 RPL Assessment Centres including worksites (formal and informal) in the 5 occupational areas by 30th June 2025.	The Authority accredited 27 RPL centres against the target of 20 translating to 135%	<ul style="list-style-type: none"> • Achievement was 135%
	Accredit and capacity build 100 RPL Practitioners in the 5 occupational areas by 30th June 2025.	The Authority accredited and capacity built 161 RPL Practitioners against a target of 100 translating to 161% .	<ul style="list-style-type: none"> • Achievement was 161% • The performance was attributed to support received from ILO and Boma International College of Hospitality who sponsored trainers for capacity building as RPL Practitioners, increased partnership and demand for RPL assessment and certification.
7. Persons Trained in industrial skills increased	Approve training of 65,000 workers in Industry; reported.	The Authority approved 58,302 workers against a target of 65,000 training in the industry translating to 89.69%	<ul style="list-style-type: none"> • Achievement was 89.69% • The performance was due to delay in reimbursement of training costs to employers.
	Train 10,000 workers both in the Formal and informal sectors through the Industrial Training Centres; reported quarterly.	The Authority trained 9,237 persons against a target of 10,000	<ul style="list-style-type: none"> • Achievement was 92.37%
	Sensitize 1,000 Employers on Apprenticeship and Indentured Learner ship, reported quarterly.	The Authority sensitized 1,017 employers during the period against a target of 1,000	<ul style="list-style-type: none"> • Achievement was 101.7%
	Engage 2,000 apprentices for training through Graduate Apprenticeship Programme,	The Authority engaged 489 graduate apprenticeships against a target of 2,000	<ul style="list-style-type: none"> • Achievement was 24.45% • The underachievement was attributed due to manual application and approval processes

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Program	Annual Target	Actual achievement (July, 2024 to 30TH JUNE, 2025)	Remarks
	quarterly reporting.		which has discouraged the employers.
	Engage 750 indentured learners for training, reported quarterly.	The Authority engaged 41 indentured learners against a target of 750	<ul style="list-style-type: none"> • Achievement was 5.4% • The underachievement was attributed due to manual application and approval processes which has discouraged the employers.
8. Trainees & Instructors/ Lecturers attached in industry increased	Collaborate with Employers and place 50,000 students in industry, quarterly reporting	The Authority attached 32,647 attaches against a target of 50,000 .	<ul style="list-style-type: none"> • Achievement was 65.3% • The performance was due to lack of industrial visits due to high human resource turnover.
	Place 2,000 lecturers/instructors on industrial attachment, quarterly reporting	The Authority attached 108 lecturers against a target of 2,000 in the industry	<ul style="list-style-type: none"> • Achievement was 5.4% • The underachievement was due to manual application processes as opposed to automated processes.
	Upgrade database on industrial attachment, by 30th June 2024	The Authority upgraded database on quarterly basis.	The target fully achieved
9. Industrial Training offered in the industry regulated	Register 200 new training providers for industrial training reported quarterly	During the period the Authority registered 177 training providers against a target of 200	<ul style="list-style-type: none"> • Achievement was 88.5% • The achievement was attributed to the fact that most of the inspected trainers had complied with the documentation requirements by the end of May.
	Renew registration of 600 Training Providers for industrial training reported quarterly.	The Authority renewed 599 training providers against a target of 600	<ul style="list-style-type: none"> • Achievement was 99.83%
	Register 200 Trade Test centres; reported quarterly	The Authority accredited 172 assessment centers against a target of 200	<ul style="list-style-type: none"> • Achievement was 86% • The high-performance was attributed to increased demand for industrial training assessment products and services hence the need for more assessment centers.

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Program	Annual Target	Actual achievement (July, 2024 to 30TH JUNE, 2025)	Remarks
	Identify eight (8) priority areas by 30th June 2024	Developed 10 curricula, piloted 5 curricula and published 10 curricula by 30th May e.g; Biogas system installer, Plumber Pipe fitter NSC level V	Target fully met
	Conduct one capacity building workshop for STCs members by 31st December 2024.	The Authority held the inaugural meeting of STCs on 24th January 2025 and first meeting of STC Chairs. The capacity building was done for chairs for the 12 STCs	Target fully met
	Carry out two (2) Training Needs Assessment in industry by 30th June 2025	The Training Needs Assessment was done for Solar PV and E-mobility	The target fully met
10. Collection of Industrial Training Levy Enhanced	Disburse the Industrial Training Levy reported quarterly.	During the period, the Authority disbursed Ksh. 1,521,149,256 against a target of Ksh. 1,550,604,319	<ul style="list-style-type: none"> • Achievement was 94% • The achievement was due to delay reimbursement to employers and support to industrial Training functions as per the Act
	Register 5,250 new employers for purposes of training levy collection reported quarterly	The Authority registered 8,570 new employers for purposes of training levy collection against a target of 5,250	<ul style="list-style-type: none"> • Achievement was 163% • The performance was due to collaboration with KRA to assist in levy collections.
	Implement the reward system for 27 employers in 9 regions who comply with the industrial training levy by 30th June, 2025	Reward system was not implemented	The Authority did not implement any reward system since the committee to determine the criteria had not been established to come with guidelines that are consistency and sustainable in the current amended act.
	Create awareness on the benefits of levy to 10,000 employers by 30th June 2025	<ul style="list-style-type: none"> • The Authority carried out a Research & Training workshop organized by U.O. E;(250 Employers) in Eldoret, I.E.K 2024 Conference in Pride Inn Mombasa (3000 employers), Jamuhuri National Job fair at KICC in Nairobi (5000 employers) • Carried out 1 virtual sensitization forum with KRA (1,744 employers) and 6 physical sensitization fora in Kenya Industrial Estate in Kisii(98 	Target fully met

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Program	Annual Target	Actual achievement (July, 2024 to 30TH JUNE, 2025)	Remarks
		<p>employers), Kenya National Chamber of Commerce and Industries in Kisumu (100 employers), Industrial sensitization –KNCCI member organizations at Kakamega Golf Hotels(125 employers), Serena hotel in Nairobi with KEPSA(120 employers), KSG in Nairobi (60 employers),and with Agricultural Employers Association in Mombasa(50 employers), and created awareness on the benefits of levy to 2,297 employers</p> <ul style="list-style-type: none"> • The Authority carried out a IHRM Forum at Kisumu with 60 participants, Tana Water and Development Works sensitization at Nyeri with 140 participants. 	
	Undertake Technology and Innovation Transfer by 30th June 2025	<ul style="list-style-type: none"> • The Authority <i>transferred technology and innovation to trainees</i> who were equipped with National Skills Certificates (NSC I) in tailoring culminating in the production of prototype lifejackets. A total of 281 participants earned their certificates. • Registration of copyrights for curriculum in the following skills areas: Curriculum for Motor Vehicle Inspector, curriculum for Pre-Departure Training and Homecare Assistant. 	Target fully met
11. Project Implementation	During the FY 2024/25, the Board commits to implement three (3) funded development projects as detailed in Annex II.	<p>The Authority has implemented the following projects;</p> <ul style="list-style-type: none"> • Pre-fabricated Model House at NITA Mombasa (100% Complete) • Construction of modern gate at NITA Kisumu (85% complete) • Office refurbishment and Renovations at NITA Headquarters (86% complete) 	
12. Presidential Directives Implemented	Grow One Million trees; reported quarterly	<ul style="list-style-type: none"> • The Authority planted 15,500 trees in Chepalungu Forest, NITA Mombasa center 	The underperformance was due to lack of sufficient funds to procure seedlings from Kenya Forest.

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Program	Annual Target	Actual achievement (July, 2024 to 30TH JUNE, 2025)	Remarks
	Mobilize key stakeholders in liaison with the State Department for Forestry, reported quarterly	<ul style="list-style-type: none"> The Authority liaised and partnered with the Ministry of Foreign and Diaspora Affairs (State Department of Diaspora Affairs) and donated 2,500 indigenous trees which were planted at Kaimosi Friends University from 28th to 30th August, 2024. In Q2 liaised and partnered with Cabinet Secretary for Labour and Social Protection, together with the Governor Hon. Kenneth Lusaka at Bungoma County and planted 30 trees on 3rd December 2024 In Q3 the Authority partnered with Ministry of Labour staff and Cheplungu forest community to plant trees - 	The target fully met
13. ACCESS TO GOVERNMENT PROCUREMENT OPPORTUNITIES (AGPO)	Uptake of 30% Value of Tender Awarded– Award a minimum of 30% (Ksh. 270,969,516.30 of the total procurement budget of Ksh. 903,231,721 to the Youth, Women and Persons with Disabilities (PWDs) where they apply and satisfy the Public Procurement and Asset Disposal Act, 2015; with 2% of the 30% (Ksh 5,419,390.33) being awarded to PWDs.	The AGPO expenditure of Ksh. 230,506,824.76 against a target of 270,969,516.30	<ul style="list-style-type: none"> Achievement was 85.07% The achievement was due to delay in the commitment of LPOs to allow completion of procurement process.
14. Promotion of Local Content in Procurement	Award a minimum of 40% (Ksh. 361,292,688.40) of the total value of Ksh. 903,231,721 Procurement Budget to	The Authority’s expenditure on local promotion was Ksh. 377,700,579.52 against a target of Ksh. 361,292,688.40.	<ul style="list-style-type: none"> Achievement was 104.54%

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Program	Annual Target	Actual achievement (July, 2024 to 30TH JUNE, 2025)	Remarks
	procurement of local content		
15. Youth Internship / Industrial Attachment / Apprenticeship	Provide attachment opportunities to 300 students on attachment and fifteen (15) interns from Public Service Commission, which is 76 % of the total in-post of the staff strength of 254	The Authority attached 331 students on attachment and 25 interns from the public service commission across the institution	The achievement was due to lack of office space and equipment in the Authority to accommodate large numbers of attaches’.
16. Competency Development	Execute interventions to address the identified skills gaps and training needs through, recruitment, outsourcing, capacity building/training, coaching, and mentoring by 30th June, 2024.	Trained seventy-eight (78) staff on; five (5) staff on Supervisory Skills Development Course (SSDC); eight (8) staff on Senior Management Course (SMC); six (6) staff on Strategic Leadership Development Program (SLDP); twenty three (23) staff on Pre-Retirement Planning Training twenty; thirty six (36) staff on Fire-fighting training and forty (40) staff trained at Kenya School of Government (KSG).	Target fully met
17. National Cohesion and Values	Implement measures to support the five pillars of the Government Plan as outlined in the Bottom-Up Economic Transformation Agenda (2022-2027) namely: Agriculture, Micro, Small and Medium Enterprise (MSME) Economy, Housing and Settlement, Improved Healthcare for all Kenyans and Digital	1462 artisans were sensitized. Of these, 1304 were booked as candidates and 1000 were assessed. 21 sites were sensitized 17 were assessed as follows: - Machakos, Mukuru, Shauri Moyo, Kakamega, Vihiga, Bahati, Elburgon, Isiolo, Nanyuki, Emgwen, Kidiwa, Gichugu, Bomet, Voi etc.	Target fully met

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Program	Annual Target	Actual achievement (July, 2024 to 30TH JUNE, 2025)	Remarks
	Superhighway and Creative Economy		
	Leverage on digitization and automation of government processes to make 80% of government services online	The Authority digitized the following operational payment services as follows:- Trade Test Payment for Institutions, Trade Test Payment for Individuals, Trainer Registration & Renewal payments, Homecare Registration payment, Certificate Verification, Certificate Replacement, Sale of Curriculum.	Target fully met
	Enhance adherence to the provisions of Article 10 of the Constitution through civic education, training and sensitization and mainstreaming of national values and principles of governance	The Authority carried out sensitization on staff national values and principles of governance during the 3 rd quarter as follows; <ul style="list-style-type: none"> • NITA headquarters from 26th 28th February 2025, 111 members of staff attended • NITA Athiriver from 4th to 6th March 2025, 52 staff members attended • NITA Kisumu from 12th to 14th March 2025, 51 members of staff attended • NITA Mombasa from 19th to 21st March 2025, 50 members of staff attended. 	Target fully met
	Continue to implement measures to protect the environment and mitigate climate change	The Authority partnered with Ministry of Labour staff and Cheplungu forest community to plant trees to plant 5000 trees to mitigate climate change	Target fully met
	Submit in the prescribed format the Annual Report on Measures taken and Progress Achieved in the Realization of National Values and Principles of Governance by 15th January, 2025	The Authority prepared and submitted its Annual Report on 12 th August 2024.	Target fully met

8. CORPORATE GOVERNANCE STATEMENT

Corporate Governance Statement

The Board is responsible for providing strategic direction, corporate governance and ensuring that the Authority implements its core mandate of regulating industrial training. In line with global best practices, the Board of Directors is committed to providing leadership that promotes transparency, accountability, ethics and integrity as pillars of good corporate governance.

Appointment of Board members

The Board is constituted in accordance with Section 4 of the Industrial Training Act and consists of eleven (11) members.

Removal of Board members

The removal of Board directors is undertaken as stipulated under the provisions of Industrial Training Act Chapter 237.

Board Diversity

The Board is composed of diverse and seasoned professionals in the fields of finance, engineering, legal and training with extensive knowledge and understanding in various sectors. The Board has a total of eleven members comprising of 27% female and 63% Male.

Board Charter

The Board has an approved Board Charter which outlines the roles and responsibilities of Board members and guides board members in discharging their strategic oversight role.

Roles and Responsibilities of the Board

The Board is responsible for strategic leadership and oversight. The role of the Board includes:

- a) Approval of the vision, mission and values of the Authority.
- b) Approval of the budget, annual report and financial statements.
- c) Approval of strategic plan and policies.
- d) Overseeing the Authority's corporate governance framework.
- e) Ensuring that the Authority has adequate and effective systems and processes of accountability, risk management and internal controls and approval of the risk management strategies.
- f) Review the attainment of targets and objectives set out in the agreed performance measurement framework.
- g) Monitor compliance with the Constitution, all applicable laws, regulations and standards.

Board Induction and Capacity Development

The four newly appointed members of the Board underwent a comprehensive induction programme during the year. The Directors were trained on Code of Governance for State Corporations (Mwongozo) and provisions of Public Procurement and Asset Disposal Act and Regulations.

Board and members' performance

The Board undertook an annual self-evaluation exercise on 10th October, 2024 assisted by the State Corporations Advisory Committee (SCAC).

Board Attendance

The following is a summary of the meetings of the Board and its Committees that took place for the year under review:

S/No.	Board / Committee	No. of Meetings
1	National Industrial Training Board	8 meetings

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2	Finance and Levy Administration Committee	5 Meetings
3	Human Resource, Governance and Administration Committee	6 Meetings
4	Industrial Training and Strategy Committee	2 Meetings
5	Audit and Risk Management Committee	2 Meetings

Succession Plan

The Appointment of the Board members is staggered manner, which ensures that there is always a proportion of Directors on the Board with requisite institutional memory.

Policy to manage conflicts of interest

The Board maintains a conflict-of-interest register which is present at every Board meeting to ensure that any Member in attendance with a conflict of interest declares and records it in the register before the meeting.

Board Remuneration

The Board of Directors Board are remunerated in accordance with the approved terms and conditions of service prescribed under various Government circulars.

Ethics and Conduct

The Authority is committed to the highest standards of integrity, behaviour and ethics. A Code of conduct is in place and is fully implemented ethics for all employees and the Board.

Communication Policy

The Board has approved a Communication Policy which defines roles and responsibilities and guidelines for handling internal and external communication to stakeholders.

Board Committees

To effectively execute its oversight role, the Board has established four (4) standing committees with specific delegated mandates. The Board Committees are run with clearly articulated terms of reference as approved by the Board of Directors.

NO.	COMMITTEE NAME	Terms of Reference
	<p>Audit and Risk Management Committee- ARMC</p> <p>Membership Mr. Wesley Siele-Chair Rev. Joel Chebii, OGW Mr. Francis Wangara Mr. Rastus Shikuku Dr. Bernard Isalambo</p>	<p>i. Oversight of the Authority’s Audit function</p> <p>ii. Review and advice on the financial and operation controls</p> <p>iii. Monitor compliance with legal and regulatory framework</p> <p>iv. Review matters relating to risk management</p> <p>v. Review financial reports and compliance with financial reporting standards.</p>
	<p>Finance and Levy Administration Committee- FLAC</p> <p>Membership Mr. Samwel Mayaka-Chair Ms. Millicent Muli Mr. Rastus Shikuku Mr. Mark Obuya, EBS, MCI Arb Ms. Millicent Muli</p>	<p>i. Review and approval of budgets and financial statements</p> <p>ii. Review and approve the Annual Procurement Plan.</p> <p>iii. Monitor and oversight the Authorities financial resources, and advice on financial strategies.</p> <p>iv. Advice on administration, collection and reimbursement of levy and financial strategies.</p> <p>v. Period review of financial performance and implementation of the procurement plan</p>

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	<p>Human Resource, Governance and Administration Committee- HRG&C</p> <p>Membership Mr. Mark Obuya, EBS, MCI Arb-Chair Rev. Joel Chebii OGW Ms. Carolyn Rutto Dr. Bernard Isalambo Dr. Rachel Monyoncho</p>	<ul style="list-style-type: none"> i. Review, consider and recommend to the Board for approval all the Human Resource policies relating to terms and conditions of service for employees. ii. Oversee management of human resource iii. Review and make recommendation on matters organization structure, staff establishment, recruitment, remuneration and succession planning. iv. Review and make recommendation on the Authority’s performance management system. v. Advise on matters relating Corporate Governance.
	<p>Industrial Training and Strategy committee - IT&SC</p> <p>Membership Ms. Carolyn Rutto-Chair Mr. Wesley Siele Mr. Francis Wangara Ms. Millicent Muli Mr. Samwel Mayaka</p>	<ul style="list-style-type: none"> i. Review and advice Board on the main strategic industrial training priorities of the Authority. ii. Advising on formulation, implementation and review of policies, strategies ,plans and industrial training programs iii. Oversee formulation, strengthening and sustenance of partnerships with stakeholders to enhance service delivery to the public. iv. Review and recommend ICT strategies and initiatives for disaster recovery and business continuity.

The Board of Directors recognizes the importance of applying the highest standards of corporate governance as a key contributor to its long-term success, long-term value and prosperity. This promotes balancing the interest of all stakeholders. It provides the framework for attaining the Authority’s objectives and ensures sustainability.

9. MANAGEMENT DISCUSSION AND ANALYSIS

The National Industrial Training Authority management team oversees development and implementation of annual budget approved by the National Industrial Training Board (NITB). NITA Management therefore monitors the use of funds in line with the approved budget and Corporate Work Plan during the financial year. The Authority makes quarterly reports on budget utilization which are submitted to the Board of Directors, Parent Ministry and to The National Treasury. The reports indicate the achievements by the Authority, the challenges experienced during the implementation period and makes recommendations for overcoming the challenges.

The Management also gives advice to the Board of Directors on issues related to its budget implementation such as low absorption of funds and revenue performance. This therefore promotes accountability in the use of financial resources.

Compliance with Statutory Requirements

The process of budget implementation ensures compliance to the Public Financial Management (PFM) Act 2012 and all other statutory requirements. NITA Management has continued to improve its financial management system to ensure that financial records of the Authority are accurate and offers a true reflection of the financial position.

During the year under review, the Authority reported an increase in Industrial Training levy collections by 20% compared to the previous year. The increase is attributed to the NITA-KRA collaboration. The management further recognises that the Training levy collection for the period under review is 6% below the budget. This under achievement of budget can be attributed to challenges faced by the Authority due to many organizations non-compliance to pay the Industrial Training Levy and the political risk. In order to mitigate on this non-compliance, the Authority in consultation with FKE is holding sensitization forums with employers across the country to educate them about the benefits of being compliance with the Industrial Training Levy payments. The Unified Payroll Returns (UPR) introduced in January 2021 through a Government initiative on ease of doing business in the country saw the Authority partner with KRA in collection of Industrial Training Levy. The Authority is also contemplating recovering Industrial Levy contribution in arrears by enforcement of the Act and recover with interest and penalties all outstanding levy contributions due to the Authority. The authority has therefore continued to improve its customer relations with employers, which has been achieved through closer liaison with the Authority's stakeholders. From the implementation of 2024/25 FY budget, it was clear that about 71% of the total revenue to the Authority was realized from Industrial training levy, while revenue from rendering of services 28%, and other incomes 1%.

Total Revenue Collection

Figure 1.0 Total revenue proportions collected for the year 2024/2025

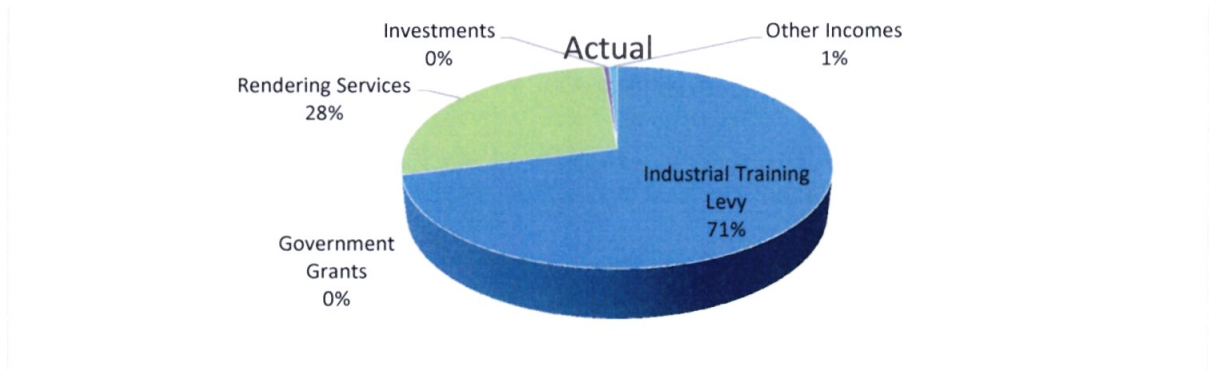


Figure 1.1 Budget vs Actual revenue amounts collected for the year 2024/2025

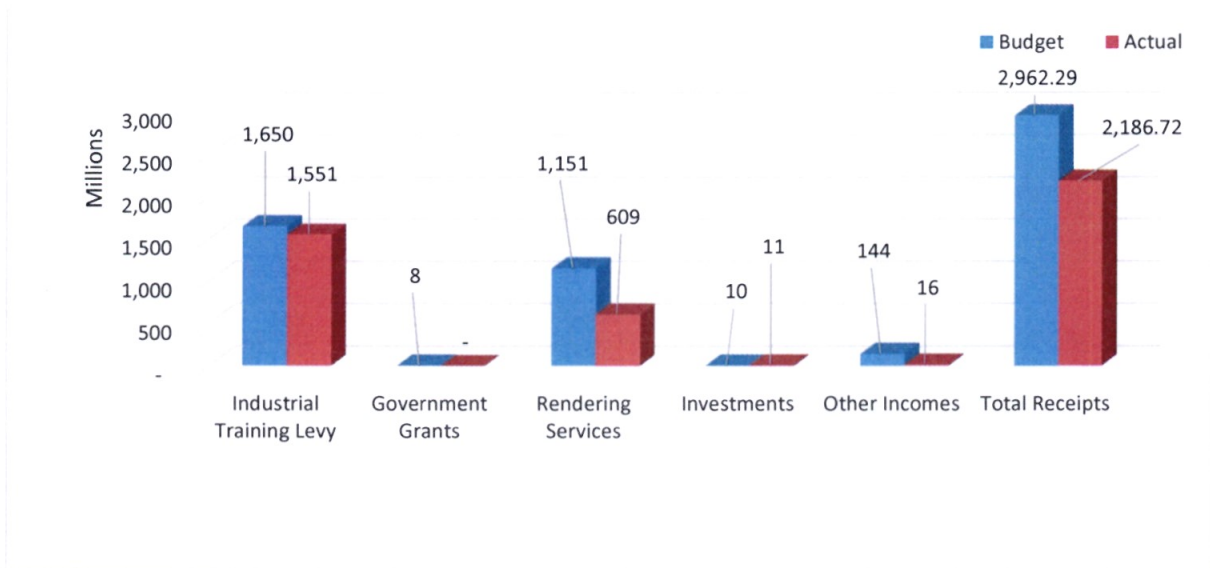


Figure 1.2 Revenue collected based on Performance 2024-2025 Vs 2023-2024

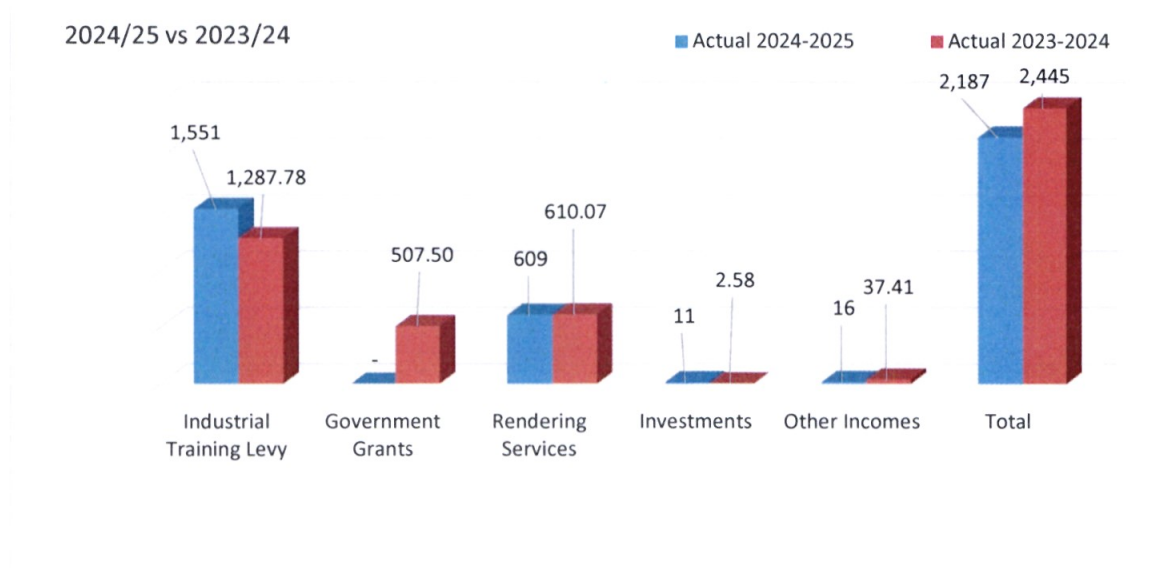


Figure 2.0 Budget vs Actual Expenditure for 2024/2025

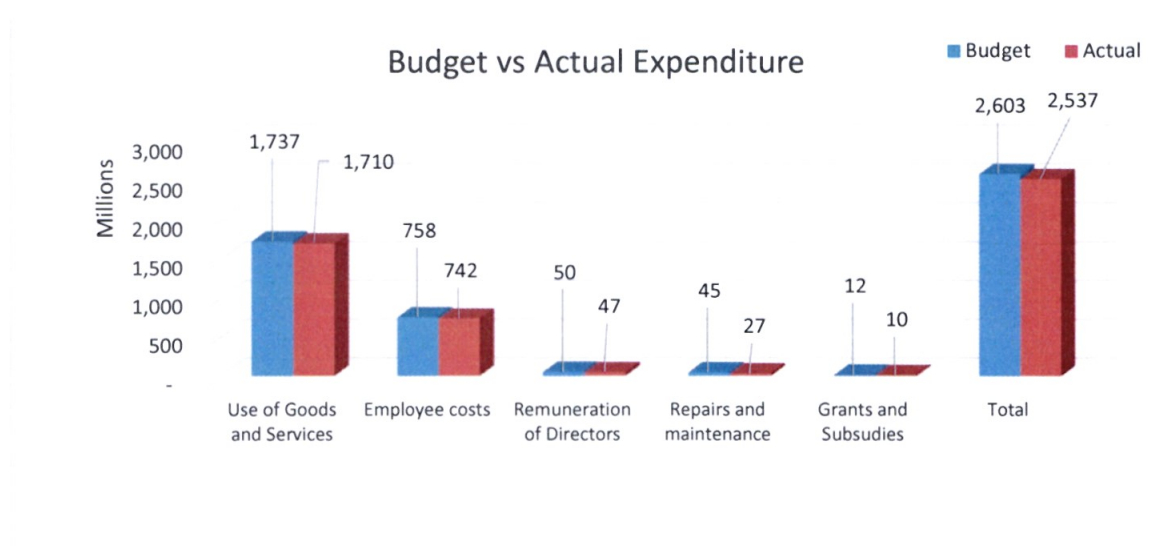
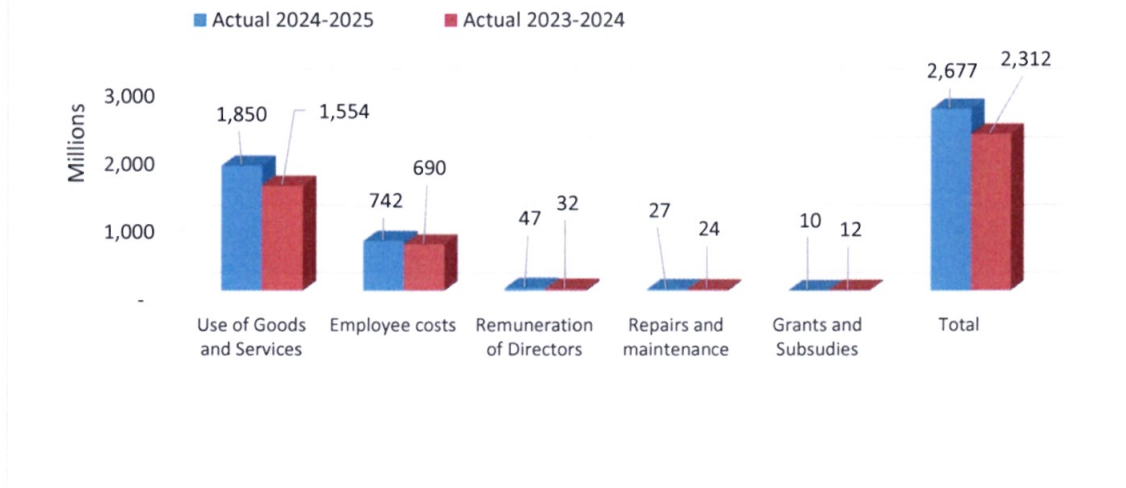


Figure 2.1 Expenditure comparison based on performance for the year 2024/2025 vs 2023/2024



The major risk facing the National Industrial Training Authority are financial and operational risks associated with the Authority’s mandate. During the financial year 2024/2025 the management updated and monitored the risk profiles for each of the operating businesses and major projects to identify the nature and likelihood of its occurrence for specific material risks, key controls that are in place to mitigate and manage the risks, sources and levels of assurance provided on the effective operations of key controls and responsibilities for managing risks. Therefore, the risk framework, policies and procedures will continue to be enhanced as the Authority’s existing operations develop and its range of activities expand.

10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

i) Sustainability Strategy and Profile

The annual report on NITA's sustainability strategy and profile for CSR support to the youth encapsulates our unwavering dedication to creating a brighter, more inclusive future. The stories of empowerment and transformation stand as testament to the impact of our initiatives. As NITA continues to forge ahead, we remain committed to fostering an environment where everyone has the chance to realize their potential, contribute meaningfully, and be an integral part of Kenya's journey towards sustainable progress.

ii) Environmental performance

NITA participated in a Tree-Planting exercise at Chepalungu forest Bomet, Nita Mombasa, the Ministry of Foreign and Diaspora Affairs (State Department of Diaspora Affairs), and Bungoma County in a bid to accelerate the Presidential Directive on 15Billion trees by 2032.

Kenya's national tree cover is currently at 12.13% and forest cover at 8.83% which is relatively low compared to neighbouring countries. The Presidential Directive is aimed at attaining 30% national tree cover by 2032, which calls for radical action to accelerate to achieve. The exercise, organized by National Environment Trust Fund (NETFund) was aimed at spurring broad institutional and multi-stakeholder participation in accelerating the achievement of the Directive. The event also aimed to sensitize state corporations on the need for them to implement the directive.

NITA is cognizant that the journey towards achieving a 30% national tree cover by 2032 requires commitment, radical action and collective responsibility. We are committed to embracing this challenge as a chance to shape a better future for ourselves and the generations to come. The National Industrial Training Authority (NITA) planted 15,025 seedlings in Kisumu, Bomet and Bungoma County as part of a Presidential Directive on tree growing.

iii) Employee welfare

The Authority's recruitment process is guided by the internal Human Resource Policy and Procedure Manual that is based on a human resource plan that is reviewed every year within the approved establishment. The policy sets out key principles to be taken into account when recruiting including adherence to affirmative action, gender and persons living with disability and national values. The Authority observes gender mainstreaming, balance on appointment, promotion and ensures that a minimum of a third (1/3) are of either gender. The gender ratio for the Authority is evenly distributed with 53.33% male and 46.67% female which is well above the 33% threshold provided by the Constitution. The policies are reviewed after every three years and involve staff representatives and public participation is undertaken prior to implementation.

On improvement of skills, the Authority has undertaken a comprehensive institutional skills gap analysis, that has ensured identification of critical skills gaps that require staff to be undertaken through re-skilling and upskilling. This is undertaken through training needs assessment which culminates in the development of a training plan. In the Financial Year 2024/2025, the Authority was able to train and capacity build two hundred eighty-four (284) staff.

Additionally, the HR Policy and Procedure Manual spells out the manner in which staff are to be appraised. The Authority undertakes and adheres to continuous, mid-year and annual performance appraisal regime to improve entrenched performance culture. Further, employees are afforded an opportunity to further their careers based on a clearly established career progression for each cadre of staff in the Authority. It enumerates the minimum requirements for each position and guides staff on how they should progress career wise.

The Authority in compliance with the provisions of the HR Policy and Procedure Manual has in place a pension scheme for its permanent and pensionable employees while staff on contract are paid gratuity upon expiry of their contract. The employees have also been provided with medical, Group Personal Accident and Group Life Insurance covers including support during bereavement. These benefits ensure a motivated work force which enhances productivity.

On safety and compliance with Occupational Safety and Health Act of 2007, (OSHA.), the Authority is registered to operate from the Directorate of Occupational Safety and Health. Additionally, there is an established Safety and Health Committee's (HQ, Centers) to oversee issues of health & safety at the workplace

iv) *Market place practices-*

NITA has endeavoured to maintain best market place practices in the following areas;

a) *Responsible competition practice.*

NITA endures to maintain good supply chain practices by ensuring competitive and transparent procurement of goods , services and works.

These are procured by employing the different methods of procurement depending in line with the approved budgets as provided for in the PPADA 2015.

b) *Responsible Supply chain and supplier relations*

NITA also maintains and continuously updates the list of suppliers and pays attention to inclusivity by ensuring 30% of the procurement plan is set aside for the special group(AGPO).

The suppliers are then paid from time to time depending on the supplies and deliveries received.

c) *Responsible marketing and advertisement*

The Authority (NITA) has endeavoured to uphold ethical Marketing practices in all its awareness creation campaigns e.g., whether products/services advertisement or outreach activities by making sure that the intended products and services visibility and awareness is achieved among various customer types without infringing on their rights as customers/ clients. To ensure we remain ethical over the time, we have made sure that:

- 1) All the regions of the market across the country are reached equitably, in a language that they understand through informed marketing segmentation
- 2) All the marketing information we send out is true, verifiable and the promises made are not exaggerated but deliverable, such that the target customers can follow up to claim access to

the promised attributes in the products and services they desire from the Authority at the promised rates and location

- 3) We provide the target clients with all working contacts including website address, email and working phone contact to able them reach the Authority for the products and services and take it upon us to respond to all concerns, feedback, complaints and compliments in a timely, personalized and transparent manner.
- 4) We clearly differentiate NITA products and services from the other available alternatives, and give price details in a clear manner with no hidden costs. We do not make demeaning comparisons with our competitors to belittle or bad-mouth their offerings
- 5) We present all products and services attributes clearly in all marketing campaigns without generalization to bring out clearly the info needed by clients on the products for their informed decisions.
- 6) In cases where we have to use customer's images and data to bring out success stories, we ensure we get their signed consent and commit to keep their personal info and data safely and secure.
- 7) We inform and remind the customers on any new products launched, relaunched or revamped for the benefits

d) Product stewardship

The Authority's offerings are mainly services and in this regard The Authority has put in place measures to ensure that it's operations are environmentally safe and does not pose any health and safety concerns to stakeholders. These measures include operationalization of Quality Management System (QMS) to adhere to the regulatory/statutory and own voluntary requirements to uphold highest standards in the quality and efficiency of industrial training and related functions.

v) Corporate Social Responsibility - NITA Female Engineering Programme

National Industrial Training Authority's Corporate Social Investment is in form of sponsorship of 25 Kenyan female students from needy backgrounds annually to pursue engineering courses at craft, certificate and diploma levels in an effort to reduce gender disparity in technical/engineering disciplines as a part of its Corporate Social Investment. Through this affirmative action, this programme has benefitted over four hundred (400) Kenyan students across the country to date.

The Female Engineering Training Programme is National Industrial Training Board initiative which was conceived out of a report on an overseas study tour to fifteen (15) countries with best levy practices in 2005. The objective of the programme was to address the observed gender imbalance in the engineering profession by supporting deserving and needy females to undertake engineering training.

Selected candidates are placed in NITA Centres, other National Polytechnics and Technical Training Institutions. The students have undertaken various courses in electrical engineering (electronics, telecoms and computer), mechanical engineering (plant option and production), land survey, quantity survey, civil engineering, agricultural, and chemical engineering.

Criteria for selection of trainees is based on academic qualifications, and neediness of applicants from Arid and Semi- arid Land [ASAL] areas. Targeted ASAL areas are: Mandera, Turkana, Lamu, Wajir, West Pokot, Kwale, Ijara, Tana River, Garissa, Isiolo, Marsabit, Samburu, Elgeyo - Marakwet, Suba, Kajiado, Kilifi, Taita Taveta, Teso, Mt. Elgon, Kitui, Mwingi, Tharaka, Mbeere, Transmara, Makueni, Kuria and Marigat.

Most females from these marginalised areas fail to take physics in high schools therefore leaving the subject to be male dominated, a factor which has contributed to a lower number of applicants from these regions.

Through the Female Engineering Sponsorship Committee, which operates under the Corporate Communication department and oversees the day-to-day running of the program, the Authority is working to develop intensive outreach programs in these areas to sensitize the locals to the importance of taking technical courses

11. REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the National Industrial Training Authority affairs.

Principal activities

The Principal activities of the Industrial Training Authority are:

- Industrial training;
- Assessing and collecting industrial training levy and fees;
- Regulating trainers registered under section 7C of the Act
- Developing industrial training curricula;
- Integrating labour market information into skills development;
- Harmonizing curricula and certificates of competence;
- Assessing industrial training, testing occupational skills and awarding certificates
- Including Government trade test certificates;
- Equating certificates;
- Accrediting institutions engaged in skills training for industry;
- Associating or collaborating with any other body or organization within or outside Kenya as the Board may consider desirable or appropriate and in furtherance of the purposes for which the Authority is established;

**National Industrial Training Authority – Annual Reports and Financial Statements
For the year ended June 30, 2025**

Directors

The members of the Board of Directors who served during the year are shown on page vi to page ix.

Auditors

The Auditor General is responsible for the statutory audit of the National Industrial Authority in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015

By Order of the Board



Ag. Corporation Secretary
Nairobi

Date... 02/12/2025

12. STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2013 and section 14 of the State Corporations Act, under the Industrial Training Act Chapter 237 require the Directors to prepare financial statements in respect of that National Industrial Training Authority (NITA) which give a true and fair view of the state of affairs of NITA at the end of the financial year and the operating results of the NITA for that year. The Directors are also required to ensure NITA keeps proper accounting records which disclose with reasonable accuracy the financial position of NITA. The Directors are also responsible for safeguarding the assets of NITA.

The Directors are responsible for the preparation and presentation of the NITAs financial statements, which give a true and fair view of the state of affairs of NITA for and as at the end of the financial year ended on June 30, 2025. 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 NITA
- (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 NITA
- (v) selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

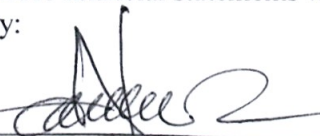
The Directors accept responsibility for NITA financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Industrial Training Act Chapter 237

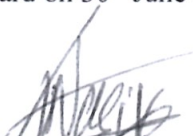
The Directors are of the opinion that NITA financial statements give a true and fair view of the state of NITA transactions during the financial year ended June 30, 2025, and of the NITA's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for NITA which have been relied upon in the preparation of the NITA's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

NITA financial statements were approved by the Board on 30th June 2025 and signed on its behalf by:


Chairman of the Board


Director General

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL INDUSTRIAL TRAINING AUTHORITY FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Industrial Training Authority set out on pages 1 to 48, which comprise of the statement of financial position as at 30 June, 2025 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 National Industrial Training Authority as at 30 June, 2025 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 Industrial Training Act, 2022 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Land Without Ownership Documents

The statement of financial position and as disclosed in Note 21 to the financial statements reflects property, plant and equipment balance of Kshs.9,080,863,155 which includes land value of Kshs.6,608,300,000. As previously reported, title deeds of five parcels of land located in Nairobi, Kisumu, Athi River and two parcels of land in Mombasa have not been acquired. Further, land in Mombasa measuring 12.91 hectares valued at Kshs.1,260,000,000 belonging to the Authority was irregularly allocated to a private developer in exchange of another parcel of land measuring 6.2 hectares. However, no effort has been made to reclaim the irregularly allocated land.

In the circumstances, the accuracy, ownership and fair presentation of land balance of Kshs.6,608,300,000 as at 30 June, 2025 could not be confirmed.

2. Failure to Revalue Fully Depreciated Motor Vehicles and Lack of Log Books

The statement of financial position and as disclosed in Note 21 to the financial statements reflects property, plant and equipment balance of Kshs.9,080,863,155 which includes Nil balance on motor vehicle with historical cost and accumulated depreciation of Kshs.98,585,575. The motor vehicles although fully depreciated are still in use and benefits continue to accrue to the Authority. However, Management has not revalued the motor vehicles to obtain the fair value contrary to Paragraph 27 of IPSAS 45 which states that after recognition as an asset, an item of property, plant, and equipment whose current value can be measured reliably shall be carried at a revalued amount. Further, three (3) out of the sixty (60) motor vehicles owned by the Authority did not have log books.

In the circumstances, the accuracy, ownership and fair presentation of property plant and equipment of Kshs.9,080,863,155 could not be confirmed.

3. Inadequate Disclosures on Deposits Held in Collapsed Banks

Note 25(a) to the financial statements discloses deposits and corresponding provision for deposits held in collapsed banks of Kshs.129,466,000 which have been outstanding for over a period of twenty (20) years. However, the disclosure has been

made separately from and cash and cash equivalents contrary to the requirements of IPSAS accrual reporting framework.

In the circumstances, the disclosure on deposits held in collapsed banks of Kshs.129,466,000 is inaccurate and not IPSAS accrual reporting framework compliant.

4. Inadequate Disclosures Receivables from Exchange Transactions

The statement of financial position and as disclosed in Note 18 to the financial statements reflects receivables from exchange transactions of Kshs.400,267,278. However, the Note does not disclose the impairment allowance and does not include ageing analysis contrary to Note 30 (c) of Public Sector Accounting Standard Board template which requires analysis of receivables less than one year, between one and two years and over three years to be disclosed in the Note.

In the circumstances, the accuracy of receivable from exchange transactions of Kshs.400,267,278 could not be confirmed.

5. Inadequate Disclosures Receivables from Non- Exchange Transactions

The statement financial position and as disclosed in Note 19 to the financial statements reflects receivables from non-exchange transactions of Kshs.144,222,655 which includes staff receivables and training levy of Kshs.31,437,115 and Kshs.112,785,540 respectively. However, the Note does not disclose the impairment allowance and does not include ageing analysis contrary to Note 30(c) of Public Sector Accounting Standard Board template which requires analysis of receivables less than one year, between one and two years and over three years to be disclosed.

In the circumstances, the accuracy of receivables from non-exchange transactions of Kshs.144,222,655 could not be confirmed.

6. Inappropriate Classification of Staff Car Loan and Mortgage

Included in receivables from exchange transactions of Kshs.400,267,278 is balance of Kshs.140,000,000 described as a commercial bank Fund. However, review of Note 20 to the 2023/2024 audited financial statements on investments reveals the amount of Kshs.140,000,000 relates to the Staff Car Loan and Mortgage Scheme Fund.

In the circumstances, the presentation and disclosure of the Kshs.140,000,000 under receivable from exchange transactions could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Industrial Training Authority 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

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final total income budget and actual receipts on a comparable basis of Kshs.3,461,789,000 and

Kshs.2,616,721,918 respectively resulting in a shortfall of Kshs.1,275,070,916 or 37% of the budget.

In the circumstances, the revenue shortfall affected the planned activities and may have impacted negatively on service delivery to the public.

2. Long Outstanding Receivables from Exchange Transaction

The statement of financial position and as disclosed in Note 18 to the financial statements reflects receivables from exchange transactions of Kshs.400,267,278 which includes Kshs.18,758,885 which relates to bounced cheques. These are receivables that have been outstanding for more than 10years. Further, included is receivables amount of Kshs.12,823,321 deposited in a commercial bank irregularly opened by a staff member which was lost. The matter was reported to the police in 2017 and the matter is in court; criminal case 212 of 2017.However, no recovery has been made.

In the circumstances, the accuracy of recoverability of the amounts could not be confirmed.

3. Unsustainable Service Delivery on Trade Test and Conferences

The statements of financial performance and as disclosed in Note 8 to the financial statement reflects revenue- rendering of services of Kshs.765,622,401 which includes trade test fees of Kshs.596,541,321 and conference of Kshs.14,038,182. However, note 11 to the financial statement reflects use of goods-trade test expenses amount of Kshs.834,612,020 and conference expenses of Kshs.23,454,056. This indicates the Authority over spent Kshs.238,070,699 and Kshs.9,415,874 on trade test and conferences respectively.

In the circumstances, the sustainability of services on trade test and conferences is doubtful.

My opinion is not modified in respect of these matters.

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 effect of 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 Audit Matters

In the prior year's audit report, 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. Review of the status during audit of the Authority in 2024/2025 revealed that several matters remained unresolved as at 30 June, 2025 as detailed in **Appendix I**.

Other Information

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

In connection with my audit on the Authority'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. Unremitted Training Levies

The statement of financial position and as disclosed in Note 24 to the financial statements reflects account payables amounts of Kshs.977,608,996 which includes unremitted training levies of Kshs.277,084,833, due to Technical and Vocational Education and Training institutions (TVET) of Kshs.184,723,222 and the Higher Education Loans Board (HELB) of Kshs.92,361,611 for the financial year 2022/2023.

This contravenes Section 5C 2(b) and (c) of Industrial Training Act, 2024 which states that the Director-General, shall not later than the fifteenth day of each month pay twenty percent of the training levies collected shall be used for funding the establishment and operation of technical and vocational education and training institutions established across the country and ten percent of the training levies collected shall pursuant to section 12(1)(e) of the Higher Education Loans Board Act be allocated and disbursed to the Higher Education Loans Management Board.

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

2. Delayed Implementation of Modern Gate Project at NITA Kisumu

The statement of financial position and as disclosed in Note 21 to the financial statement reflects property, plant and equipment balance of Kshs.9,080,863,155 which includes building additions of Kshs.20,078,512. Included in building additions is Kshs.6, 277,026 paid to a contractor relating to construction of Modern Gate works at NITA Kisumu. The contract was awarded to the contractor on 11 July, 2024 at a contract sum Kshs.9,216,700 and was due for completion in one year from the date of the execution of the agreement.

However, as the time of audit in September 2025, the project was still incomplete with the contractor not on site, two (2) months past the project completion date contrary to Section 48(3) and (c) of the Public Procurement and Asset Disposal Act 2015 which states that, the inspection and acceptance committee shall ensure that the goods, works or services have been delivered or completed on time.

Further, the project implementation status report provided by the Ministry of Lands, Public Works, Housing and Urban Development and minutes signed on 2 July, 2025 highlighted several pending works which include water proofing to concrete roofs, painting and decoration, electrical cabling and fittings, sanitary fittings, CCTV installation, lighting protection, terrazzo to verandah and access ramp, guard rails to verandah and access ramp, cabro works installation, gate barrier installation and general site clearance.

Though a certificate of partial completion was issued on 8 July, 2025 no current project implementation status report was provided for audit and it cannot be confirmed if the project is completed. Further, the supplier had issued an anticipation notice on 30 July, 2025 citing delay in honoring payment certificate in which he declared a demand interest on delayed payments as per the contract.

In the circumstances, value for money has not been realized on the incomplete gate.

3. Avoidable Contingent Liabilities: Court Litigations

The statement of financial performance and as disclosed in Note 30 to the financial statement reflects contingent assets and contingent liabilities of Kshs.1,179,228,006 as at 30 June, 2025 which reflects an increase of Kshs.831,065,685 or 239%

Further, Note 30 to the financial statements includes an amount of Kshs.44,500,000 which relates to court cases against the Authority for wrongful dismissal of former Director General (DG) contrary to Section 11.21.2 of Authority's Human Resource Policy and Procedure Manual which states that summary dismissal shall be considered in the event that an employee displays gross misconduct as defined under the Constitution 2010, Employment Act 2007, Industrial Training Act Cap 237, Public Officers Ethics Act 2003 and Leadership and Integrity Act 2012 or as may be amended.

Analysis of the former Director General's contract termination revealed that the laid down procedures were not followed thereby leading to suit via Case No .70 of 2019. The court case was concluded on 1 September, 2020 with an award of Kshs.27,600,000.00 to the former Director General which the Authority has not settled to date but filed an appeal, leading to recognition of contingent liability, court litigation.

This amount has been accruing interest at the court rates of 12% annually and currently stands at Kshs.40,000,000. If the court upholds the judgement, the Authority may suffer additional loss of Kshs.12,400,000. Had the Authority followed the correct process in terminating the Director General's contract, there would be no foreseen loss of funds.

In the circumstances, the authority may incur avoidable expenditure.

4. Long Outstanding Payables

The statement of financial position and as disclosed in Note 24 to the financial statements reflects account payables of Kshs.977,608,996 out of which payables of Kshs.478,305,406 have been outstanding for more than five (5) years without a proper plan to clear the outstanding amounts. Further, no documents were provided to support the balance. This is contrary to the National Treasury Circular No. 10/2020 Reference No. DGIPE/A/1/80 dated 16 June, 2020 which directed pending bills be treated as a first charge on the approved budgets

Failure to settle bills during the year to which they relate to adversely affects the budgetary provisions for the subsequent year as they form a first charge while Management was in breach of the law.

5. Long Outstanding Receivables from Non-Exchange Transactions

The statement financial position and as disclosed in Note 19 to the financial statements reflects receivables from non-exchange transactions of Kshs.144,222,655. Examination of the imprest register revealed that imprests amounting to Kshs.31,437,115 owed by staff were not surrendered by the due date and imprests amounting Kshs.14,077,156 are long outstanding contrary to Regulation 93(5) of the Public Finance Management (National Government) Regulations,2015 which requires imprests to be surrendered within the stipulated time of seven (7) working days from completion of the activity. No explanation was provided for the failure to recover the long outstanding advances and Imprests from the concerned employees as required by the law.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Grounded Motor Vehicles

The statement of financial position and as disclosed in Note 21 to the financial statements reflects property, plant and equipment balance of Kshs.9,080,863,155 which includes motor vehicles has a nil value. However, motor vehicle inventory list provided for audit review revealed that eight (8) out of sixty (60) motor vehicles with undetermined values were grounded contrary to Section 164(1) and (2) of Public Procurement and Asset Disposal Act, 2015 which states that, the employee in charge of unserviceable, obsolescent, obsolete or surplus assets shall bring the matter to the attention of the disposal committee through the head of procurement function and an employee shall comply with subsection (1) within a reasonable time after the assets become unserviceable, obsolete or surplus.

In the circumstances, the effectiveness of controls over the management of fixed assets could not be confirmed.

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

Responsibilities of the Management and Board of Directors

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 Authority'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 Directors is responsible for overseeing the Authority's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance

and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 December, 2025

APPENDICES

Appendix I

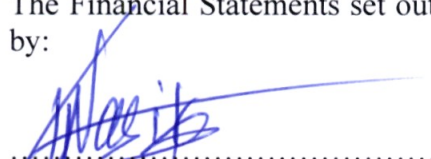
S/No	Audit Issue
1.	Unconfirmed Training Levy
2.	Land Without Ownership Documents
3.	Failure to Revalue Fully Depreciated Motor Vehicles and Lack of Ownership Documents
4.	Disclosures on Deposits Held in Collapsed Banks
5.	Long Outstanding Receivables from Exchange Transactions
6.	Budgetary Control and Performance
7.	Long Outstanding Trade and other Payables from Exchange Transactions
8.	Unapproved Budget
9.	Board Expenses Exceeding the Set Ceilings
10.	Failure to Prepare and Submit Financial Statements for the Authority's Staff Car Loan and Mortgage Schemes
11.	Failure to Renew Service Contract Agreement for Printers
12.	Unremitted Pay As You Earn (PAYE) Tax
13.	Staff Earning Less Than One Third of Basic Salary
14.	Employees in Acting Capacity Beyond the Stipulated Period
15.	Delays in Surrender of Imprests
16.	Lack of Approved Selection Criteria for the Female Engineering Program
17.	Grounded Motor Vehicles
18.	Lack of Data Recovery Plan and Back Up

**National Industrial Training Authority
Annual Reports and Financial Statements
For the year ended June 30, 2025**

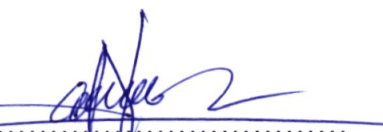
**14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE
2025**

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Training Levy	6	1,544,712,957	1,287,778,796
Transfers from other governments—gifts and services-in-kind	7 (a)	-	507,500,000
		1,544,712,957	1,795,278,796
Revenue from exchange transactions			
Rendering of services	8(a)	765,622,401	610,072,096
Finance income-external investments	9	11,415,249	2,578,688
Other income	10	15,795,433	37,406,959
Total revenue from exchange Transactions		792,833,083	650,057,744
Total revenue		2,337,546,040	2,445,336,540
Expenses			
Use of goods and services	11(a)	1,850,275,140	1,554,143,961
Employee costs	12	742,352,162	690,279,472
Board Expenses	13	47,407,713	31,642,405
Depreciation and amortization expense	14	190,627,577	159,250,928
Repairs and maintenance	15	26,878,776	24,238,931
Grants and Subsidies	16	10,410,038	11,611,530
Total Expenses		2,867,951,406	2,471,167,227
Surplus/Deficit for the period		(530,405,366)	(25,830,687)

The notes set out on pages 6 to 37 form an integral part of these Financial Statements
The Financial Statements set out on pages 1 to 43 were signed on behalf of the Board of Directors
by:


.....
Ag. Director General
Name: **Theresa K. Wasike (Ms)**


.....
Director Corporate Services
Name: **Gerald Kirimi**
ICPAK Member Number: 8725


.....
Chairman of the Board
Name: **Hon. Aden Noor Ali**

Date: 02/12/2025.....

Date: 02/12/2025.....Date: 02/12/2025.....

**National Industrial Training Authority
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15. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2025

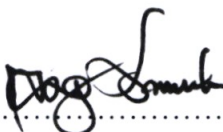
	Notes	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	17 (a)	520,200,566	673,119,565
Receivables from exchange transactions	18	400,267,278	243,547,961
Receivables from non-exchange transactions	19	144,222,655	193,072,813
Investments	20	8,400,000	8,400,000
Total Current Assets		1,073,090,498	1,118,140,338
Non-Current Assets			
Property, Plant and Equipment	21&23	9,080,863,155	9,186,592,400
Intangible assets	22	28,174,030	33,424,949
Total Non-Current Assets		9,109,037,184	9,220,017,349
Total Assets		10,182,127,683	10,338,157,687
Liabilities			
Current Liabilities			
Trade and other payables	24	977,608,996	880,318,468
Provision for receivables current year	25(b)	31,582,206	31,582,206
Prepaid Fees	24	-	-
Total Liabilities		1,009,191,202	911,900,675
Net Assets			
Capital Reserves		90,000,000	90,000,000
Revaluation Reserve		9,899,001,000	9,899,001,000
Accumulated Surplus		(816,064,520)	(562,743,988)
Total Net Assets		9,172,936,480	9,426,257,012
Total Net Assets and Liabilities		10,182,127,683	10,338,157,687

The Financial Statements set out on pages 1 to 43 were signed on behalf of the Board of Directors by:



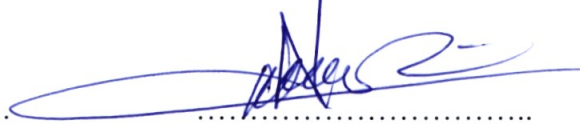
**Name: Theresa K. Wasike
Ag. Director General**

Date



**Name: Gerald Kirimi
Director Corporate Services
ICPAK Member Number: 8725**

Date



**Name: Hon. Aden Noor Ali
Chairman of the Board**

Date

National Industrial Training Authority
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16. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2025

	Capital replacement development reserve/Capital Reserve	Revaluation Reserve	Accumulated surplus	Total
	Kshs	Kshs	Kshs	Kshs
As at 1st July 2021	90,000,000	9,899,001,000	91,467,000	10,080,468,000
Adjustment (2021- 2022)	0	0	3,100,000	3,100,000
Revaluation Adjust	0	0	0	0
Surplus (Loss) for the period	0		63,874,739	63,874,739
As at 30 June 2022	90,000,000	9,899,001,000	158,441,739	10,147,442,739
As at 1st July 2022	90,000,000.00	9,899,001,000.00	158,441,739.32	10,147,442,739.32
Adjustment (2022- 2023)	-	-	-	-
Revaluation Adjust	-	-	-	-
Surplus (Loss) for the period	-	-	(695,355,040.75)	(695,355,040.75)
As at 30 June 2023	90,000,000	9,899,001,000	(536,913,301.43)	9,452,087,699
As at 1st July 2023	90,000,000.00	9,899,001,000.00	-536,913,301.43	9,452,087,698.57
Adjustment (2023- 2024)	-	-	-	-
Revaluation Adjust	-	-	-	-
Surplus (Loss) for the period			(25,830,687.00)	(25,830,687.00)
As at 30 June 2024	90,000,000.00	9,899,001,000.00	(562,743,988.43)	9,426,257,011.57
As at 1st July 2024	90,000,000.00	9,899,001,000.00	(562,743,988.43)	9,426,257,011.57
Adjustment (2024- 2025)	-	-	277,084,833.90	277,084,833.90
Revaluation Adjustment	-	-	-	-
Surplus (Loss) for the period			(530,405,365.69)	(530,405,365.69)
As at 30 June 2025	90,000,000.00	9,899,001,000.00	(816,064,520.22)	9,172,936,479.78


The adjustment shown in the statement of changes in net assets of 277,084,833.90 relates to an adjustment in the prior year trade payables where the amount was moved from the trade payables to the contingent liabilities. The decision is based on the conclusion that the amount which relates to money liable to Helb and Tvet had not been committed and it was not certain as to when it would be paid.

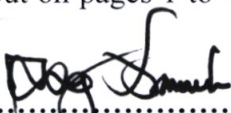
**National Industrial Training Authority – Annual Reports and Financial Statements
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17. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025

Description	Notes	2024-2025	2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Training Levy	6(b)	1,550,604,319.07	1,238,148,619
Government grants and subsidies	7(b)	0.00	507,500,000
Rendering of services	8(b)	608,903,084.25	597,345,472
Finance income	9	11,415,248.65	2,578,688
Other income, rentals and agency fees	10	15,795,432.52	37,406,959
Total Receipts		2,186,718,084	2,382,979,738
Payments			
Employee Costs	12	742,352,162.36	690,279,472
Goods and services	11(b)	1,710,025,816.17	1,326,969,428
Remuneration of directors	13	47,407,712.70	31,642,405
Repairs and maintenance	15	26,878,775.72	24,238,931
Grants and Subsidies	16	10,410,038.00	11,611,530
Total Payments		2,537,074,505	2,084,741,767
Net cash flows from operating activities		(350,356,420)	298,237,971
Cash flows from investing activities			
Purchase of property, plant, equipment	23	(51,473,383)	(49,185,708)
Purchase of intangible assets	22	(28,174,030)	(33,424,949)
		(79,647,413)	(82,610,657)
Cash flows from financing activities		-	-
Adjustments		277,084,834	-
Cash flows from financing activities			-
Net increase/(decrease)in cash and cash equivalents		(152,918,999)	215,627,314
Net increase/(decrease)in cash and cash equivalents		(152,918,999)	215,627,314
Cash and cash equivalent as at 1st July	17(a)	673,119,565	457,492,250
Cash and cash equivalents at 30th JUNE		520,200,566	673,119,565

The Financial Statements set out on pages 1 to 43 were signed on behalf of the Board of Directors by:


.....
Name: Theresa Wasike
Ag. Director General


.....
Name: Gerald Kirimi
Director Corporate Services
ICPAK M/NO: 8725


.....
Name: Hon Aden Noor Ali
Chairman of the Board

Date...02/12/2025

Date...02/12/2025

Date...02/12/2025

18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2025

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	2024-2025	2024-2025	2024-2025	2024-2025	2024-2025	2024-2025
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Revenue						
Industrial Training Levy	1,650,000,000.00	-	1,650,000,000	1,550,604,319	99,395,681	94%
Government grants and subsidies	0	7,000,000.00	7,000,000	0	7,000,000	0%
Rendering of services	1,073,838,000	76,975,000.00	1,150,813,000	608,903,084	541,909,916	53%
Interest Income	5,000,000	5,000,000.00	10,000,000	11,415,249	(1,415,249)	114%
Other income, rentals and agency fees	276,386,000	(132,410,000.00)	143,976,000	15,795,433	128,180,567	11%
Total Income	3,005,224,000	(43,435,000.00)	2,961,789,000	2,186,718,084	775,070,916	
Liquidated Funds	0	500,000,000.00	500,000,000	0	-	
Grand Total	3,005,224,000	456,565,000.00	3,461,789,000	2,186,718,084	775,570,916	
Expenses						
Use of goods and services	1,888,387,000.00	(150,895,450)	1,737,491,550	1,710,025,816	27,465,734	98%
Employee costs	841,469,000.00	(83,212,122)	758,256,878	742,352,162	15,904,716	98%
Remuneration of directors	30,100,000.00	20,000,000	50,100,000	47,407,713	2,692,287	95%
Repairs and maintenance	36,908,000.00	7,911,500	44,819,500	26,878,776	17,940,724	60%
Grants and Subsidies	10,000,000.00	2,000,000	12,000,000	10,410,038	1,589,962	87%
Total Recurrent Expenses	2,806,864,000	(204,196,071.88)	2,602,667,928	2,537,074,505	65,593,423	
Capital Expenditure	631,344,457	-	631,344,457	79,647,413	551,697,044	
Total Expenses	3,438,208,457	(204,196,071.88)	3,234,012,385	2,616,721,918	617,290,467	
Surplus for the period	-432,984,457	661,261,072	228,276,615	(430,003,833)		

Reconciliation of Surplus/Deficit	
Details	Ksh
Actual Surplus Amounts as per the statement of Budget	(430,003,833)

National Industrial Training Authority – Annual Reports and Financial Statements
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Adjustment from previous period	277,084,834
Cash at the beginning of the period	673,119,565
Closing Cash and Cash Equivalent as per the statement of Cash flows	520,200,566

BUDGET NOTES

1. REVENUE BUDGET

The Authority’s annual revenue performance has increased compared to previous years but not meeting the expected revenue targets. The underperformance in Industrial Training Levy by 6% is as a result of employers defaulting on levy contributions, economic conditions prevailing and effects of Post Covid, Government grants by nil % because of non-disbursement of **Khs7M** development grant, rendering of services by 47% as a result of low activities at NITA Athi Conference, low intake of students and the other revenue streams not meeting the target and budget cuts from National government thus creating a deficit. Depreciation of **Ksh.170M** is a non a cash item and therefore not included in the budget comparison.

2. EXPENSES

The negative variance is as a result of general increase in cost of goods and services that affected the cost of training materials and depreciation and amortization charge that surpassed the provision. Increase in core mandate activities including home care activities and tax arrears from previous years paid in 2024-2025.

Use of goods under performed by 2%, employee costs under performed by 2% because the Authority did not fill and promote staff as expected, remuneration of directors increased to Kshs.50.1M underperforming by by 5% as per additional budget to fund ILO and other external activities that were not planned in the budget(Exogenous in nature) , repairs and maintenance underperformed by 40% and grants and subsidies over performed by 13% due to timing differences in uptake of female sponsorship programme.

19. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

National Industrial Training Authority is established by and derives its authority and accountability from Industrial Training Act Chapter 237. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity’s principal activity is to promote the highest standards in the quality and efficiency of Industrial Training in Kenya and ensure adequate supply of properly trained manpower at all levels in industry.

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 NITA accounting policies. The areas involving a higher degree of judgment 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 NITA.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations 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 standards and amendments to published standards effective for the year ended 30 June 2024*

Standard	Effective date and impact:
----------	----------------------------

- ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023*

Standard	Effective date and impact:
IPSAS 43: Leases	<p>Applicable: 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>

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Standard	Effective date and impact:
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p>Applicable: 1st January 2025:</p> <p>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.</p>
IPSAS 47: Revenue	<p>Applicable: 1st January 2026:</p> <p>The objective of this Standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from revenue transactions. This standard;</p> <ul style="list-style-type: none"> • Requires an entity to consider the terms of the transaction, and all relevant facts and circumstances, to determine the type of revenue transaction; and • Sets out the accounting requirements to account for the revenue transaction.
IPSAS 46: Measurement	<p>Applicable 1st January 2025</p> <p>The objective of this Standard is to define measurement bases that assist in reflecting fairly the cost of services, operational capacity and financial capacity of assets and liabilities. The Standard identifies approaches under those measurement bases to be applied through individual IPSAS to achieve the objectives of financial reporting.</p>
IPSAS 45: Property, Plant And Equipment	<p>Applicable 1st January 2025</p> <p>The objective of this Standard is to prescribe the accounting treatment for property, plant, and equipment so that users of financial statements can discern information about an entity's investment in its property, plant, and equipment and the changes in such investment. The principal issues in accounting for property, plant, and equipment are the recognition of the assets, the determination of their carrying amounts, and the depreciation charges and impairment losses to be recognized in relation to them.</p>

iii. Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2024.

Notes to the financial statements (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) Financial Assets

Classification of financial assets

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

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

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.

Fair value through surplus or deficit

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

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Impairment

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

b) Financial liabilities

Classification

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

b) 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 labor 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.

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 NITA.

c) Provisions

Provisions are recognized when NITA 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 Authority 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.

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

Contingent liabilities

NITA 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

NITA 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 Authority 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.

d) Nature and purpose of reserves

NITA does not create and maintains reserves in terms of specific requirements. National Industrial Training maintains a revaluation reserve.

e) Changes in accounting policies and estimates

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

f) Employee benefits

Retirement benefit plans

NITA provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which the Authority pays fixed contributions into a separate 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.

g) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

**National Industrial Training Authority
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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.

h) Related parties

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

i) Service concession arrangements

NITA 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 Authority recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

j) 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.

k) Comparative figures

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

l) 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, 2023.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Authority 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 Authority. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

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

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

Provisions

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

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material. *(include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).*

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Notes to the financial statements (Continued)

6 LEVIES, FINES AND PENALTIES

6 (a)

Description	2024-2025	2023-2024
	Kshs	Kshs
Industrial Training Levy	1,544,712,957.47	1,287,778,796
Total	1,544,712,957	1,287,778,796

(Training levy collected from employers for the purpose of skill upgrading of employees as per the Industrial Training Act Chapter 237)

6 (b)

Description	2024-2025	2023-2024
	Kshs	Kshs
Industrial Training Levy	1,544,712,957.47	1,287,778,796.35
Accrual 2024	(112,785,540)	(118,676,901.60)
Accrual 2023	118,676,902	69,046,724.09
Total as used in cash flow	1,550,604,319.07	1,238,148,619

7 (a) TRANSFERS FROM OTHER GOVERNMENTS

Description	2024-2025	2023-2024
	Kshs	Kshs
Operational Grant		500,000,000.00
Development Grant		7,500,000
Total	-	507,500,000

7 b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name Of The Entity Sending The Grant	Amount recognized to Statement of Financial performance	Amount deferred under deferred income	Prior year
			2023-2024
	KShs	KShs	KShs
Ministry of Labour and Social Services	-	-	507,500,000
Total	-	-	507,500,000

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 (a) RENDERING OF SERVICES

Description	2024-2025	2023-2024
	Kshs	Kshs
Tuition Fees and Accommodation	139,267,648.35	182,207,258
Registration of Trainers	15,775,250.00	10,242,650
Trade Test Fees	596,541,321.00	405,406,931
Conference	14,038,182.00	12,215,257
Total revenue from rendering of services	765,622,401	610,072,096

(Trade test Fees for assessment and certification of skills, Tuition and Accommodation for student trainers at the Authority centres, Registration of Trainers fees for the regulation of Training providers, Conference Fee)

8 (b) RENDERING OF SERVICES ACCRUALS

Description	2024-2025	2023-2024
	Kshs	Kshs
Total revenue from rendering of services	765,622,401	610,072,096
Accrued previous fyr	243,547,961	230,821,336
Accrued current fyr	(400,267,278)	(243,547,961)
Total revenue from rendering of services	608,903,084	597,345,472

9 FINANCE INCOME - EXTERNAL INVESTMENTS

Description	2024-2025	2023-2024
	Kshs	Kshs
Income from on call deposits	-	-
Interest income	11,415,249	2,578,688
Total other income	11,415,249	2,578,688

(Credit interest from Kenya Commercial Bank)

10 OTHER INCOME

Description	2024-2025	2023-2024
	Kshs	Kshs
Miscellaneous Receipts	15,795,433	37,406,959
Total other income	15,795,433	37,406,959

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11 USE OF GOODS AND SERVICES

11(a)

Description	2024-2025	2023-2024
	Kshs	Kshs
Advertising and Publicity	33,457,364	22,512,513
Audit fees	1,500,000	1,500,000
Asset Disposal	-	-
Bedding & Linen	5,093,649	449,575
Chemicals, Detergents & Industrial gases	4,134,806	1,703,812
Claims, Damages & Compensation	6,739,498	79,575,938
Conference Expenses	23,454,056	24,727,406
Curriculum Development	11,674,117	14,595,917
Domestic Travel	64,538,774	40,070,284
Electricity	19,134,559	21,149,250
Bank Charges	4,600,016	12,825,645
Food & Ratio	94,676,004	86,296,963
Foreign Travel	18,429,208	12,809,269
Fuel, Oil and Lubricants	35,121,430	21,118,632
Hospitality	17,968,176	18,821,140
Industrial Attachment	10,735,151	22,183,552
Insurance	10,882,653	8,508,315
Internal Audit Expenses	9,228,420	7,279,827
Legal Expenses	18,857,333	26,720,688
Library	1,555,600	-
Management Consultancy	792,450	2,821,401
Marketing Expenses	8,474,378	8,461,684
Office and General Supplies	49,844,026	35,385,313
Part time Lectures	32,021,153	30,118,814
Planning Expenses	14,049,712	17,786,749
Professional Services		-
Quality Assurance Expenses	18,037,080	12,372,287
Registration of Training Providers Expenses	14,723,079	10,196,965
Reimbursements for Management Expenses	118,396,768	209,044,361
Rent & Rates	1,205,290	1,093,701
Sector Committees	10,825,256	7,947,867
Security and Cleaning	36,771,339	32,698,706
Seminars & Workshops	14,708,734	7,254,957
Specialized Materials	93,067,922	44,231,994
Student Examination		-
Subscriptions	2,356,636	2,187,083
Supplies Chain Management Expenses	14,853,105	4,976,813
Telecommunication	752,875	3,130,824
Trade Test Expenses	834,612,020	579,393,419
Training Levy Expenses	95,133,392	60,460,931
Uniforms & Protective Clothing	1,252,056	

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Water	9,398,613	9,560,545
Staff Development	40,031,494	22,869,832
Staff Welfare	47,186,950	29,300,991
Total Use of Goods& Services	1,850,275,140	1,554,143,961

11(b)

Description	2024-2025	2023-2024
	Kshs	Kshs
Total Use of Goods& Services	1,850,275,140	1,554,143,961
Staff Imprest previous fyr	(74,395,911.00)	(68,300,942)
Staff Imprest current fyr	31,437,115	74,395,911
Accruals previous fyr	880,318,468.24	646,983,060.99
Accruals current fyr	(977,608,995.81)	(880,318,468.24)
Adjustment-Provisions	-	65,905.50
Total Use of Goods& Services as per cashflow	1,710,025,816	1,326,969,428

12 EMPLOYEE COSTS

	2024-2025	2023-2024
	Kshs.	Kshs
Salaries and wages	317,839,859	313,430,502
Housing benefits and allowances	134,324,676	129,880,000
Commuter	51,793,030	49,690,000
Leave	22,673,123	22,928,032
Gratuity	42,067,565	24,817,935
Employer contribution to health insurance schemes	65,489,284	62,366,877
Employer contribution to pension schemes	27,381,078	27,513,293
Employer contribution to Housing Levy	7,874,730	7,059,205.24
Other Allowances	41,454,289	27,696,087
Social contributions	13,412,736	7,537,775.94
Other employee related costs	18,041,793	17,359,765
Total Employee costs	742,352,162	690,279,472

13 BOARD EXPENSES

Description	2024-2025	2023-2024
	Kshs	Kshs
Chairman's Honoraria	960,000	1,017,405
Board Other Expenses	22,694,517	22,594,505
Board Capacity Building	20,107,730	2,586,434
Board Sub Committee	3,645,466	5,444,061
Total director emoluments	47,407,713	31,642,405

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14 DEPRECIATION AND AMORTIZATION EXPENSE

Description	2024-2025	2023-2024
	Kshs	Kshs
Property ,Plant and Equipment	157,202,628	145,170,314
Intangible Assets	33,424,949	14,080,613
Total Depreciation and amortization	190,627,577	159,250,928

15 REPAIRS AND MAINTENANCE

Description	2024-2025	2023-2024
	Kshs	Kshs
Maintenance of Equipment	1,661,212.00	1,573,307
Maintenance of Buildings	10,695,271.72	4,395,122
Maintenance of Furniture	312,161.59	1,348,719
Maintenance of Grounds	860,236.00	783,989
Maintenance of Motor Vehicle	11,922,404.41	15,471,149
Maintenance of Software	1,427,490.00	666,645
Total repairs and maintenance	26,878,775.72	24,238,931

16 GRANTS AND SUBSIDIES

Description	2024-2025	2023-2024
	Kshs	Kshs
Female Engineering	10,410,038	11,611,530
Total grants and subsidies	10,410,038	11,611,530

17 (a) CASH AND CASH EQUIVALENTS

Description	2024-2025	2023-2024
	Kshs	Kshs
Current account	519,324,446	532,366,221
Cash in Hand	876,119	753,344
Staff Car Loan/ Mortgage	-	140,000,000
Total cash and cash equivalents	520,200,566	673,119,565

17 (b) DETAILED ANALYSIS OF THE CASH AND CASH EQUIVALENT

Description		2024-2025	2023-2024
Financial institution	Account number	Kshs	
a) Current account			
KCB Nairobi (Revenue)	1102588075	517,094,533	512,536,612
KCB Nairobi (Payments)	1158641931	1,230,069	4,026,441
KCB Kisumu	1144138434	118,509	1,351,049
KCB Mombasa	1144254639	2,063	12,011,493
KCB Kitengela	1170854729	171,188	1,940,681
National Bank Harambee Avenue	1001000902800	708,084	499,945
Sub- total		519,324,446	532,366,221
b) Cash in hand			

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KCB Nairobi		548,857	548,512
KCB Kisumu		91,000	13,333
KCB Mombasa		121,763	41,500
KCB Kitengela		114,499	149,999
Sub- total		876,119	753,344
Total Cash in hand & Bank			
c) On call Deposits			
KCB			
Sub- total			
d) Staff Car Loan and Mortgage			
Car Loan			20,000,000
Mortgage			120,000,000
Sub- total		-	140,000,000
Grand total		520,200,566	673,119,565

18 RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2024-2025	2023-2024
	Kshs	Kshs
Current receivables		
Receivables - Conference	77,674,100	65,119,450
Receivables- Students	139,227,107	135,062,440
Receivables- DTB	12,823,321	12,823,321
Receivables- Bounced Cheques	18,758,885	18,758,885
Receivables- Others	11,783,865	11,783,865
KCB Bank Fund	140,000,000	-
Total current receivables	400,267,278	243,547,961

19 RECEIVABLES FROM NON-EXCHANGE

Description	2024-2025	2023-2024
	Kshs	Kshs
Current receivables		
Receivables – Staff(current)	31,437,115	74,395,911
Training Levy	112,785,540	118,676,902
Total current receivables	144,222,655	193,072,813

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20 INVESTMENTS

Description	2024-2025	2023-2024
	Kshs	
Equity Investments	8,400,000.00	8,400,000
Equity in Shares	8,400,000.00	8,400,000

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

21 PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Plant & Machinery	Motor Vehicles	Computer & Accessories	Furniture	Equipment	Books	Totals
Cost									
At 1st July 2021	6,608,300,000.00	2,709,793,000.00	409,333,854.00	82,315,000.00	157,358,000.00	68,979,000.00	81,172,000.00	1,233,484.00	10,118,484,338.00
Additions	-	20,825,524.37	-	16,270,575.40	4,966,775.05	9,017,244.77	12,637,063.60	-	63,717,183.19
Cost As At 30th June 2022	6,608,300,000.00	2,730,618,524.37	409,333,854.00	98,585,575.40	162,324,775.05	77,996,244.77	93,809,063.60	1,233,484.00	10,182,201,521.19
Additions	-	33,569,543.20	-	-	1,546,460.00	5,485,363.00	-	-	40,601,366.20
Cost As At 30th June 2023	6,608,300,000.00	2,764,188,067.57	409,333,854.00	98,585,575.40	163,871,235.05	83,481,607.77	93,809,063.60	1,233,484.00	10,222,802,887.39
Additions 23.24	-	29,065,382.80	-	-	13,175,069.00	6,945,256.00	-	-	49,185,707.80
Cost As At 30th June 2024	6,608,300,000.00	2,793,253,450.37	409,333,854.00	98,585,575.40	177,046,304.05	90,426,863.77	93,809,063.60	1,233,484.00	10,271,988,595.19
Additions	-	20,078,511.63	-	-	11,139,848.05	19,415,582.00	839,441.00	-	51,473,382.68
Cost As At 30th June 2025	6,608,300,000.00	2,813,331,962.00	409,333,854.00	98,585,575.40	188,186,152.10	109,842,445.77	94,648,504.60	1,233,484.00	10,323,461,977.87
Depreciation & Impairment									
Accumulated dep 1st July 2021	-	201,252,000.00	153,503,000.00	61,738,000.00	118,826,700.00	24,556,000.00	21,424,000.00	986,000.00	582,285,700.00
Depreciation	-	67,694,525.35	51,166,875.00	20,578,750.00	41,797,775.05	8,622,375.00	10,146,500.00	123,348.40	200,130,148.80

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Accumulate d dep 30th June 2022	-	268,946,525.35	204,669,875.00	82,316,750.00	160,624,475.05	33,178,375.00	31,570,500.00	1,109,348.40	782,415,848.80
Depreciation		68,265,463.11	51,166,731.75	16,268,825.40	510,000.00	9,749,530.60	11,726,132.95	123,348.40	157,810,032.21
Accumulate d dep 30th June 2023		337,211,988.46	255,836,606.75	98,585,575.40	161,134,475.05	42,927,905.60	43,296,632.95	1,232,696.80	940,225,881.01
Depreciation 2023.2024		69,104,701.69	51,166,731.75	-	2,736,760.00	10,435,200.97	11,726,132.95	787.00	145,170,314.36
Accumulate d dep 30th June 2024	-	406,316,690.15	307,003,338.50	98,585,575.40	163,871,235.05	53,363,106.57	55,022,765.90	1,233,483.80	1,085,396,195.37
Depreciatio n 2024.2025		69,831,336.26	51,166,731.75	-	13,175,069.00	11,303,357.97	11,726,132.95	-	157,202,627.93
Accumulate d dep 30th June 2025		476,148,026.41	358,170,070.25	98,585,575.40	177,046,304.05	64,666,464.54	66,748,898.85	1,233,483.80	1,242,598,823.30
Net Book Values As at 30th June 2025	6,608,300,000.00	2,337,183,935.59	51,163,783.75	-	11,139,848.05	45,175,981.23	27,899,605.75	0.20	9,080,863,154.57
Net Book Values As at 30th June 2024	6,608,300,000.00	2,386,936,760.22	102,330,515.50	-	13,175,069.00	37,063,757.20	38,786,297.70	0.20	9,186,592,399.82
Depreciation Rate		2.5%	12.5%	25.0%	30.0%	12.5%	12.5%	10.0%	

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22 INTANGIBLE ASSETS-SOFTWARE

Description	2024-2025	2023-2024
	Kshs	Kshs
Cost		
At beginning of the year	212,347,712.24	178,922,763
Additions for the year	28,174,029.87	33,424,949
At end of the year	240,521,742.11	212,347,712
At end of the year	240,521,742.11	212,347,712
Amortization		
At beginning of the year	178,922,763.21	164,842,150
Amortization for the year	33,424,949.03	14,080,613
At end of the year	212,347,712.24	178,922,763
NBV	28,174,029.87	33,424,949

23 PROPERTY PLANT AND EQUIPMENT

Description	2024-2025	2023-2024
	Kshs	Kshs
Cost At beginning of the year	10,271,988,595	10,222,802,887
Additions	51,473,383	49,185,708
Total	10,323,461,978	10,271,988,595
Accumulated Depreciation	(1,242,598,823)	(1,085,396,195)
At end of the year	9,080,863,155	9,186,592,400
NBV	9,080,863,155	9,186,592,400

24 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2024-2025	2023-2024
	Kshs	Kshs
Trade Payables Current	977,608,995.81	880,318,468.24
Total trade and other payables	977,608,995.81	880,318,468.24

25 CURRENT PROVISIONS

a) Deposits in collapsed Banks

Description	2024-2025	2023-2024
	Kshs	Kshs
Prudential Bank Ltd	50,595,000	50,595,000
Thabiti Finance Company	26,029,000	26,029,000
Pioneer Building Society	15,000,000	15,000,000
Continental Credit Finance Ltd	8,830,000	8,830,000
Nairobi Finance Company	8,530,000	8,530,000

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Allied Credit Limited	5,388,000	5,388,000
Middle Africa Finance Co. Ltd	5,345,000	5,345,000
Meridian BIAO Bank (K) Ltd	3,988,000	3,988,000
Inter Africa Credit Ltd	2,461,000	2,461,000
Country Building Society	2,000,000	2,000,000
United Trustee Finance Co. Ltd	1,300,000	1,300,000
Total Deposits held in collapsed banks	129,466,000	129,466,000
Provision for Deposits in collapsed Banks	129,466,000	129,466,000
Total Deposits held in collapsed banks	129,466,000	129,466,000

b)

Description	2024-2025	2023-2024
	Kshs	Kshs
Provisions for bounced Cheques	18,758,885.40	18,758,885.40
Provisions for DTB Cheques	12,823,321.00	12,823,321.00
Total Provisions	31,582,206.40	31,582,206.40

26 CASH GENERATED FROM OPERATIONS

Description	2024-2025	2023-2024
	Kshs	Kshs
Surplus for the year before tax	(530,405,366)	(25,830,687)
Adjusted for:		
Depreciation	190,627,577	159,250,928
Working Capital adjustments		
Increase in receivables exchange	(156,719,317)	(12,726,625)
Increase in receivables non exchange	48,850,158	(53,978,003)
Increase in payables	97,290,528	233,335,407
Decrease in payments received in advance	-	(1,812,750)
Adjustment(provisions)	-	-
Net cash flow from operating activities	(350,356,420)	298,237,971

27 FINANCIAL RISK MANAGEMENT AND MITIGATION

NITA's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Authority'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 Authority does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

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

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(i) Credit risk

NITA 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 entity's management based on prior experience and their assessment of the current economic environment.

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

Description	Total Amount	Fully Performing	Past due
	Kshs	Kshs	Kshs
At 30 June 2025			
Receivables from non Exchange Transactions	144,222,655	130,145,498.80	14,077,156.00
Conference Fees	65,119,450	12,755,750.00	52,363,699.70
Student Fees	135,062,440	5,023,215.00	130,039,224.70
Other Receivables	43,366,071	1,666,190.00	41,699,881.40
Bank Balances	520,200,566		520,200,566
Total	907,971,181	149,590,654	758,380,527
At 30 June 2024			
Receivables from non Exchange Transactions	193,072,812.85	141,084,894.50	51,987,918.35
Conference Fees	65,119,450	12,755,750.00	52,363,699.70
Student Fees	135,062,440	5,023,215.00	130,039,224.70
Other Receivables	43,366,071	1,666,190.00	41,699,881.40
Bank Balances	673,119,565		673,119,564.81
Total	1,109,740,338	160,530,050	949,210,289

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 entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

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

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FINANCIAL RISK MANAGEMENT (Continued)

(ii) Liquidity risk management

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

The table below represents cash flows payable by the entity 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	Between 1-3 Months	Over 5 Months	TOTAL
	kshs	kshs	
At 30 June 2025			
Trade Payables	566,618,457	410,990,538.32	977,608,995.81
Total	566,618,457	410,990,538.32	977,608,995.81
At 30 June 2024			
Trade Payables	161,650,951	718,667,517	880,318,468.24
Total	161,650,951	718,667,517	880,318,468.24
At 30 June 2023			
Trade Payables	127,652,597.08	519,330,463.91	646,983,060.99
Total	127,652,597.08	519,330,463.91	646,983,060.99

iii) Capital Risk Management

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

Description	2024-2025	2023-2024
	Kshs	Kshs
Revaluation Reserve	9,899,001,000	9,899,001,000
Retained Earnings	(816,064,520.22)	(562,743,988)
Capital Reserve	90,000,000	90,000,000
Total Funds	9,172,936,480	9,426,257,012
Current liabilities	977,608,996	880,318,468
Total Current Liabilities	977,608,996	880,318,468
Net debt ratio to Equity	11%	9%

28 RELATED PARTY BALANCES

Nature of related party relationships

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

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

29 RELATED PARTY BALANCE (Continued)

Description	2024-2025	2023-2024
	Kshs	Kshs
Transactions with related parties		
a) Expenses incurred on behalf of related party		
Payments of salaries and wages for employees	658,667,695	616,185,652.34
Total		
b) Key management compensation		
Directors' emoluments	960,000	1,017,405
Compensation to the CEO	5,382,000	6,202,440.00
Compensation to key management	78,302,467	67,891,379.66
Total	743,312,162	691,296,877.00

30 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Description	2024-2025	2023-2024
	Kshs	Kshs
Court Litigations	44,500,000.00	38,000,000
Audit fee	-	1,500,000
Kra Tax Arrears	14,993,100	27,637,546
AHL	-	3,692,407
Tvet 20% Act	742,473,811.20	160,959,320
Helb 10% Act	371,236,905.80	80,479,660
Motor Vehicle	-	12,750,000
Gate Construction	-	9,216,700
Gratuity	6,024,189.70	13,926,687
Totals	1,179,228,006.70	348,162,321

(The amount of Kshs44,500,000 relates to litigation matters of former employees which are pending in court and with Public Service Commission, Kshs 14,993,100 relates to corporation tax of unresolved.... for the year)

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31 CAPITAL COMMITMENTS

Description	2024-2025	2023-2024
	Kshs	Kshs
Authorised for	64,265,321	-
Authorised and Contracted for	8,631,800	
Total	72,897,121	-

(NB: Capital commitments relates to Ksh: 8,631,800 for the supply of computers and Ksh: 64,265,321 relates to other commitments that were carried out in the financial year under review but at the end of the year had not been contracted or those already contracted for and ongoing and are disclosed in accordance with IPSAS 17)

32 EVENTS AFTER THE REPORTING PERIOD

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

33 ULTIMATE AND HOLDING ENTITY

NITA is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of Labour and Social Protection, State Department for Labour. Its ultimate parent is the Government of Kenya.

34 Currency

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

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20. APPENDICES

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
<p>Ref:OAG/HL&SP/NITA/2023-2024(5) Ref:OAG/HL&SP/NITA/2023-2024(5)</p> <p>1.Unconfirmed Training Levy</p>	<p>The statement of financial performance and as disclosed in Note 6 to the financial statements reflects training levy revenue of Kshs.1, 287,778,796. However, the annual report from Kenya Revenue Authority (KRA) in support of the amount on the collections made was not provided for audit review. This contrary to paragraph 4.2.1(c) of the Service Level Agreement between the KRA and the Authority which states that annual reports on the training levy collected shall be submitted not later than the 25 days of July of the following financial year.</p> <p>In this circumstance, the accuracy and completeness of the training levy of Kshs.1,287,778,796 could not be confirmed.</p>	<p><i>The general ledger and summary of levy collections received from KRA is attached to support the Financial Statements.</i></p>	<p>Manager Accounts</p>	<p>Resolved</p>	<p>Resolved</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
<p>2.Land Without Ownership Documents</p>	<p>The statement of financial position and as disclosed in Note 21 to the financial statements reflects property, plant and equipment balance of Kshs.9,186,592,400. Included in the balance is land value of Kshs.6,608,300,000. However, as previously reported title deeds for the land have not been acquired. Further, land in Mombasa measuring 12.91 hectares valued at Kshs.1,260,000,000 belonging to the Authority was irregularly allocated to private developer in exchange for another parcel of land measuring 6,2 hectares. However, the matter has not been disclosed in the financial statements and no effort has been made to reclaim the irregularly allocated land.</p> <p>In the circumstances, the accuracy, ownership and fair presentation of land balance of Kshs.6,608,300,000 could not be ascertained.</p>	<p><i>NITA has engaged the National Lands Commission via various correspondence in its pursuit of the title deeds.</i></p> <p><i>The Authority has made efforts to obtain ownership documents in respect of the parcels of land in Mombasa, Kisumu, Headquarters and Athi River. The Authority has engaged with the Ministry of Lands, Director of Surveys and the National Land Commission in pursuit of acquisition of land ownership documents. The individual status of each parcel of land is as follows;</i></p> <p><i>NITA Kisumu- National Land Commission wrote letters notifying the County Executive Committee</i></p>	<p>Director General</p>	<p>Not Resolved</p>	<p>Ongoing</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p><i>Member, Kisumu County, The County Coordinator and County Commissioner of Kisumu, of the intended visit by NLC to NITA Kisumu to confirm boundaries before issuance of ownership documents. NLC further wrote to the Land Registrar, Kisumu demanding a green card and the Land Registrar responded to the request.</i></p> <p><i>NITA Mombasa-The Authority has obtained the land ownership documents. In relation to the allocation to the private developer the Authority was reallocated land in Bombolulu.</i></p> <p><i>NITA Nairobi- Ministry of Lands issued a communication to the Director of survey to avail the signed and sealed</i></p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<i>Registry Index Map to facilitate issuance of ownership documents.</i>			
3.Failure to Revalue Fully Depreciated Motor Vehicles and Lack of Ownership Documents	<p>The property, plant and equipment balance of Kshs. 9,186,592,400 is net of fully depreciated sixteen (16) motor vehicle with historical cost of Kshs.98,585,575. The motor vehicles although fully depreciated are still in use and benefits continue to accrue to the Authority. However, Management has not revalued the motor vehicles to obtain the fair value contrary to Paragraph 44 of IPSAS 17 which states that after recognition as an asset, an item of property, plant and equipment whose fair value can be measured reliably shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.</p> <p>Further, four (4) Motor vehicles lack ownership documents while another twelve (12) have ownership documents in names other than the Authority as they are yet to be transferred.</p>	<p><i>Management has initiated the process of revaluation of the motor vehicle.</i></p> <p><i>Management is pursuing the transfer of the vehicle ownership documents registered under the Ministry of Labour to enable transfer of the ownership of the vehicles to NITA.</i></p>	Director Corporate Services	Not Resolved	Ongoing

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	In the circumstances, the accuracy, rightful ownership and fair presentation of property, plant and equipment balance of Kshs.9,183,299,172 could not be confirmed.				
4. Disclosure on Deposits Held in Collapsed Banks	<p>Note 25(a) to the financial statements disclosed deposits and corresponding provision for deposits held in collapsed banks amounting to Kshs.129,466,000. However, the disclosure has been made separately from cash and cash equivalents contrary to the requirement of IPSAS accrual reporting framework.</p> <p>In the circumstances, the disclosure on deposits held in collapsed banks is inaccurate and not IPSAS accrual reporting compliant.</p>	<i>Management notes the Auditors observations and disclosures have been made separately from cash and cash equivalent in the subsequent Financial Statements.</i>	Director Corporate Services	Not Resolved	Ongoing
5. Long Outstanding Receivables from Exchange Transactions	The statement of financial position and as disclosed in Note 18 to the financial statements reflects receivable from exchange transaction balance of Kshs.243,547,961 which includes bounced cheques worth Kshs.18,758,885. The	<i>The management is making efforts to recover all outstanding debtors relating to prior financial years. Demand notices have been</i>	Manager Accounts	Not Resolved	Ongoing

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>receivables that have been outstanding since the year 2015. However, no effort has been made to recover the same contrary to Regulation 64(1) (a) and (b) of Public Finance Management (National Government) Regulation, 2015 which states that an accounting officer and a receiver of revenue are personally responsible for ensuring that adequate safeguards exist and are applied for the prompt collection and proper accounting for, all national government revenue and other public moneys relating to their Ministries, departments or agencies and adequate measures, including legal action where appropriate, are taken to obtain payment.</p> <p>In circumstances, the accuracy of recoverability of the long outstanding receivables from exchange transactions of Kshs. 18,758,885 could not be confirmed while Management was in breach of the law.</p>	<p><i>issued to debtors for settlement.</i></p>			
<p>Emphasis of Matter</p> <p>1. Budgetary Control and Performance</p>	<p>The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.3,141,360,851 and Kshs.2,382,979,738 respectively resulting to</p>	<p><i>The management takes note of the concern and an enhanced control over budgetary performance will be put in place.</i></p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>revenue shortfall of Kshs.758,381,113 or 24% of the budget.</p> <p>The revenue shortfall affected the planned activities and may have impacted negatively on service delivery to the public.</p>	<p><i>The Authority has over the years intensified sensitization and engaged industry stakeholders which has seen its revenue from Trade Test and Tuition & Accommodation gradually increase over the years due to increase in number of candidates tested</i></p>			
<p>2. Long outstanding Trade and other Payables from Exchange Transactions</p>	<p>The statement of financial position and as disclosed in Note 24 to the financial statements reflects trade and other payables balance of Kshs.880,318,468 out of which payables of Kshs.334,831,885 have been outstanding for more than two years. Management has not rendered explanations for failure to settle the bills. This was contrary to Regulation 42(1) of the Public Finance Management (National Government) Regulations, 2015, which states that debt service payments shall be a first charge and the Accounting Officer shall ensure this is done to the extent possible that the entity does not default on debt.</p>	<p><i>The Management is making efforts to ensure the outstanding payables list is reduced by making payments.</i></p>	<p>Manager Accounts</p>	<p>Not Resolved</p>	<p>Not Resolved</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Failure to settle bills during the year which they relate to adversely affect the budgetary provisions for the subsequent year as they form a first charge.				
Other Matters Missed Performance Targets	<p>Review of the statements of performance against pre-determined objectives revealed that the Authority target for appropriation in aid was Ksh.731,800,000 but collected Kshs.637,331,119 resulting in under collection of Kshs.94,468,881 or 12%.</p> <p>In the circumstances, the management did not achieve the pre-determined performance objectives.</p>	<i>The Authority has over the years intensified sensitization and engaged industry stakeholders which has seen its revenue from Trade Test gradually increase over the years due to increase in number of candidates tested.</i>	Director Industrial Training and Skills Development	Not Resolved	Not Resolved
REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES' 1. Unapproved Budget	The statement of comparison of budget and actual amounts for the year ended 30 June 2024 reflects final revenue budget of Kshs.3,141,360,851 and total expenditure final budget of Kshs.3,158,287,648 which includes total recurrent expenditure budget of Kshs.2,505,784,379 and capital expenditure budget of Kshs.,652,503,269 . However, budget approval by the Authority Board and approval by Cabinet Secretary, State Department of Labour and Skills Development for the 2023/2024 financial year was not provided	<i>Management takes note of the concern; the relevant approval is hereby attached.</i>	Director General, Director Corporate Services	Resolved	Resolved

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>contrary to Chapter 3.2.6 of Authority’s Finance Manual which states that the approved budget shall then be submitted to the Treasury through the relevant Ministry not later than the end of January of the period preceding that to which the budget relates. Further, the Board minutes dated 20th July 2023 provided were signed by one person out of three who were supposed to sign.</p> <p>In addition, the total final revenue budget of Kshs.3,141,360,851 differs with total expenditure final budget of Kshs.3,1582,287,648 contrary to Regulation 33 (c) of Public Finance Management (National Government) Regulations, 2015 which states that unless provided otherwise in the Act, these Regulations or any other guidelines developed in furtherance of the Act or these Regulations, the following guidelines shall be observed at all times during budget formulation and approved budget shall be balanced.</p> <p>In the circumstances, Management was in breach of the law.</p>				

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
<p>2. Board Expenses Exceeding the Set Ceilings</p>	<p>The statement of financial performance and as disclosed in Note 13 to the financial statements reflects remuneration of directors of Kshs.31,642,405 which exceeds the Kshs.30,000,000 board expenses budget cap by Kshs.1,642,405 contrary to Office of the President circular Ref: OP/CAB.9/ 1A dated 11 March, 2020 which states that in furtherance of the budget rationalization exercise undertaken by the National Treasury early this year, it has been decided that board expenses for a financial year shall be capped at Kshs.30 million or 5% of the operations and maintenance budget of the State Corporation, whichever is less. Any amount exceeding budgets shall require approval of the Cabinet Secretary for the National Treasury.</p> <p>In the circumstances, Management was in breach of law.</p>	<p><i>The Management takes note of the recommendation from the Audit findings and the Authority is in compliance with the requirements of the circular.</i></p>	<p>Director General</p>	<p>Resolved</p>	<p>Resolved</p>
<p>3. Failure to Prepare and Submit Financial Statement for the Authority's Staff Car</p>	<p>Note 20 to the financial statements reflects investments of Kshs.148,400,000 which includes the equity investment of Kshs.8,400,000 and staff car loan and mortgage of Kshs. 140,000,000. However, financial statements for Authority's</p>	<p><i>According to the Memorandum of Understanding with Kenya Commercial Bank, the Bank administers the staff car loan</i></p>	<p>Manager Accounts</p>	<p>Resolved</p>	<p>Resolved</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Loan and Mortgage Schemes	<p>Staff Car Loan and Mortgage Schemes were not prepared and submitted for audit contrary to Section 84 (1) and (3) of Public Finance Management Act, 2012 which states that the Parliament shall prepare financial statements for the fund for each year in a form prescribed by the Accounting Standards Board and that not later than three months after the end of each financial year, the administrator of a national public fund shall submit the financial statements prepared under this section to the Auditor General.</p> <p>In the circumstances, Management was in breach of law.</p>	<p><i>and mortgage scheme and is required to submit quarterly reports to the Authority on the same. Attached are quarterly reports submitted by the bank containing all data for beneficiaries and balances.</i></p> <p><i>Currently NITA is preparing Financial Statements for Staff Car Loan and Mortgage Scheme</i></p>			
4. Failure to Renew Service Contract Agreement for Printer	<p>During the year under review, the Authority incurred expenditure on printer maintenance service of Kshs.7,629,543 against a service contract agreement that expired on 4 March 2023. This was contrary to Section 135 (2) and (4) of the Public Procurement and asset disposal Act ,2015 which states that an accounting officer of a procuring entity shall enter into a written contract with the person submitting the successful tender based on the tender documents and any clarifications that emanate from the procurement</p>	<p><i>Management takes note of the observation. In future the Authority will adhere to the provision of the Public Procurement and Asset Disposal Act. The Authority renewed the contract with the service provider</i></p>	Manager Supplies Chain Management	Resolved	Resolved

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>proceedings and that no contract is formed between the person submitting the successful tender and the accounting officer of a procuring entity until the written contract is signed by the parties. The renewed contract was not provided but the supplier continued with the provision of services after lapse of contract agreement.</p> <p>In the circumstance, Management was in breach of the law.</p>				
5. Unremitted Pay As You Earn (PAYE) Tax	<p>The statements of financial performance and as disclosed in Note 11 to the financial statements reflects uses of goods and services of Kshs.1,554,143,961 which includes claims, damages and compensation of Kshs.79,575,938. The claims, damages and compensation includes payment of arrears to Kenya Revenue Authority of Kshs. 69,413,744.However,review of demand notice from Kenya Revenue Authority revealed PAYE deducted and not remitted on time and penalty for late remittances of Kshs.21,261,321 charged.This is contrary to Section 37 (1) and (2) of Income Tax Act, 2012 which states that an employer paying emoluments to an employee shall deduct therefrom, and account for tax</p>	<p><i>The KRA claim that the Authority settled in the financial year were historical cases and Management was obligated to pay. Management has regularized the historical unremitted PAYE deductions and is currently up to date with payment to KRA.</i></p> <p><i>The Management takes note of the recommendation from the Audit findings and effort is being made to ensure all PAYE deductions are</i></p>	<p>Manager Accounts</p>	<p>Resolved</p>	<p>Resolved</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>thereon, to such extent and in such manner as may be prescribed and that if an employer paying emoluments to an employee fails to deduct tax thereon, to account for tax deducted thereon or to supply the Commissioner with a certificate provided by rules prescribing the certificate, the Commissioner may impose a penalty equal to twenty-five per cent of the amount of tax involved or ten thousand shillings whichever is greater.</p> <p>In the circumstance, Management was in breach of the law.</p>	<p><i>remitted within the stipulated timelines.</i></p>			
<p>6. Staff Earning Less Than One Third of Basic Salary</p>	<p>Review of the payroll for the twelve months in 2023/2024 financial year revealed that 114 staff earned net salaries which was less than a third of their basic pay contrary to Section 19(3) of Employment Act, 2007 which states that without prejudice to any right of recovery of any debt due, and notwithstanding the provisions of any other written law, the total amount of all deductions which under the provisions of subsection (1), may be made by an employer from the wages of his employee at any one time shall not exceed two thirds of such wages.</p>	<p><i>Majority of members of staff falling below the one-third of basic salary thresholds were affected after effecting new statutory requirements by NSSF and Affordable Housing Levy. The Management is undertaking steps to ensure compliance with one third of basic salary rule requirements.</i></p>	<p>Manager Human Resource and Administration</p>	<p>Resolved</p>	<p>Resolved</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	In the circumstance, Management was in breach of the law.	<i>Currently, the two-third rule violation has been rectified and no staff is affected.</i>			
7. Employees in Acting Capacity Beyond the Stipulated Period	<p>Review of the fiduciary management section of the key entity information and management revealed that the four (4) positions were held in acting capacity for more than six months. This is contrary to Section 34 (3) of Public Service Commission Act 2017 which states that an officer may be appointed in an acting capacity for a period of at least thirty days but not exceeding a period of six months. The staff have been in acting capacity for several years and were still acting appointments as at the time of the audit in September 2024.</p> <p>In the circumstance, Board was in breach of the law.</p>	<p><i>The Authority is in the process of recruiting more staff to bridge the gaps as per the establishment.</i></p> <p><i>The approved HR Policy & Procedures Manual allows for the extension of the acting appointments if recruitments are not finalized within the six months in line with policy. The extension of appointments was duly approved by the Board. The positions currently occupied on acting capacity have been advertised.</i></p>	<p>Manager Human Resource and Administration</p>	Resolved	Resolved
8. Delay in Surrender of Imprests	The statement financial position and as disclosed in Note 19 to the financial statements reflects receivables from non-exchange transactions of	<i>Management has been recovering imprest from imprest holders who have not</i>	<p>Manager Accounts</p>	Not Resolved	Not Resolved

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Kshs.193,072,813 which includes staff receivables of Kshs.74,395,911. Examination of the imprest register and imprest ageing analysis provided revealed imprests balance of Kshs.54,549,479 out of the total staff receivables of Kshs.74,395,911 had been outstanding for more than two (2) years contrary to Regulation 93(5) of the Public Finance Management (National Government) Regulations, 2015 which states that a holder of a temporary imprest shall account or surrender the imprest within 7 working days after returning to duty station. No explanation was given for the failure to recover the long outstanding advances and Imprests from the concerned employees.</p> <p>In the circumstances, Management was in breach of law.</p>	<p><i>accounted for the imprest. Recovery measures have been instituted for the remaining amounts.</i></p>			
<p>REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE</p> <p>1. Lack of Approved Selection Criteria for</p>	<p>The statements of financial performance and as disclosed in Note 17 to the financial statements reflects grants and subsidies of Ksh.11,611,530 which includes female engineering students' fees, transport and study supplies payments. However, approved criteria relied upon for selection of students for the female engineering program was not provided contrary to Regulation 43(1) (d) of</p>	<p><i>The 16th Female Engineering Sponsorship Programme by NITA supported 25 needy Kenyan women in 2023 to study engineering, addressing gender gaps in technical fields. Since 2005, over 350 beneficiaries from arid and</i></p>	<p>Director Corporate Services</p>	<p>Resolved</p>	<p>Resolved</p>

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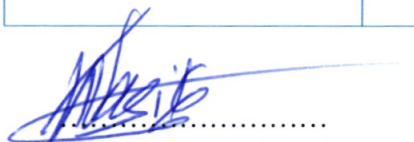
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
<p>the Female Engineering Program</p>	<p>Public Finance Management (National Government) Regulation, 2015 which states that an accounting officer shall manage, control and ensure that policies are carried out efficiently and wastage of public funds is eliminated.</p> <p>In the circumstance, the validity of the list of selected students provided could not be confirmed since it was not approved, signed and attested.</p>	<p><i>marginalized areas have been selected based on academic merit and economic need. In 2023, 120 applications led to 25 final beneficiaries after interviews and need verification. Courses span various engineering disciplines, equipping participants with vital skills. The program empowers disadvantaged women and promotes regional development, with an alumni forum planned for 2024 to enhance its impact. (Report attached)</i></p> <p><i>The selection process (including criteria) is guided by the ISO Policies and Procedures 2018. Specifically, it is anchored in the Corporate Communications Procedures</i></p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<i>Manual (NITA/QMS/CC/11), Section 12.</i>			
2. Grounded Vehicles	<p>Motor</p> <p>The statement of financial position and as disclosed in Note 21 to the financial statements reflects property, plant and equipment balance of Kshs.9,186,592,400 which includes motor vehicles of Kshs.98,585, 575.However, motor vehicle inventory list provided for audit review revealed that eight (8) out of sixty (60) motor vehicles with undetermined values were grounded contrary to Section 164 (1) and (2) of Public Procurement and Asset Disposal Act, 2015 which states that, the employee in charge of unserviceable, obsolescent, obsolete or surplus assets shall bring the matter to the attention of the disposal committee through the head of procurement function and an employee shall comply with subsection (1) within a reasonable time after the assets become unserviceable, obsolete or surplus.</p> <p>In the circumstances, the effectiveness in the management of fixed assets could not be confirmed.</p>	<i>The vehicles are earmarked for disposal through the disposal committee.</i>	Manager Supply Chain Management	Not Resolved	Not Resolved

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
<p>3. Lack of Data Recovery Plan and Back Up</p>	<p>During the year under review, the Authority did not have in place disaster recovery plan, IT continuity plan and copies were not kept off-site to enable them develop appropriate risk strategies in order to improve on effective and efficient management of public resources. This is contrary to Section 68(2) (c) of Public Finance Management Act, 2012 which states that an accounting officer shall ensure that all financial and accounting records the entity keeps in any form, including in electronic form are adequately protected and backed up.</p> <p>In the circumstances, the effectiveness of the Authority’s information communication technology internal controls and risk management could not be confirmed and the Authority risks loss of data due to lack of data recovery plan.</p>	<p><i>The Authority has subscribed to Cloud Backup and disaster recovery. The user department has drafted a revised ICT Policy and Business Continuity Plan for approval. There are plans to also have fireproof safe for removable media.</i></p>	<p>Director Corporate Services</p>	<p>Not Resolved</p>	<p>Not Resolved</p>


 Theresa K. Wasike (Ms)
Ag. Director General
 Date.....

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APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY

Projects

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

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1	IDA- P179414	WORLD BANK	5 YEARS	KSH. 982,800,000	YES	NO

Status of Projects completion

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

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	NYOTA	KSH.982,800,000	KSH.11,268,160	1.2%	KSH.	KSH.11,268,160	Donor Funds

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APPENDIX III: INTER-ENTITY TRANSFERS

ENTITY NAME:				
Break down of Transfers from the State Department of Labour				
FY 2024/2025				
a	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		Total	Nil	2024/2025
b	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		Total	Nil	2024/2025

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

Director, Corporate Services
National Industrial Training Authority

Head of Accounting Unit
Ministry of Labour & Social Protection

Sign -----

Sign-----

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APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received	Nature: Recurrent/Development/Others	Total Amount - KES	Where Recorded/recognized					Total Transfers during the Year
	as per bank statement			Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specific	
Ministry of Labour									
Ministry of Labour									
Total									