

REPUBLIC OF KENYA



Enhancing Accountability



REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 26 JUN 2025

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THURSDAY

OF

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MAJORITY PARTY
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THE-TABLE:

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

**MUSAKASA TECHNICAL TRAINING
INSTITUTE**

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



Musakasa Technical Training Institute

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2024

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

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

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2. Acronyms and Definition of Key Terms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
VTC	Vocational Training College

Definition of Key Terms

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

Comparative Year- Means the prior period.

3. Key Entity Information and Management

a. Background information

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

The idea to start the Institute was born out of informal discussion by the local religious community way back in 2010. This was boosted by the political leadership which availed funds to purchase a 15-acre piece of land. It was registered by the then MOHEST in December 2012. The first block was constructed in 2013, which housed the offices and lecture rooms.

In June 2014, the first batch of 22 students was enrolled in Fashion Design and Garment Making Technology at Artisan level. Currently, the college has the following number of students per Department; Mechanical and Automotive Engineering 263, Building and Civil Engineering 527, Electrical and Electronics Engineering 279, Computing and Informatics 188

, Agriculture and Environmental Studies 134, Hospitality and Tourism 223, Fashion Design, Garment Making Technology and Cosmetology 592, Business Studies and Entrepreneurship 171, The Institute had an overall population of 2377 students and 81 staff of these 28 PSC Trainers, 29 BOG Trainers, 24 Non-Academic Staff and 4 Attachees.

b. Principal Activities

The principal activity of Musakasa Technical Training Institute is to provide training to Level 3, Level 4, Level 5 and Level 6 according to the Kenya National Qualification Framework.

The mandate of Musakasa TTI is as under;

- Implement the prescribed curriculum for technical training at Level 3, Level 4, Level 5 and Level 6 Promote, coordinate and popularize research at the institute
- Spearhead the application of research results in technological programmes at the institute
- Monitor and evaluate technical education programmes at the institute
- Promote standards and quality assurance at the Ministry
- Implement the MOE policies on TVET

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Key Entity Information and Management (Continued)

Vision, Mission and Motto

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

Mission

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

Motto

Training to Serve

Core Values

Musakasa Technical training institute embraces the following core values which represent the fundamental beliefs that influence the way the institute relates and deals with its customers and clients:

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

(c) Key Management

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

- The Board of Governors
- The Principal
- Top Management
- The Administration

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Key Entity Information and Management (Continued)

(d) Fiduciary Management

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

No.	Designation	Name
1.	Principal	Mr. Geoffrey Juma Khisa
2.	D/Principal Administration	Mr. Moses Kiiza Sakwa
3.	Deputy principal Academic	MS. Robina Luvindi
4.	Registrar	Mr. Clinton Ouma
5.	Dean of students	Mr. Protus Marumbu
6.	Head of Finance	CPA Christine Wamboka
7.	Head of Procurement	Mr. Benjamin Makokha
8.	Human Resource Officer	CHRP Joseck Wafula

(e) Fiduciary Oversight Arrangements

Audit and Risk and Compliance Committee Activities

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

Parliamentary Committee Activities

The principal of Musakasa Technical Training Institute is accountable to the National Assembly for the Institutes financial management. The Constitution of Kenya, 2010; 135(3) subject to clause 4, requires that the accounts of all governments and state Organs be audited by the Auditor General. Upon audit, the Annual Reports and Financial Statements are usually submitted to the National Assembly to ascertain whether the finances of the Institute were prudently managed.

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Key Entity Information and Management (Continued)

(f) Entity Headquarters

Musakasa Technical Training Institute
Located Along Netima Napara Road
Off. Kimwanga Mayanja
Along Kanduyi Malaba Highway

(g) Entity Contacts

Musakasa Technical Training Institute
P.O Box 1249-50200 Bungoma
Telephone: (254)717624837
E-Mail: Enquiries@Musakasa.Inst.@Gmail.Com

(h) Entity Bankers

Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

Kenya Commercial Bank
Bungoma Branch
P.O. Box 380-50200
Bungoma, Kenya

Co-operative Bank of Kenya
Bungoma Branch
P.O Box 1964-5020
Bungoma

(i) Independent Auditors

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


Key Entity Information and Management (Continued)

(j) Principal Legal Adviser

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

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4. The Board of Governors

	<i>Details</i>
	<p>Name: Dr.Brian Singoro</p> <p>D.O.B: 26/03/1964</p> <p>Key Qualifications: PhD (DMHA), MA (Econs), Bed (Arts),KACE</p> <p>Work Experience: Lecturer of Economics, Kibabii University Senior Trainer and Presiding officer with IEBC Kabuchai Constituency Bungoma County, Senior head of Department Bukembe High School, Senior Lecturer Department of Geography Kibabii Diploma Teachers Training College, Part- time lecturer in physical environment Bachelor of technology in building and construction, Senior HOD Bungoma Baptist Girls , Senior supervisor,2009 Kenya Population and housing census, Senior HOD Wamalwa Kijana High School, Principal St. Teresa’s high school, Presiding officer General Elections ,Founder Principal, St. Christopher’s Mabanga Girls.</p> <p>Dr.Brian Singoro is the Chairman Board of Govenors Musakasa TTI.</p>

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Name: Dickson Ouma Opiyo

D.O.B: 31/03/1968

Key Qualifications:

Bachelor of Technology in Civil Engineering

(Egerton University)

Higher Diploma in Construction (Structures

Option)

Diploma in Water Engineering

Work Experience:

Registered Professional Engineering Technologist

Board of Kenya (KETRB)

Member of Institute of Engineering Technologist

(MIEK)

Graduate Engineer with Engineer Registration Board (EAB)

Mr. Dickson Ouma Opiyo is the Member (current) and former chairman of the Board of Governors.

Name: Hilder J.S. Omwoyo

D.O.B: 15/11/1960

Key Qualifications:

Key Qualifications:

1987-1987: Masters of Arts in Education-MA

Ed, Bed in Southampton -UK

1980-1984: Bachelor of Education B.Ed

1978-1979: EAACE- Kereri Girls High School

1974-1975: EJSCE- Emalindi Primary School

1969-1973: CPE -DR. Aggrey Primary School

Work experience:

9/2020-12/2020: Paramount Chief Principal

Kenyanjui TTI

2018-2020: Chief Principal KTTC

1991-1995: Senior Lecturer Kenya Science

Teachers College

1987-1991: Lecturer Kagumo Teachers College

1984-1985: Eregi Secondary School

Mrs. Hilder Omwoyo is the Member of Board of Governors



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	<p>Name: Ms Josephine Nyatuka Maraga</p> <p>D.O.B: 26/04/1983</p> <p>Key Qualifications: Master Law Degree from University of Nairobi</p> <p>Work experience: Over 13 years of experience working as State Council and Magistrate .</p> <p>Josephine Nyatuka Maragais the Member of Board of Governors in Musakasa TTI serving at HR Subcommittee</p>
	<p>Name: Ibre Boru Ali</p> <p>D.O.B: 7/12/1985</p> <p>Key Qualifications: Bachelor of Commerce Finance Option</p> <p>Work experience: 16 years as a banker. 7 years working as a branch Manager and 7 years in senior management .</p> <p>Ibre Boru Ali is the Member of Board of Governors.</p>

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Name: Omugaka O.D.
Panyako

D.O.B: 29/12/1966

Key Qualifications:
PhD Building Technology

Work experience:
30 years in profession
2009 to Date – Lecturer at
Technical University of
Kenya
2004 to 2009 -Lecturer at
Kenya Polytechnic. 1993 to
2004- High school teacher.

Mr. Omugaka Daniel is
Member of Board of
Governors.



Name: Esther Njeri Kiaritha


D.O.B: 15/04/1977

Key Qualifications:
PHD in educational
psychology – Moi University
Masters Degree in educational
psychology – Moi University
Higher Diploma in Human
Resource Management


Work experience:
2004 – to date: Lecturer at Moi
University

Mrs. Esther Njeri Kiaritha is
the
Member of Board of
Governors




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	<p>Name: Vitalis Gode</p> <p>D.O.B: 6/4/1964</p> <p>Key Qualifications: Master of Information Systems from Kisii University B.ed Science from Kenyatta University Dip.ed in Industrial Education from Kenya Technical Teachers College Diploma in Sports coaching from Hungarian University of Physical Education Advanced Institute of Technology Certificate in Computer skills.</p> <p>Work experience: Ministry of Education - DTE - Deputy Director, Trainer Management officer, Data officer and Performance contracting negotiator. Member Sports Academy Commission, National Olympic Committee International Basketball Federation (Fiba) – Referees Supervisor Kilimambogo Teachers College - Coordinator Performance Contracting Council Member Kenya Academy of Sports Oct Kenya Basketball Federation – Secretary General Kilimambogo Teachers College - Head of Department ICT Kilimambogo Teachers College - Teaching Practice Director</p> <p>Vitalis Gode is the PS representative Musakasa TTI</p>
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5. Key Management Team

Details	
	<p>Name: Geoffrey Juma Khisa</p> <p>D.O.B: 12/12/1964</p> <p>Key Qualifications: MBA (Project Management) B.ED (Education) Member of Kenya Institute of Management (KIM)</p> <p>Work Experience: Deputy Principal Sirisia TVC 2022 Registrar Musakasa TTI FROM 2014 to 2021 TSC Primary School Teacher from 1990 to 2000 TSC Secondary school Teacher from 2001 to 2013 Has worked over 10 years as TVET Trainer. Mr. Geoffrey Khisa is currently the Principal Musakasa Technical Training Institute.</p>
	<p>NAME: Moses Kiiza Sakwa</p> <p>D.O.B: 25/05/1969</p> <p>Key Qualification: BSC. Agricultural Education and Extension</p> <p>Work experience: Over 30 years in TVET Training.</p> <p>Mr. Moses Kiiza is Deputy Principal Administration and Finance in Musakasa TTI</p>

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 <p>3</p>	<p>NAME: Robina Mukaditsa Luvindi</p> <p>D.O.B: 1/04/1979</p> <p>Key Qualification: Bachelor of Education (English Literature)</p> <p>Work experience: Registrar at Endebes TTI from 2017 to 2020 Ag. D/Principal Academics from 2020 to 2023 August</p> <p>Madam Robina is currently the Deputy Principal Academics at Musakasa TTI</p>
<p>Manager 4</p>  <p>4</p>	<p>Name: Clinton Ouma</p> <p>D.O.B: 1.07.1989</p> <p>Key Qualifications: B.ED.(Technology Education)</p> <p>Work Experience: Over 10 years</p> <p>Mr. Clinton Ouma is the Registrar Musakasa Technical Training Institute</p>
 <p>5</p>	<p>Name: Protus Seng'enge Marumbu</p> <p>D.O.B: 13/9/1976</p> <p>Key Qualifications: Bachelor of Education (Tech. Ed. BCT)</p> <p>Work Experience: 14 years in Education</p> <p>Mr. Protus Seng'enge Marumbu is the Dean of Students</p>

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<p style="text-align: center;">6</p> 	<p>Name: CPA Christine Wamboka Koyabe</p> <p>D.O.B: 17/07/1977</p> <p>Key Qualification: Certified Public Accountant CPAK (ICPAK Member) Bachelor of Commerce Accounting Option in Kibabii University Diploma in Accountancy (KNEC) in Western College of Arts and Applied Sciences (WECO)</p> <p>Currently pursuing a Masters Degree in Business Administration in Kibabii University</p> <p>Work Experience: 21 years in Accounting Profession: 2008 to 2020 - Senior Accountant KNUT Bungoma South Branch and KNUT Bungoma County 2003 to 2008 -Bursar Napara Girls High School (Centre of Excellence)</p> <p>Christine Wamboka is currently the Finance Officer- Musakasa Technical Training Institute</p>
<p style="text-align: center;">7</p> 	<p>Name: Benjamin Makokha</p> <p>D.O.B :21/3/1990</p> <p>Key Qualification: Bachelors Degree in Supplies Chain Management option Diploma Supply chain Kibabii university</p> <p>Work Experience: 4 years</p> <p>Benjamin Makokha is the Ag. Procurement Officer Musakasa TTI</p>

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NAME: CHRP. Joseck Wafula Maombo

D.O.B : 22/10/1983

Key Qualifications:

Certified Human Resource Professional Kenya
Certified HR Auditor
Higher National Diploma HRM, DIP. TEC.
Education, KATC Final

Work Experience:

9 years in profession
Sigalagala National Polytechnic as a Trainer,
Friends
Secondary School Kuywa as a Teacher (DOS), Kisiwa
TTI as Deputy HOD Business Department

Mr. Joseck Wafula is the HRO Musakasa TTI

6. Chairman’s Statement

On behalf of the Musakasa Technical Training Institute Board, I am pleased to present the Annual Report for the 2023/2024 financial year. It was a productive financial year and I have enjoyed being part of the dynamic team at Musakasa. The education sector is currently facing reforms with the focus area being quality over quantity as the strategic driving force to the Ministry of Education.

Musakasa Technical Training Institute remains committed to all its stakeholders in executing its mandate as outlined in the 2022-2027 Strategic Plan whose overall theme is to achieve Global excellence in Technical Training. The Institute is mandated to execute the various strategic directions as set out in the Plan, marking its second year of execution. During the FY 2023/2024, Musakasa Technical Training Institute received a good number of students reporting to the Institute enhancing its viability and future growth.

New Programs

The following the aggressive marketing, the student population has grown to 2377 as listed below:

Mechanical & Automotive Engineering	263
Electrical & Electronics Engineering	279
Building & Civil Engineering	527
Agriculture & Environmental Studies	134
Hospitality & Tourism	223
Fashion Design & Cosmetology	592
Computing & informatics	188
Business Studies & Entrepreneurship	171
Total Enrolment	2377

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Financial Performance

In the financial year that ended 30 June 2024 the Institute recorded a better financial performance. This is attributed to the prudent financial management measures put in place. We recorded a good increase in student enrolment as from 1613 to 2377 as at 30th June 2024.

To improve the Institute's infrastructure and enhance student population, the ongoing Tuition Block Phase II Wing A was completed to provide more space to students and staff.

As I conclude, I would like to extend my sincere gratitude to Musakasa Technical Training Institute Board, our Principal and his entire Management Team, our staff members, students, partners and donors, for their commitment and collaboration towards the Institute programs. I am optimistic that the Institute is headed to a prosperous future that can only bode well for this great Institution.

Thank you



Dr. Brian Singoro
Chairman Board of Governors

7. Report of the Principal

Dear stake holders, firstly, I would like to state that FY.2023/2024 has been a year of relative success, challenging but fruitful. We at Musakasa Technical Training Institute have continued creating networks and maintained strategic alliances at the regional and global level. The value of these alliances cannot be overstated and are aimed at ensuring the Institute has a competitive advantage. We have invested in opportunities to provide exposure, synergy, knowledge sharing and expertise. All these is aimed at contributing to intellectual and human capital.

Increased Infrastructure

In the FY under review, the Tuition Block phase IIA was completed. The project is expected to promote practical learning and research in the Institute. The project will be sustainable since it will be used to promote research, innovation and entrepreneurship. This will contribute to reduction of poverty in the society.

During the Financial Year 2023/2024 Musakasa Technical Training Institute renovated five classrooms to accommodate the new Mechatronics Equipment that were provided by the CDF, Bumula Constituency that was the balance from the 2013/2014 project. Within the FY under review, the Institute made a proposal to the government for funding of a Tuition Block Complex Phase IIB. This will address the issue of required tuition rooms to cater for rapid enrolment growth from 1613 in July 2023 to the current 2377 as at 30th June 2024. This is a strong indication that we value infrastructure necessary for the leading Institution in the Provision of Technical and Vocational Training in this region and beyond. It is envisaged that this will enhance student experience and provide excellent facilities for staff and students.

Conferences

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

These were largely successful and valuable lessons were gathered.

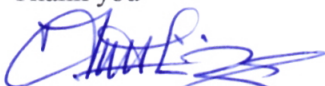
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2024 and beyond

While the achievements of the years passed have put us in a position of strength, our efforts in the coming days will be doubled so that we can meet our long term objective of being the Leading Institution in the Provision of Technical and Vocational Training in the region and beyond. We will continue to face competition from both the public and private Institutions. We shall have to be innovative to stay afloat. To this end, we shall endeavor to become more visible by using generally accepted parameters of measure to place ourselves.

Our collective effort will make us and our actions will help actualize this dream of an Institute serving society and the world. I wish to convey my gratitude to all staff, both academic and administrative and the students who together, are supporting to achieve our collective dream. Together we shall deliver.

Thank you



Mr. Geoffrey Juma Khisa

Principal/ Board Secretary



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8. Statement of Performance against Predetermined Objectives

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

Musakasa Technical Training Institute has 5 strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY 2023/2024. These strategic pillars/ themes/ issues are as follows:

1. Training and Development

Strategic Pillar	Objectives	Activities	Achievements	Key Performance Indicators
Training	Reviewing training programmes to align them to Big four agenda and emerging clients' needs and delivery methodologies within the institute academic policy	Conduct SWOT analysis of existing training programmes	Relevance of training programmes	Number of SWOT analysis conducted
		Set up MUSTTI academic review committee to review the institute’s academic policy	Quality & relevance of CBET Programmes	Reviewed academic policy
		Carry out labour needs assessment	Relevance of CBET	Number of Labour Needs Assessment
			CBET Training	

2. Governance and Human Resource
3. Financial Stewardship and Sustainability
4. ICT Integration
5. Students Welfare

Musakasa Technical Training Institute develops its annual work plans based on the above 5 pillars/Themes/Issues. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis.

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		Fine tune the reviewed curriculum		Number of refined curricula
		Induct trainers on CBET Curriculum	Quality & relevance of training	No of staff trained in CBET Programs
Initiate and implement CBET programs		Increase the number of CBET courses offered by departments from 0 to 10	CBET programs	Lists of identified programs in user departments
		Application to TVETA for registration of training programs and accreditation	Accreditation of CBET programs by TVETA	Accreditation certificate
		Establish CBET implementation committee	Monitoring Evaluation & Reporting	CBET Committee in place
		Staff sensitization, creating awareness about CBET programmes	Quality and relevance of training	Number of Sensitization and awareness created
		Implement developed curriculum	Quality of training	Trainer attendance
		Conduct internal Exam moderation	Quality of training	Proportion of exam moderated

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Musakasa Technical Training Institute achieved its performance targets set for the FY 2023/2024 period for its 5 strategic pillars, as indicated in the diagram below:

	Monitor and evaluate implementation of curriculum	Quality training	M&E Reports
	Conduct course evaluations	Improved performance	Proportion of courses evaluated
	Produce Mechatronics- related items in line with manufacturing (Big 4 Agenda)		
	Organize graduation	Trainee completion	Number of assessments and graduations organized
Upgrade staff skills	Induct trainers on reviewed curriculum	Quality training	Number of trainers
	Recruit qualified staff	Quality service delivery	% of staff trained
	Skills training for trainers	Quality service delivery	Number of trainers/ trainings conducted
	Attachment of trainers to industry	Quality training	No of staff attached
Acquiring and equipping	Acquire more learningbooks annually	Quality training	

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the institute with adequate and modern training facilities	Acquire more computers, projectors and smart boards for training in every department	Quality training	Number of books acquired

	Expand and Equip workshops with relevant equipment and materials	Quality training	Number of equipment and materials acquired
	Enhance installation of CCTV Cameras for security purposes	Safety and security	More CCTV Cameras installed
	Provide reliable unlimited highspeed internet access	Full time internet access	Internet service contract
	Acquire a motorcycle, car and truck for a driving school	Establish into driving school	Operational driving school

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	Establish credible marketing strategies to boost student enrolment	Improved student enrollment	No of marketing strategies used
	Establish students' online reporting portal	Improved customer service	online reporting portal in place
	Improve efficiency in customer service in the institute	Customer satisfaction & marketing	Customer feedback
	Promoting female students in SET Programmes	Improved student enrollment	No of female students in SET Programmes

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Induct new board Quality Number of members service Board members

inducted

Governance and Human Resource	Continuous capacity building of the institute management, BOG and students' council	Train new Board members on corporate governance	Good corporate governance	Number of management staff trained
		Train management on strategic leadership	Good corporate governance	Tender documents, signed contracts, minutes of tender committee
		Induct new students' council members	Good leadership	Number of student council inducted
		Train students' council on leadership skills	Charismatic leadership	Number of meetings held with students
		Hold regular meetings between students and management	Good Service	Number of meetings held
		Hold regular staff meetings	Performance management	Number of meetings held
		Conduct regular team building activities	Improve service delivery	Number of team building activities conducted
	Competitive recruitment and promotion of staff on merit, retain	Identify and draw up adverts for vacancies for filling	Competent human resource	Number of vacancies identified
		Advertise for job vacancies	Competent human resource	Number of job adverts

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	and reward high quality workforce and also implement recognition and rewards scheme	Profile job applicants	Competent human resource	Status reports, minutes
		Shortlist and invite candidates for the job interviews	Competent human resource	Number of applicants invited
		Interview and hire qualified candidates for respective job, orient and train them	Competent human resource	Number of candidates hired

		Develop appropriate and competitive rewards scheme	Staff attraction	Rewards scheme in place
		Recognize and award good performance and also promotion on merit	Staff retention	Number of staff awarded/promoted
Regular review of terms and conditions of service as per the institute Human Resource Policy		Constitute review committee	Staff welfare	Functional committee in place
		Review terms and conditions of service	Staff welfare	New terms and conditions of service
		Reviewing the institute's organizational structure	performance management	New Institute's structure in place
		Conduct Training Needs Analysis	Staff development	TNA Reports
Continuous investments in staff development		Develop and implement training plan	Staff development	Proportion of staff trained in the plan

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		Develop and implement framework for security risk assessment	Security and safety services	Security risk assessment framework
		Establish a surveillance system to safeguard organization's assets	Improved security	Presence of surveillance system in place
		Hold regular meetings between staff and management	Staff development	Number of staff meetings held
		Procure, acquire and install biometric clock in system	performance management	Minutes of tender committee
	Enhance staff discipline as per PSC Code of Conduct	Sensitize staff on PSC Code of Conduct	Improved staff discipline	Sensitization meetings
		Improve monitoring of staff discipline	Improved staff discipline	Submission of relevant feedback documents
	Enhance effective MUSTTI security services	Develop and implement security policy and manual	Improved security	Security policy and manual developed

		Support the establishment of fencing of the organization estate	Improved security	Presence of perimeter wall
		Total on Governance and Human Resource		
Financial Stewardship and	Increasing and Strengthening	Develop a strategy paper on revenue diversification	Increased revenue	Developed strategy paper

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Sustainability	Revenue Streams	Formulate IncomeGenerating policy	IGUs	Number of formulated IGUsPolicy
		Carry market survey forbusiness proposal	Revenue streams increased	Number of marketsurvey carried out
		Introduce new short courses such as driving	Resource mobilization	Amount of revenue raised
		Develop and implementa business model and business proposals	IGUs	Number of businessproposal
	Enhancing efficiency in mobilization and utilizationof resources			
		Develop Cost reduction /saving guidelines	Financial managemen tin perspectiv e	Guidelines place
		Identify and implementcost saving strategies	Cost financing and resource mobilization	Number of strategies identified; amount of revenue saved
	Ensuring and strengthening internal systems for transparency			
		Strengthen internal control systems	Accountabil ity and transparency	Number of internal control systems in place

and accountabilityof financial sustainability by procuring necessary resources and appropriate allocation	Effective budgeting andbudgetary control by implementing the Institute's Standard Chart of Accounts	Accountabil ityand transparenc y	Institutes Standard chart of accounts implemented
	Analysis of variance against actual	Accountabil ity and transparenc y	ANOVA Reports
Source for			

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	donor funding	Identify call for proposals from potential donors	Revenue generation	Number of proposal calls recorded
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		Constitute a team to write proposals for funding	Revenue generation	Number of winning proposals
		Establish office of the fundraiser	Revenue generation	Functional fundraising office
	To strengthen the procurement and supplies system in Accordance with Public Procurement Law			
		Develop and institutionalize an efficient procurement and supplies system in compliance with the relevant laws and regulations	efficient procurement and supplies system	Presence of e-procurement
		Automate supply chain management operations	efficient procurement	Automate supply chain system in place
		Develop and implement a framework for asset management	Effective asset management	Developed asset management framework
ICT Integration	To upgrade infrastructural facilities so as to correspond to the training standards	Acquire and maintain machines	Equipped ICT center	Increase in ICT equipment
		Develop and implement ICT policy and infrastructure	Improved ICT services delivery	Policy developed
	To upgrade the			

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existing infrastructural ICT facilities so as to correspond to the training standards	Adopt the use of new technologies in 75% of MUSTTI operations by Capacity building of staff on ICT usage	Improvement in use of technology	use of new technologies, # of staff trained in ICT
--	--	----------------------------------	--

	& benchmarking with other institutions		
To acquire and expand the ICT infrastructural facilities in all areas required	Develop and implement cohesive knowledge, information and communication technologies platform/database	Improvement in use of technology	Knowledge & information technologies platform/database, new ICT equipment

Students welfare	Reduce Drug and Substance abuse by strengthening the capacity of G&C department	Invite guest speakers from institutions such as NACADA	Students welfare	Number of talks held
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				M&E reports
--	--	--	--	-------------

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	Monitor and evaluate implementation of MOUs Musakasa Technical	Training Institute	
Promoting Environmental Sustainability	Annual Report and Financial Statement Set up conservation strategies	for the year ended 2024 Environment saving	30th June Conservation reports 24
	Carry out tree planting occasions to cover 2 acres of institute land	Environment saving	Conservation reports
Enhancing and strengthening co-curricular activities	Diversify sporting activities in the institute	Students welfare	Number of sporting activities
	Acquire sporting infrastructure and facilities such as fields and uniforms	Students welfare	Number of infrastructure and facilities in place
	Strengthen and capacity build the sports and games section	Students welfare	Number of staff trained in sports and games
	Participate and compete with other institutions at all levels	Students welfare	Number of competition participated
Promoting Universal Health Care and continuous sensitization	Prepare and implement HIV/AIDs annual Programmes	Students welfare	Number of annual Programmes implemented
	Determine annual malaria prevalence in the institute	Students welfare	% annual prevalence

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	on non-communicable diseases	Identify strategies of reducing malaria	Students welfare	Action plan
		Implement strategies of reducing malaria	Students welfare	Strategies implemented
		Monitor and evaluate HIV/AIDs and malaria programs	Students welfare	M&E reports

Supporting and	Conduct capacity building for Students council	Students welfare	Empowered students council
empowering students' governance	Establish allowances policy for Student leaders	Students welfare	Empowered students council

9. Corporate Governance Statement

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

Appointment of Board Members

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

Ethics and Conduct

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

Conflict of Interest Policy & Disclosures

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

Board members are required to avoid conflict of interest and deal at arm's-length in any matter that relates to the organization. However, a Board member who identifies an area of conflict shall

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be required to disclose any actual or potential conflict of interest to the Board. In so reporting, the Board member is required to provide all relevant information, including information which relates to their immediate family members by blood or marriage which is related to the area of conflict. When declared, the Board member shall abstain from decisions where the conflict exists.

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

Board Remuneration

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

Board Induction and Training

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

Board Responsibilities

The Board of Management, during the inauguration on 25th May 2023, was sensitized on their roles and responsibilities according to the TVET Act which were:

Overseeing the conduct of education and training in the Institute in accordance with the Provisions of TVET Act 2013 and any other written law.

- a) Promoting and maintaining standards, quality and relevance in education and training in the Institute in accordance with the TVET Act 2013 and any other written law.
- b) Administering and managing the property of the Institute
- c) Developing and implementing the Institute's Strategic Plan.
- d) Preparing annual estimates of revenue and expenditure for the Institute and incurring Expenditure on behalf of the Institute
- e) Receiving, on behalf of the Institute, fees, grants, subscriptions, donations, bequests or other Moneys and to make disbursement to the institution or other bodies or persons. f) Determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of TVET Act 2013

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- g) Mobilizing resources for the Institute
- h) Developing and reviewing programmes for training and to make recommendation to TVETA
- i) Regulating the admission and exclusion of students from the Institute, subject to a qualifications framework and the provisions of TVET Act 2013
- j) Approving collaboration or association with other institutions and industries in and outside Kenya subject to prior approval by the Ministry.
- k) Recruiting and appointing trainers from among qualified professionals and practicing trades persons in relevant sectors of industry
- l) Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the Institute in consultation with the Authority
- m) Making regulations governing organization, conduct and discipline of the staff and students
- n) Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submit the same to the Board.
- o) Providing for the welfare of the students and staff of the Institute
- p) Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the Institute
- q) Discharging all other functions conferred upon it by TVET Act 2013 or any other written law

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10. Management Discussion and Analysis

The Institute operational and Financial Performance.

Generally, the Institute operated at a net surplus of Kshs.64,617,856.00 during the financial year 2023/2024. This was majorly due to increase in student population.

Compliance with Statutory Requirements

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

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

Key Projects the Institute Implemented

The Institute had the following projects:

- i) Tuition Block phase II Wing A .The project expected to promote practical learning and research in the Institute.
 - The project will be sustainable since it will be used to promote research, innovation and entrepreneurship.
 - This will contribute to reduction of poverty in the society.
 - This project is financed by Government of Kenya. The contract sum of the project was Ksh.19,918,916.80 adjusted to kshs.26,803,853.00

- ii) Proposed Tuition Block Phase II Wing B

A proposal was made to the government for funding of a Tuition Block Complex phase II. This will address the issue of facilities that has limited enrolment in the Institute for lack of capacity. This project is anticipated to cost Kshs.33,800,747.00 and is to be financed by Government of Kenya.

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Major risks the Institute is facing; Operational Risks

The Institute faces competition for resources including; students, staff and financial resources. The Institute's financial assets are trade receivables as well as cash and short term deposits which arise directly from its operations. The Institute has financial liabilities comprising trade and other payables which are all current.

The management has ensured timely payment to suppliers, contractors and other service providers, hence no historic debt. The Institute has exposure to the following risks: i) Liquidity risks ii) Credit risks

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

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

Credit Risk

Credit risk is the risk of financial loss to the Polytechnic if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the organization's receivables from customers.

The Institute receives fees from students as well as capitation from the Government which minimizes the credit risk exposure.

Material Arrears and Financial Obligations

The Institute had substantial fees arrears totaling to Ksh.98,864,347.00 which had not been received by the year end this was due to strained flow of capitation funds

11. Environmental and Sustainability Reporting Statement

i. Sustainability strategy and profile

From the year 2013, the Institute received their first batch of students. To ensure sustainability, the institute has continued to review existing programmes and develop new market driven programmes that will be attractive to students. The Institute has also invested in its human resource to ensure improved quality of services offered to students and other stakeholders.

ii. Environmental performance

The Institute continues to play a significant role in environmental conservation and sustainability. During the year in review, the Institute participated in the 2020 National Tree Planting Campaign themed “**Panda miti, boresha maisha**”. In Conjunctions to this the Institute received seedlings from Kaberua Forest Station, in Mount Elgon Bungoma County.

The Institute continues to sustain its greening initiatives by maintaining over 70% green cover by planting and maintenance of flora in all strategic locations in the Institute.

iii. Employee welfare

Musakasa Technical Training Institute acknowledges the importance of its human resource in achieving its strategic objectives and ensures that their welfare is prioritized through capacity building, provision of a good working environment and offering competitive remuneration. Staff Training

Institute uses staff appraisals to identify gaps in capacity and recommend training in order to build the capacity of staff. During the year in review, 5 staff were supported by the management to attend professional trainings.

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iv. Marketplace practices-

Musakasa Training Institute endeavours to maintain the highest standards of ethics and instils a culture of integrity among the members of staff by adhering to values and principles of governance.

v. Corporate Social Responsibility / Community Engagements

Musakasa Training Institute exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is found on our five strategic directions. In our operations we recognize the need of putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements:

*Musakasa Technical Training Institute
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12. Report of the Board of Management

The Board submit their report together with the audited financial statements for the year ended June 30, 2024, which shows the state of Musakasa Technical Training Institute's affairs.

Principal activities

The principal activities of the Musakasa TTI continues to be provision of training of Level 3, Level 4, Level 5 and Level 6

Results

The results of the entity for the year ended 30 June 2024 are set out from page 1

Board of Governors

The members of the Board of Governors who served during the year are shown on page iv. During the year none of the governors retired/ resigned and non was appointed.

Auditors

The Auditor General is responsible for the statutory audit of the Musakasa TTI in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board


.....

Name..... *Geoffrey Juma Kliso*

Accounting Officer/Principal



13. Statement of Board of Management Responsibilities

Section 81 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act, and section 29 of Technical and Vocational Educational Training Act - require the Board Members to prepare financial statements in respect of the Institute, which give a true and fair view of the state of affairs of Musakasa TTI at the end of the financial year 2023-2024 and the operating results of the for financial year 2023-2024. The Board Members are also required to ensure that Musakasa TTI keeps proper accounting records which disclose with reasonable accuracy the financial position of Musakasa TTI. The Directors are also responsible for safeguarding the assets of Musakasa TTI.

The Board Members are responsible for the preparation and presentation of Musakasa Technical Training Institute's financial statements, which give a true and fair view of the state of affairs of the Institute for and as at the end of the financial year (period) ended on June 30, 2024. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the Musakasa Technical Training Institute; (v) Selecting and applying appropriate accounting policies; and **(vi) Making accounting estimates that are reasonable in the circumstances.**

The Board Members accept responsibility for Musakasa financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and The TVET Act. The Board Members are of the opinion that Musakasa Technical Training Institute's financial statements give a true and fair view of the state of the Institute's transactions

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during the financial year ended June 30, 2024, and of the Musakasa Technical Training Institute's financial position as at that date.

The Board Members further confirms the completeness of the accounting records maintained for the Institute, which have been relied upon in the preparation of Musakasa Technical Training Institute's financial statements as well as the adequacy of the systems of internal financial controls. Nothing has come to the attention of the Board members to indicate that Musakasa Technical Training Institute will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Musakasa Technical Training Institute's financial statements were approved by the Board on26/09/2024..... and signed on its behalf by:

Name.....*Dr. Brian Singoro*.....

Chairperson of the Board

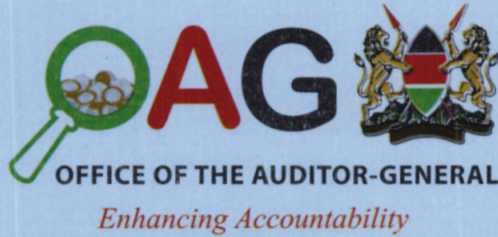
Name.....*Geoffrey James Wiliam*.....

Accounting Officer / Principal



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HEADQUARTERS
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NAIROBI

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

PREAMBLE

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

- A. Report on the 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 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 the 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 Musakasa Technical Training Institute set out on pages 1 to 40, which comprise the statement of financial position as

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

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

Basis for Qualified Opinion

1. Inaccuracy of the Statement of Cash Flows

The statement of cash flows indicates cash and cash equivalents balance of Kshs.2,599,288 as at 30 June, 2024. However, Note 25 to the financial statements in respect to cash generated from operations indicates net cash flows from operating activities of Kshs.16,127,536 which differs with Kshs.16,020,201 reflected in the statement of cash flows, resulting to an unreconciled and an unexplained variance of Kshs.107,335.

In the circumstances, the accuracy and completeness of net cash flows from operating activities of Kshs.16,020,201 could not be confirmed.

2. Long Outstanding Receivables from Exchange Transactions

The statement of financial position and Note 18 to the financial statements reflect receivables from exchange transactions balance of Kshs.98,864,347. However, receivables amounting to Kshs.19,772,869 had been outstanding for more than twelve (12) months with no clear framework on recovery. Further, provision for bad and doubtful debts has not been provided in the financial statements.

In the circumstances, the accuracy and recoverability of receivables from exchange transactions balance of Kshs.98,864,347 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis amounts of Kshs.125,958,928 and Kshs.68,005,954 respectively resulting in under-funding of Kshs.57,952,974 or 46% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.125,958,928 and Kshs.51,645,350 respectively, resulting in under-expenditure of Kshs.74,313,578 or 59% of the budget.

The under-funding and under-expenditure affected implementation of the planned activities and programs and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Matters

In the previous year's audit, several issues were raised under Report on the Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. The Management has indicated under Appendix 1 in respect to implementation of Auditor-General's recommendations section that some issues have been resolved. However, the evidence supporting the implementation of the recommendations were not provided for audit review.

In the circumstances, the issues remain unresolved.

Other Information

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

In connection with my audit on the Institute's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is

materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Anomaly in Presentation and Disclosure of Annual Report and Financial Statements

Review of the annual report and financial statements revealed non-compliance with revised International Public Sector Accounting Standards (IPSAS) financial reporting template as the statement of Board of Management responsibilities was not signed by the chairman of the Board and the Principal of the Institute.

In the circumstances, the annual report and financial statements do not comply with the financial reporting framework requirements and guidelines issued by the Public Sector Accounting Standards Board.

2. Non-Compliance with Law on Staff Ethnic Diversity

Review of the Institute's staff biodata and the payroll for the month of June 2024, revealed that the Institute had a total of forty-one (41) staff members out of whom thirty-two (32) or 78% were from one ethnic community. This was contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public establishment shall have more than one third of its staff from the same ethnic community.

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

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 effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of Internal Audit Function

During the year under review, the Institute did not have an internal auditor. In the circumstances, the roles stipulated in Section 73 (3) of the Public Finance Management Act, 2012 which include reviewing the governance mechanisms of the entity and mechanisms for transparency and accountability with regard to the finances and assets of the entity, conducting risk-based, value-for-money and systems audits aimed at strengthening internal control mechanisms that could have an impact on achievement of the strategic objectives of the entity, verifying the existence of assets administered by the entity and ensuring that there are proper safeguards for their protection and providing assurance that appropriate institutional policies and procedures and good business practices are followed by the entity were not performed.

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

2. Failure to Insure Institute's Assets

The statement of financial position and Note 20 to the financial statements reflect property, plant and equipment balance of Kshs.180,327,345. However, the Institute's assets were not insured as per The National Treasury Guidelines on Asset and Liability Management in the Public Sector 2020, Part IV (i)C- (3) which states that the Accounting Officer shall arrange for timely acquisition of insurance cover and renewal of all insurance policies to ensure that they are budgeted for and that the public sector entity's assets are adequately protected.

In the circumstances, the indemnity of Institute's assets against possible risks could not be confirmed.

3. Failure to Maintain a Complete Noncurrent Assets Register

The statement of financial position and Note 20 to the financial statements reflect property, plant and equipment balance of Kshs.180,327,345. However, the asset register maintained does not include asset description, serial number, tag number, make/ model,

suppliers name, original location, current location, officer responsible for each asset, asset condition and asset cost.

In the circumstances, the effectiveness of non-current assets management could not be confirmed.

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

Responsibilities of the Management and the Board of Governors

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial

statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 June, 2025

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15. Statement of Financial Performance For The Year Ended 30 June 2024

Description	Notes	2023-2024	2022-2023
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government grants/ gifts in kind	6	11,289,000	8,169,000
Total Revenue from non-exchange transactions		11,289,000	8,169,000
Revenue from exchange transactions			
Rendering of services- Fees from students	7	106,328,928	33,771,980
Sale of goods	8	1,419,930	640,945
Rental revenue from facilities and equipment	9	0	40,000
Other income	10	4,533,842	103,950
Revenue from exchange transactions		112,282,700	34,540,525
Total revenue		123,571,700	42,709,525
Expenses			
Use of goods and services	11	42,483,825	14,986,669
Employee costs	12	13,899,849	9,373,302
Remuneration of Directors	13	1,226,595	356,000
Depreciation and amortization expense	14	184,014	14,344,809
Repairs and maintenance	15	742,479	130,750
Finance costs	16	417,082	-
Total expenses		58,953,844	39,191,530
Other gains/(losses)			
Net Surplus for the year		64,617,856	3,534,345


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



 Chairman of Board



 Principal



 Finance Officer

Date... 3-6-2025

Date... ..

ICPAK No. 25961

Date... 3/6/2025



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

5. Statement of Financial Position As At 30th June 2024

Description	Notes	2023-2024	2022-2023
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	17	2,599,288	2,829,633
Receivables from exchange transactions	18	98,864,347	105,969,970
Inventories	19	1,135,037	393,248
Total Current Assets		102,598,672	109,192,851
Non-current assets			
Property, plant and equipment	20	180,327,345	101,187,397
Intangible assets	21	399,968	235,982
Total Non-current Assets		180,727,313	101,423,379
Total assets		283,325,985	210,616,230
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	22	6,891,412	12,038,298
Payments received in advance	23	4,254,391	326,987
Total Current Liabilities		11,145,803	12,365,285
Non-current liabilities			
Borrowings	24	2,502,973	3,602,150
Total Non-current liabilities		2,502,973	3,602,150
Total liabilities		13,648,776	15,967,435
Total Liabilities (B)		13,648,776	15,967,435
Net Assets (A-B)		269,677,208	194,648,795
Represented By:			
Revaluation Reserves		180,327,345	169,681,604
Accumulated Surplus		89,349,863	24,732,007
Capital Fund		0	235,184
Net Assets		269,677,208	194,648,795

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

.....
Chairman of Board

.....
Principal

.....
Finance Officer

Date..... 3-6-2025

Date.....

ICPAK No. 25961

Date.. 3/6/2025



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

17.. Statement of Changes in Net Assets for the Year Ended 30 June 2024

Balance c/d as at July 1st, 2022	169,681,604	-	21,197,662	235,184	191,114,450
Revaluation gain					-
Fair value adjustment on quoted investments					-
Total comprehensive income			3,534,345		3,534,345
Capital/Development grants received during the year					-
Transfer of depreciation/amortisation from capital fund to retained earnings					-
Balance c/d as at June 30th, 2023	169,681,604	-	24,732,007	235,184	194,648,795
Balance c/d as at July 1st, 2023	169,681,604	-	24,732,007	235,184	194,648,795
Revaluation gain	10,645,741			-	10,410,557
Fair value adjustment on quoted investments				235,184	-
Total comprehensive income			64,617,856		64,617,856
Capital/Development grants received during the year				-	-
Transfer of depreciation/amortization from capital fund to retained earnings					-
Balance c/d as at June 30, 2024	180,327,345	-	89,349,863	-	269,677,208

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

3. Statement of Cash Flows for the Year Ended 30 June 2024

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants		11,289,000	8,169,000
Rendering of services- Fees from students		50,763,182	33,771,980
Sale of goods		1,419,930	640,945
Rental revenue from facilities and equipment		0	40,000
Other incomes		4,533,842	103,950
Total Receipts		68,005,954	42,725,875
Payments			
Compensation of employees		13,899,849	9,373,302
Use of goods and services		35,592,413	14,986,669
Remuneration to Directors		1,226,595	184,000
Finance cost		417,082	550,449
RMI		742,479	130,750
Total Payments		51,985,753	25,225,170
Net cash flows from operating activities		16,020,201	17,500,705
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		-15,854,896	-91,980
Proceeds from the sale of property, plant, and equipment		0	0
Net cash flows used in investing activities		-15,854,896	-91,980
Cash flows from financing activities			
Proceeds from borrowings		2,502,973	4,510,599
Repayment of borrowings		-2,007,707	-669,411
Development grant		12,500,000	0
Net cash flows used in financing activities		12,995,266	3,841,188
Net increase/(decrease) in cash and cash equivalents		13,160,571	4,916,523
Cash and cash equivalents at 1 st July 2023		2,829,633	2,345,615
Cash and cash equivalents at 30th June 2024		2,599,288	2,829,633

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

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

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization difference
	a	b	c=(a+b)	d	e=(c-d)	f=d/c
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other Govt entities Govt grants	30,000,000	- 9,360,000	20,640,000	11,289,000	9,351,000	54.69
Rendering of services- Fees from students	126,968,928	- 28,000,000	98,968,928	50,763,182	48,205,746	51.29
Sale of goods	1,400,000	- 100,000	1,300,000	1,419,930	-119,930	109.23
Rental Income	240,000	- 200,000	40,000	0	40,000	-
Other incomes	16,090,000	- 11,080,000	5,010,000	4,533,842	476,158	90.50
Total income	174,698,928	- 48,740,000	125,958,928	68,005,954	57,952,974	
Expenses						
Compensation of employees	19,993,248	- 5,100,000	14,893,248	13,899,849	993,399	93.33
Use of Goods and services	129,086,496	- 20,340,000	108,746,496	35,592,413	73,154,083	32.73
Repairs & Maintenance	5,619,184	- 4,800,000	819,184	742,479	76,705	90.64
Remuneration of Directors	3,000,000	- 1,700,000	1,300,000	1,226,595	73,405	94.35
Depreciation Expenses	17,000,000	- 16,800,000	200,000	184,014	15,986	92.01
Finance Cost				417,082		
Total Expenditure	174,698,928	- 48,740,000	125,958,928	51,645,350	74,313,578	

Budget notes

1. The variance in transfers from other Government entities shows that there was underfunding of funds from the Ministry.
2. The variance in Rendering of Services indicates that there was under collection of fees from students.
3. The variance in Use of Goods and Services shows that there was under expenditure due to realization of funds from student debtors.
4. The budget variance under rental income was brought about the changes in management policies of not collecting boarding fees from students

20. Notes to the Financial Statements

1. General Information

Musakasa TTI is established by and derives its authority and accountability from TVET Act. The is wholly owned by the Government of Kenya and is domiciled in Kenya. The Institute's principal activity is to provide quality technical and vocational training in collaboration with stake holders to produce highly skilled and innovative human resource.

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 Institute's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Institute. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, (include any other applicable legislation), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been

3. Adoption of New and Revised Standards

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

There are no new standards and interpretations issued in the Financial Year.

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

Standard	Effective date and impact:
IPSAS 43: Leases	<p>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 cashflows of an Institute. The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.</p> <p>State the expected impact of the standard to the Entity if relevant</p>

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Annual Report and Financial Statements for the year ended 30th June 2024

<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p>Applicable 1st January 2025 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. State the expected impact of the standard to the Entity if relevant</p>
<p>IPSAS 45: Property Plant and Equipment</p>	<p>Applicable 1st January 2025 The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognized as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets. State the expected impact of the standard to the Entity if relevant</p>
<p>IPSAS 46: Measurement</p>	<p>Applicable 1st January 2025 The objective of this standard was to improve measurement guidance across IPSAS by:</p>
<p>Standard</p>	<p>Effective date and impact:</p>
	<p>Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</p> <p>i. Clarifying transaction costs guidance to enhance consistency across IPSAS.</p> <p>ii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value. State the expected impact of the standard to the Entity if relevant</p>

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<p>IPSAS 47: Revenue</p>	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>State the expected impact of the standard to the Entity if relevant</p>
<p>IPSAS 48: Transfer Expenses</p>	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p>State the expected impact of the standard to the Entity if relevant</p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan. State the expected impact of the standard to the Entity if relevant</p>

iii. Early adoption of standards

The Institute did not early adopt any new or amended standards in year 2024

4. Summary of Significant Accounting Policies

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

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

b Budget information

The original budget for FY 2023/2024 was approved by the Board on 8/9/2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the Institute recorded additional appropriations of **xxx** on the FY 2023/2024 budget following the Board's approval. The Institute's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page **1** under section **xxx** of these financial statements.

c Taxes

Current income tax

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

Sales tax/ Value Added Tax

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

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

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

d Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an 99-year period or investment property is measured at fair value with gains and losses recognized through surplus or deficit.(entity to amend appropriately). Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of derecognition. Transfers are made to or from investment property only when there is a change in use.

e Property, plant and equipment

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

f Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased

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

g Intangible assets

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

h Research and development costs

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

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

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

i Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The Institute does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Institute'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.

Financial assets

Classification

The Institute classifies its financial assets as subsequently measured at amortized 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 an irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

j Inventories

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

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

- Raw materials: purchase cost using the weighted average cost method.
- Finished goods and work in progress: cost of direct materials and 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.

Inventories (Continued)

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

k Provisions

Provisions are recognized when the Institute 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 Institute expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement. Contingent liabilities

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

Contingent assets

The Institute 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 Institute in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

l Social Benefits

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

m Nature and purpose of reserves

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

n Changes in accounting policies and estimates

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

o. Employee benefits

Retirement benefit plans

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

p. Foreign currency transactions

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

q. Borrowing costs

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

r. Related parties

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

s. Service concession arrangements

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

t. Cash and cash equivalents

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

u. Comparative figures

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

v. Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

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

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6. Transfers from the National entities Government

Description	2023-2024	2022-2023
	Kshs	Kshs
Operational grant	11,289,000	8,169,000
Other grants	0	0
Total Government grants and subsidies	11,289,000	8,169,000

7. Fees from students

Description	2023-2024	2022-2023
	KShs	Kshs
Tuition fees	54,333,792	13,886,150
Activity fees	7,449,728	2,339,130
Examination	-	1,147,380
RMI	5,649,184	2,363,050
LTT Fees	7,382,688	4,006,600
Medical Fees	2,624,000	0
Personal Emoluments	19,993,248	5,740,650
EWC Income	6,832,288	2,390,520
Attachment	2,064,000	1,770,000
Registration	0	120,500
Refund	0	8,000
Total Rendering of Services	106,328,928	33,771,980

8. Sale of Goods

Description	2023-2024	2022-2023
	KShs	KShs
Catering income	20,450	114,780
Tuition IGA	252,000	0
Kitchen(PAYE)	410,425	0
Food and Beverage	89,300	17,130
Bus Hire	603,100	379,300
Sale of Farm Produce	44,655	120,165
Medical	0	9,570
Hair Dressing	0	0
Total Sale of goods	1,419,930	640,945

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9. Rental revenue from facilities and equipment

Description	2023-2024	2022-2023
	KShs	KShs
Boarding Fees	0	40,000
Total rentals	0	40,000

10. Other Income

Description	2023-2024	2022-2023
	KShs	KShs
Registration fees	569,302	0
Examination fees	2,033,020	0
Refunds	148,270	0
KUCCP Application fee	1,429,850	0
Student Union/welfare	129,000	58,600
Student ID	54,500	29,000
Tveta IQA	14,900	0
Practical Material	2,000	0
Tender income	87,000	0
HELB Application	0	16350
Graduation	66,000	0
Total other income	4,533,842	103,950

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11. Use of Goods and Services

Description	2023-2024	2022-2023
	Kshs	Kshs
Activity Expense	2,032,840	766,825
Tuition Expense	29,781,701	6,288,582
Attachment Expense	649,600	702,650
Student Union	153,820	0
Kitchen Expense	626,975	0
Bes Expense	36,000	31,500
Examination Expense	2,909,505	2,806,390
Registration Expenses	32,800	0
KUCCPS Expense	354,000	0
Farm Expense	68,529	0
Lt&T Expense	1,952,582	2,612,670
Medical Expense	16,920	0
Electricity, Water & conservancy	419,874	126,870
Tender Expenses	36,120	0
BUS Expenses	679,660	341,980
Advance	110,670	0
HELB student Refund	98,910	27,110
Cardinal Otunga HELB Refund	1,411,634	775,000
PU Expenses	1,111,685	505,092
Adminstration Costs	0	2,000
Total good and services	42,483,825	14,986,669

12. Employee Costs

Description	2023- 2024	2022- 2023
	KShs	KShs
Salaries and Wages	13,899,849	9,373,302
House Allowance	0	0
Commuter Allowance	0	0
Medical Allowance	0	0
Employers NSSF	0	0
Employee related costs - Contributions to Pensions and Medical Certificates	0	0
Total Employee costs	13,899,849	9,373,302

13. Board Expenses

Description	2023-2024	2022-2023
	KShs	KShs
Chairman's Honoraria	100,000	0
Directors Emoluments	1,126,595	356,000
Other Allowances	0	0
Total director emoluments	1,226,595	356,000

14. Depreciation and Amortization expense

Description	2023-2024	2022-2023
	Kshs	Kshs
Property, Plant and Equipment	0	14,230,395
Intangible Assets	184,014	114,414
Investment property carried at cost	0	0
Total depreciation and amortization	184,014	14,344,809

15. Repairs and Maintenance

Description	2023-2024	2022-2023
	KShs	KShs
RMI	742,479	130,750
Total Repairs and Maintenance	742,479	130,750

16. Finance Costs

Description	2023-2024	2022-2023
	Kshs	Kshs
Borrowings (amortized cost)*	417,082	0
Finance Leases (amortized cost)	0	0
Total finance costs	417,082	0

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17. Cash and Cash Equivalents

17(a) Detailed Analysis of Cash and Cash Equivalents

Description	2023-2024	2022-2023
	KShs	KShs
Current account	2,571,587	2,569,563
On - call deposits	0	0
Fixed deposits account	0	0
Staff car loan/ mortgage	0	0
Others(Cash in Hand)	27,701	260,070
Total cash and cash equivalents	2,599,288	2,829,633

17(b) Detailed Analysis of Cash and Cash Equivalents

Financial institution	Account number	2023-2024	2022-2023
		KShs	KShs
a) Current account			
Co-operative Bank Account	01134291182100	341,010	1,927,224.00
Co-operative Bank-CDF Account	01141291182100	580	610,539.00
Kenya Commercial Bank-Main Account	1166608387	2,008,526	19,082.00
Kenya Commercial Bank-PU	1166608247	74,437	8,117.00
Kenya Commercial Development Account	1166608077	147,034	4,601.00
Sub- total		2,571,587	2,569,563.00
b) Others(specify)			
Cash in Transit		0	
Cash in Hand		27,701	6,110.00
Mobile Money Account		0	253,960.00
Sub- total		27,701	260,070.00
Grand total		2,599,288	2,829,633.00

18. Receivables from Exchange transactions

(a) Current Receivables from Exchange transactions

Description	2023-2024	2022-2023
	KShs	KShs
Current receivables		
Student Debtors	89,513,347	50,993,492
Rent Debtors	0	0
Staff Debtors	0	0
Other Exchange Debtors (Government portion)	9,351,000	54,976,478
Less: impairment allowance	0	0
Total current receivables	98,864,347	105,969,970
Non-current receivables	0	0
Refundable deposits	0	0
Advance payments	0	0
Public organizations	0	0
Less: impairment allowance	0	0
Total non-current receivables	0	0
Total receivables	98,864,347	105,969,970

18 (b) Ageing Analysis of Receivables from Exchange transactions

Description	2023-2024		2022-2023
	Kshs		Kshs
	Current FY	% of the total	Comparative FY
Less than 1 year	79,091,478	80%	84,775,976
Between 1-2 years	19,772,869	20%	21,193,994
Between 2-3 years	0	0%	
Over 3 years	0	0%	
Total	98,864,347	100%	105,969,970

19. Inventories

Description	2023-2024	2022-2023
	KShs	
Building Equipment & Consumable stores	321,200	58,250
Electrical and Electronics	71,651	73,300
Health Unit stores	5,201	18,217
Farm	19,341	350
Consumables Stores	51,000	0
Automotive	294,650	0
General Stores	0	16,800
Stationaries	317,380	212,315
Catering stores	54,614	14,016
Total Inventories at lower of Cost and Net Realizable Value	1,135,037	393,248

20. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	library books	Plant and equipment	Capital Work in progress	Total
Cost	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
At 30th June 2023	8,700,000	47,077,994	6,906,870	5,998,268	2,616,480	530,420	85,310,615	12,540,957	169,681,604
At 1st July 2023	8,700,000	47,077,994	6,906,870	5,998,268	2,616,480	530,420	85,310,615	12,540,957	169,681,604
Additions	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
Transfers/Adjustments	13,100,000	19,422,006	-1,406,870	52,707	592,520	0	-9,810,615	-11,304,007	10,645,741
At 30th June 2024	21,800,000	66,500,000	5,500,000	6,050,975	3,209,000	530,420	75,500,000	1,236,950	180,327,345
Depreciation/Impairment									
At 30th June 2023	0	4,596,440	3,833,305	3,393,601	2,616,480	530,420	53,273,143	250,819	68,494,207
At 1st July 2023	0	4,596,440	3,833,305	3,393,601	2,616,480	530,420	53,273,143	250,819	68,494,207
Depreciation	0	0	0	0	0	0	0	0	0
Transfers/Adjustment	0	-4,596,440	-3,833,305	-3,393,601	-2,616,480	-530,420	-53,273,143	-250,819	-68,494,207
At 30th June 2024	0	0	0	0	0	0	0	0	0
Net book values									
At 30th June 2023	8,700,000	42,481,554	3,073,565	2,604,667	0	0	32,037,472	12,290,138	101,187,397
At 30th June 2024	21,800,000	66,500,000	5,500,000	6,050,975	3,209,000	530,420	75,500,000	1,236,950	180,327,345

Description Of WIP

Twin Workshop Building and Automotive Kshs1,236,950

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20(a) Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were revalued by professional valuers. These amounts were adopted in the financial statements as at 30th June 2024.

20 (b) Property, Plant and Equipment at Cost

The freehold land, buildings and other assets were stated on the revaluation cost as follows:

Description	Cost	Adjustments	Revaluation As at June 30 th 2024
	Kshs	Kshs	Kshs
Land	8,700,000	13,100,000	21,800,000
Buildings	47,077,994	19422006	66,500,000
Plant And Machinery	85,310,615	-9810615	75,500,000
Motor Vehicles including motorcycle	6,906,870	-1406870	5,500,000
Computers and Related Equipment	2,616,480	592,520	3,209,000
Library	530420	0	530,420
Office Equipment, Furniture, and Fittings	5998268	52,707	6,050,975
Work in progress	12,540,957	-11,304,007	1,236,950
Total	169,681,604	10,645,741	180,327,345

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21. Intangible Assets

Description	2023-2024	2022-2023
	Kshs	Kshs
Cost		
At beginning of the year	572,070	572,070
Additions	348,000	0
Cost end of the year	920,070	572,070
Amortization and impairment		
At beginning of the year	336,088	221,674
Amortization	184,014	114,414
Amortization at end of the year	520,102	336,088
Less :Impairment loss		
At end of the year	0	0
NBV	399,968	235,982

22. Trade and Other and Payables

Description	2023-2024		2022-2023	
	KShs		KShs	
Trade payables	5,211,061		7,846,278	
Salary deductions			2,798,580	
Third-Party Payments	1,680,351		1,393,440	
Other Payables	0		0	
Total Trade and Other Payables	6,891,412		12,038,298	
Ageing analysis:	2023-2024	% of the Total	2022-2023	% of the Total
Under one year	6764037	98%	12,038,298	100%
1-2 years	127375	2%	0	%
2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total (to tie to totals above)	6,891,412	100%	12,038,298	100%

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23. Payments received in advance.

Description	2023-2024	2022-2023
	KShs	KShs
Student Fees	4,254,391	326,987
Others	0	
	4,254,391	326,987

24. Borrowings

Description	2022-2023	2022-2023
	Kshs	Kshs
Borrowings - Current portion		
Government bonds issued	0	0
Commercial bank Loans	0	0
Other loans- from donor and financiers	0	0
Total current portion	0	0
	0	0
Borrowings - Non current portion	0	0
Government bonds issued	0	0
Commercial bank Loans	2,502,973	3,602,150
Other loans- from donor and financiers		0
Total Non current portion	2,502,973	3,602,150

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25. Cash Generated From Operations.

	2023-2024	2022-2023
	Kshs	Kshs
Surplus/(Deficit) for the year	64,617,856	3,534,345
Adjusted for:		
Depreciation	184,014	14,344,809
Non-Cash grants received	0	0
Finance Cost	417,082	0
Working Capital Adjustments		
Increase/Decrease in Inventory	741,789	-484,019
Increase/Decrease in Receivables	-48,940,710	16,866,421
Increase/ Decrease in Payables	-5,146,886	8,933,068
Increase/ Decrease in Payments received in advance	4,254,391	-468,749
Net Cash Flow from Operating Activities	16,127,536	42,725,875

26. Financial Risk Management

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

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

i. Credit risk

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

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

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2023				
Receivables from exchange transactions	105,969,970	105,969,970	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	2,829,633	2,829,633	0	0
Total	108,799,603	108,799,603	0	0
At 30 June 2024			0	0
Receivables from exchange transactions	98,864,347	98,864,347	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	2,599,288	2,599,288	0	0
Total	101,463,635	101,463,635	0	0

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

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

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

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the 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

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management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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

Description	Less than 1 month	Between 1- 3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023				
Trade Payables	0	517,413	6,925,184	7,442,597
Current Portion Of Borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred Income	0	0	0	0
Employee Benefit Obligation	0	0	0	0
Total	0	517,413	6,925,184	7,442,597
At 30 June 2024				
Trade Payables	0	6,764,037	127,375	6,891,412
Current Portion Of Borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred Income	0	0	0	0
Employee Benefit Obligation	0	0	0	0
Total	0	6,764,037	127,375	6,891,412

(iii) Market risk

The entity has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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

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

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis.

This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

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iv) Capital Risk Management

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

Description	2023-2024	2022-2023
	Kshs	Kshs
Revaluation Reserve	169,681,604	169,681,604
Retained Earnings	10,645,741	24,732,007
Capital Reserve	235,184	235,184
Total Funds	180,562,529	194,648,795
Total Borrowings	2502973	3,602,150
Less: Cash and Bank Balances	2599,288	28,29,633
Net Debt/(Excess Cash and Cash Equivalents)	96,315	-772,517
Gearing	1.03%	79%

27. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

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

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

Description	2023-2024	2022-2023
	Kshs	Kshs
a) Grants /Transfers from the Government	0	0
Grants from National Govt	11,289,000	8,169,000
Grants from County Government	0	0
Donations in Kind	0	0
Total	11,289,000	8,169,000
Total	0	0
b) Key Management Compensation	0	0
BOG Emoluments	1,226,595	356,000
Compensation to Key Management	0	0
Total	1,226,595	356,000

28. Capital Commitments

Capital Commitments	2023-2024	2022-2023
	Kshs	Kshs
Authorized for	33,800,747.00	40,685,683.00
Authorized and Contracted for	26,803,853.00	19,918,917.00
Total	60,604,600.00	60,604,600.00

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

29. Events After the Reporting Period

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

30. Currency

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

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21. Appendices

Appendix 1: Implementation Status of Auditor- General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2022/2023	<p>1. Unsupported Receivables from Exchange Transactions</p> <p>The statement of financial position and as disclosed in Note 18 to the financial statements reflects receivables from exchange transactions balance of kshs.105,969,970. However , a debtors aging analysis was not provided for audit review to confirm when the debts were incurred.</p> <p>In the circumstances, the recoverability of the receivables balance of Kshs.105,969,970 as at 30 June, 2023 could not be confirmed</p>	<p>The management has been making efforts on follow ups with Ministry of education over capitation arrears and aggressive marketing of Institution programs to attract more students to avoid adverse effects of service deliver. The management is in the process developing a policy on provision to address, on how to treat the debts and the period they should remain outstanding before written off.</p>	unresolved	30/6/2025

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2022/2023	<p>2. Unsupported Borrowings</p> <p>The Statement of financial position as at 30th June 2023 and Note 25 to the financial statements reflect borrowings balance amounts of Ksh3,602,150 of a loan taken from a local bank in July 2020 to purchase a school bus for the Institute. However, no evidence provided for audit revealed that the loan was approved by the Cabinet Secretary to the National Treasury. Further, the Institute has not reported any finance cost in the financial statements and management has not explained how interest charged on the loan was accounted for in the Institutes books.</p> <p>In the circumstances, the accuracy and completeness of the borrowings balance of Kshs 3,602,150 could not be confirmed</p>	<p>There was official communication of the management for the approval of a 33 seater bus for Musakasa TTI through a letter dated 15th may 2023 during the last audit. The interest expense and will be adjusted in the prior year adjustments for FY.2023/ 2024.</p>	Resolved	30/06/2024
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2022/2023	<p>Non-Compliance with Law on Staff Ethnic Diversity</p> <p>Analysis of the payroll and staff list provided for audit revealed that during the year under review, the Institute had fifty-two (52) employees both teaching and non-teaching and on permanent and pensionable terms.</p> <p>However, out of the total number thirty-nine (39) employees or 75% were from one ethnic community. This was contrary to section 7(2) of the national cohesion and integration Act ,2008, which provides that no public establishment shall have more than one third of its staff from one ethnic community. In the circumstances, Management was in breach of the law.</p>	<p>The Institution started in 2014 with no resources by then, 20 people from the surrounding community volunteered to work for the college. when the college became stable and needed workforce, the same people were confirmed as permanent employees of the</p>	Unresolved	30/6/2026
		<p>Institution leading to one community carrying the highest percentage as observed. However, in the recent past the institution is committed on ensuring compliance with National Cohesion and Integration Act 2008 on ethnic composition especially with trainers who are currently showing the face of Kenya</p>		

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Name..... *Geoffrey Juma Ukisga*

Accounting Officer:

Musakasa Technical Training Institute

Date



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Appendix II: Projects Implemented by : Musakasa Technical Training Institute

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.TUITIONBLOCK PHASE II		GOK		33,800,747.00	NO	YES

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	TUITION BLOCK PHASE II (WING-A)	26,803,853.00	25,123,468.00	93.7%	26,803,853.00	26,803,853	GOK

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Appendix III- Inter-Entity Confirmation Letter

Name of transferring Entity : Ministry of Education

Name of beneficiary Entity: Musakasa Technical Training Institute

Confirmation of amounts received by Musakasa Technical Training Institute as at 30 th June 2024					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
Q1	23/10/2023	Capitation		2,131,500.00	underfunded
Q2	19/01/2024	Capitation		4,273,500.00	underfunded
Q3	14/02/2024	Capitation		4,884,000.00	underfunded
Q4	None	Capitation			0 Nil
	18/03/2024		Development	12,500,000.00	To Complete I installed Tuition Block Phase II Wing A
September Intake 2023	19/02/2024	Scholarship		14,727,828.80	underfunded
September Intake 2023	1/03/2024	Scholarship		443,447.00	underfunded
Total				38,960,275.80	

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

Head of Accounts Department - Ministry of Education :

Name Sign Date

Head of Accounts Department - : Musakasa Technical Training Institute :

Name CPA CHARLOTTE WAMBAYA Sign [Signature] Date 2/6/2024



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Relevant Expenditures

		Objectives	Project Activities	Q1	Q2	Q3	Q4	Source Of Funds	Implementing Partners
Tree Panting	Tree Panting	-Purifying air conditioning Saving water Providing shelters for wild life -Reinforcing soil - Renewable energy source Erosion control	-Purchase of seedlings -Planting -Irrigating of trees during drought seasons - Cultivating of trees -Spraying of trees	-	-	39,600	17,300	Tuition	
						39,600	17,300		