

REPUBLIC OF KENYA



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REPORT

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CLERK-AT-THE-TABLE: WILLIS OBIERO	

OF

THE AUDITOR-GENERAL

ON

**MUKIRIA TECHNICAL TRAINING
INSTITUTE**

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



MUKIRIA 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)

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

Table of Contents

1.	Acronyms and Definition of Key Terms.....	ii
2.	Key Entity Information and Management.....	iii
3.	The Board of Governors	vii
4.	Key Management Team	ix
5.	Chairman's Statement	xii
6.	Report of the Senior Principal.....	xiv
7.	Statement of Performance against Predetermined Objectives	xvii
8.	Corporate Governance Statement.....	xx
9.	Management Discussion and Analysis	xxv
10.	Environmental And Sustainability Reporting Statement.....	xxvii
11.	Report of the Board of Governors.....	xxx
12.	Statement of Board of Governors Responsibilities	xxxii
13.	Report of the Independent Auditor on Mukiria Technical Training Institute	xxxiii
14.	Statement of Financial Performance for The Year Ended 30 June,2024.....	1
15.	Statement of Financial Position as at 30th June, 2024	2
16.	Statement of Changes in Net Asset for The Year Ended 30 June 2024.....	3
17.	Statement of Cash Flows for The Year Ended 30 June, 2024.....	4
18.	Statement of Comparison of Budget & Actual amounts For Year Ended 30 June, 2024	5
19.	Notes to the Financial Statements.....	7
20.	Appendices	34

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

1. Acronyms and Definition of Key Terms

A. Acronyms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College
HELB	Higher Education Loans Board
GoK	Government of Kenya
FY	Financial Year
MoU	Memorandum of Understanding
PSC	Public Service Commission
CDF	County Development Fund

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Entity Information and Management

(a) Background information

Mukiria Technical Training Institute started in 1985 as a youth polytechnic. It was assessed and upgraded to a Technical Training Institute by then Ministry of Higher Education Science and Technology in 2011 and started its operations in 2013.

Mukiria T.T.I is managed by Board of Governors (BOG) under the direction of the Ministry of Education. It operates under the TVET Act, 2013 of the Laws of Kenya as well as Constitution of Kenya 2010.

Mukiria Technical Training Institute is located in Nyweri Location, Abocentral Sub-county in Meru County. It is located 9km from Meru town towards Nkubu and 6km from Nkubu towards Meru town. It is approximately 1 km off Meru-Nkubu road along Mariara stage. It occupies an area of 2.5 acres approximately. The infrastructure is good, therefore making the accessibility easy.

The institute is ISO certified, it implements Quality Management System, ISO 9001:2015 standard and Information Security Management system ISO/IEC 27001:2013 standard. MTTI complies with all relevant customer, statutory and regulatory requirements. The road to certification has given the institute impetus to develop home grown quality objectives to improve service to her customers.

(b) Principal Activities

The principal activity/mission/ mandate of the institute is to teach and train in Technical and Vocational Education & Training; Research and Innovation and Community Service.

Vision

A Centre of excellence in the provision of globally competitive and innovative Technical Vocational Education and Training

Mission:

To nurture and impart TVET knowledge, skills and attitudes through research, innovation and technological training to trainees for self-reliance and Sustainable Development.

(c) Key Management

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

- Board of Governors
- Accounting officer/ Principal
- Management
- Heads of Departments

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

(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	Carolyne K. Muguna Michael Maina
2	Deputy Academics Principal	Nkarichia S. Karwitha
3	Deputy Administration Principal	Juliah Kabiru Mutuiri James Muthumbi Karuri
4	Registrar	Jotham Khisa Christopher Tanui
5	Dean of Students	Christopher Tanui Dorothy Taitumu
6	Finance officer	Roseline Kanyiri
7	Procurement officer	Fridah Gacheri Emmanuel Nkiria Kiogora
8	Performance contracting coordinator	Patrick Lemarleni
9	HoD Institutional Management	George Manesa
10	Quality Assurance Officer	Doris Wangui Muturi






(e) Fiduciary Oversight Arrangements

S/No	Name of the Committee	Members
1	Finance & Operations	1. Rephah Mumbua Kitavi-Chairperson 2. Batista Miriti -Member 3. Dancan Nyabochoa-Member 4. Carolyne K.Muguna/Michael Maina -Secretary
2	Audit and risk	1. Samwel Akweyu - Chairperson 2. Arina Archer Omollo- Member 3. Virginia Kawira -Member 4. Internal Auditor -Secretary
3	Academic & Research	1. Flora Gacheri - Chairperson 2. Catherine M.Gitonga- Member 3. Archer Arina Omollo-Member 4. Carolyne K.Muguna/Michael Maina -Secretary






Key Entity Information and Management (Continued)

- (f) **Mukiria Technical Training Institute Headquarters**
P O Box 1093-60200
Meru
Meru- Nkubu Highway
Meru County,
Kenya
- (g) **Mukiria Technical Training Institute Contacts**
Telephone: (254)716674848
E-mail: info@mukiriatechnical.ac.ke/ mukiriatechnical@gmail.com
Website: www.mukiriatechnical.ac.ke
- (h) **Institute Bankers**
Co-operative Bank
Meru branch
P.O. Box 1328,
Meru-Kenya
- National Bank
Meru Branch
P.O.Box 1174
Meru-Kenya
- (i) **Independent Auditors**
Auditor-General
Office of Auditor General
Anniversary Towers, Institute Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya
- (j) **Principal Legal Adviser**
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya






3.The Board of Governors

 <p>Julius Mbaabu M'Inoti- Chairperson to the Board</p>	<p>Date of Birth:24/08/1962 Diploma in Legal systems-Kenya School of Law Bachelor of Laws-UoN Member of Law Society of Kenya and International Commission of Jurists Professional Qualification-Advocate of the High Court of Kenya and Notary Public & Commissioner for Oaths. Over 30years of Experience as an Advocate. Currently a Managing Partner at Mbaabu M'Inoti Advocates LLP</p>
 <p>Archer Arina Omollo- PS Alternate Representative</p>	<p>Date of Birth:23/04/1967 MSc Technology in Economics and Management BSc Agriculture Extension Education Since 1998 worked in the Ministry of Education as an Education Officer , Currently, in Ministry of Education as the Deputy Director for Technical Training.</p>
 <p>Virginia Kawira-Governor Representative</p>	<p>Date of Birth:16/03/1974 MSc Commerce in Finance & Accounting BEd Arts(Mathematics & Accounting) Diploma in Supply Chain Management Currently Works at the County Government of Meru as a CEO/Secretary –Meru County Public Service Board</p>
 <p>Michael Maina- Secretary to the Board</p>	<p>Date of Birth:10/10/1977 MED, Comparative Education and International Studies Over 22 years' experience in Training and Management in Public Tertiary Institutions. took over from 14th November, 2023</p>
 <p>Dancan Nyabochoa-Board Member</p>	<p>Date: 20/10/1964 Bachelor of Law; First class Honour,Bachelor of Social Legislation, Certificate of continuing professional education. (Audit of Higher Education Institutions) Over 18 years of Experience as an Advocate. Currently –Partner at Momanyi Gichuki & Co Advocates BOG Member keroka technical Institute BOM Member of St. Charles Lwanga Ichuni Girls</p>






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

 Barista Miriti – Board Member	Date of Birth: 24/10/1966 Bachelor degree in Building Economics (Architecture, Design & development), professional Qualification course of Architectural Association of Kenya: Quantity Surveyors Over 20 years as a Quantity Surveyor. A corporate member of the Institute of Quantity Surveyors of Kenya.
 Rephah Mumbua Kitavi- Board Member	Date of Birth: 08/09/1983 MSC finance and investments. B.A. Economics and Business Administration CPA (K), CISA Over 12 years in Finance and Audit A member of ICPAK, AWAK and IIA. Currently working as a Financial Consultant at Royale Training and Consultant Chairperson to Finance & Operations committee
 Flora Gacheri - Board Member	Date of Birth: 14/06/1966 PhD in Education Leadership and Management, MEd ,Distance Education ,BEd(Arts) (Geography and History) Worked at Kenya Methodist University as Administrative Officer (AO) in Directorate of Virtual and Blended Learning (DVBL) formally Directorate of Open and Distance Learning (ODL) and a part- time lecturer in the Department of Education and Social sciences. Currently a Full time Lecturer in the School of Education and Social Sciences. Chairperson to Academic & Research committee
 Catherine M Gitonga – Board Member	Date of Birth: 1966 BEd Early Childhood development Education Over 30 years of training. Currently working as a Deputy Head teacher Mukuria Primary and Junior Secondary school.
 Samwel Akweyu – Board Member	Date of Birth: 10/04/1967 P.G.D. E Diploma in Education Management (KEMI) B.Ed. (Arts), Worked at St.Peters Mois Bridge Secondary School-Principal. Missions of Hope International - Regional Education Coordinator Currently working at Missions of Hope International - Education Officer Chairperson of Audit & Risk Committee

4. Key Management Team



No.		Designation	Remarks
1.	 Carolyn K Muguna MEd, Education Planning & Management	Principal	Responsible for operational management, development and implementation of policies and programs of the institution. Served until 14 th November 2023
2.	 Michael Maina MEd, Comparative Education and International Studies	Principal	Responsible for operational management, development and implementation of plans, policies and programs of the institution. Took over from 14 th November 2023
3.	 Karwitha S. Nkarichia BEd, Home Economics (Double Major), MA, Counselling Psychology (ongoing)	Deputy Principal Academics	Assist the principal in operational management, development and implementation of plans, policies and programs of the institution. Served till when
4.	 Mutuiri Juliah Kabiru BEd Home Economics, MEd Guidance and Counselling	Deputy Principal Administration	Assist the principal in operational management, development and implementation of plans, policies and programs of the institution. Served up to 17 th November 2023
5.	 James Karuri BSc, Electrical Engineering	Deputy Principal Administration	Assist the principal in operational management, development and implementation of plans, policies and programs of the institution. Took over from 19 th Feb 2024

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

No.		Designation	Remarks
6.	 Christopher Tanui BSc Hospitality & Tourism Management	Registrar	Responsible in admission and maintenance of trainees records and data .
7.	 Dorothy Taitumu BSc Hospitality & Tourism Management	Dean of Student	Responsible in overseeing the trainees welfare
8.	 CPA Roseline Kanyiri BCom (Accounting Option) ,CPA.K,	Finance Officer	Responsible to oversee and advise on financial matters.
9.	Fridah Gacheri	Procurement Officer	Responsible to oversee the procurement operations Served till
10.	 Emmanuel Nkiria Kiogora Bachelor in Purchasing and Supplies Management	Procurement Officer	Responsible to oversee the procurement operations Took over from 1 st Feb,2024
11.	 Patrick Lemarleni BSc Technology Education - Building and Construction	Performance Contracting Coordinator.	Supervises activities in the Building and Civil department

Mukiria Technical Training Institute

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

No.		Designation	Remarks
12.	 George Manesa BSc Hospitality Management	HoD Hospitality & Tourism	Supervises activities in the Hospitality & Tourism department
13.	 Doris Wangui Muturi BSc Building and Civil Engineering.	Quality Assurance Officer	Coordinates and oversees quality processes in the institution.

5. Chairman's Statement

I am pleased to present the annual report and financial statement of Mukiria Technical Training Institute for the year ended 30th June 2024.

Right from its inception to date, Mukiria Technical Training Institute has matched forward to spread the light of education and pave the path of academic excellence for every student. The demand for TVET programmes in the country has continued to rise prompting the institution to continually introduce academic programmes that correspond to the demand of the market. The objective of the Board is to position the Institute main programmes within the context of the market requirements, cost rationalisation, equity and customer satisfaction.

During the financial year 2023/2024 period, the following key achievements were realized:

- Increased student's enrolment to over 3000
- Establish and Strengthened collaboration and liaison with key local industries where the Institute can attach its trainees.
- Established collaboration with other TVET institutions.
- Rolled out 45 new CBET courses that are accredited by TVETA and registered the institution as a CBET assessment centre with CDACC.
- Established public private partnership to address the shortage of equipment for the increased population growth.
- Participated in KATTI activities at regional and National levels.
- Strengthened marketing strategies which prompted population growth.
- Established a conducive environment which led to excellent performance in exams and curriculum activities.
- Ensured competent trainees leaders were elected and inaugurated in their respective offices.
- Development of strategic plan FY 2024-2028

The aim of Mukiria Technical Training Institute is to produce skilled globally competitive employable and self-reliant human resource. To achieve this, our highly committed staff and trainees aim even higher and work tirelessly to remain at the pinnacle of their achievements.

The Institute received GoK capitation/Scholarship, HELB loans /bursary and CDF bursary for the trainees. This funding has enabled the Institute acquire equipment that will make it go a long way in ensuring that trainees are equipped with relevant skills therefore increasing their marketability.

On behalf of the Board, I would like to offer our sincere gratitude to everyone that has and continues to be a part of the fabric of our unique and extremely special institution. The Government for its financial support so far that has made it possible to implement the Core mandate of the Institute, the Principal and the management team, for the outstanding commitment to leadership and excellence in times of crisis and without whom none of this could have been possible, the staff who remain unwavering and dedicated to providing our trainees with the tools required to succeed in their lives and careers, the students – both past and present, who have faith in our ability to deliver on their behalf-placing their destinies in our hands, and to my fellow Board members who have selflessly and tirelessly continued to provide guidance,

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

experience and stewardship to our incredible Institution and has been committed to provide visionary leadership and take the Institute to the next level

Recognizing the necessity of embracing competency-based training and adapting to evolving operational environments, and recognition of prior learning, Mukiria Technical Training Institute remains committed to consultations with stakeholders within and beyond the Institute. This collaborative effort has culminated in the development of a Strategic Plan that continues to guide the Institute towards its long-term goals, maximizing the opportunities and resources at our disposal.

In alignment with the Kenya Bottom-Up Economic Plan, this focuses on empowering grassroots communities and fostering inclusive growth, our Strategic Plan aims to contribute to national development by enhancing skills and competencies that drive economic prosperity. By integrating the principles of the Bottom-Up Plan, we seek to ensure that our training programs are accessible and beneficial to all segments of society, particularly the underserved populations. With this Strategic Plan 2024-2028, we anticipate significant enhancements in all our endeavours, driven by a collective ownership of our Mission and Vision. We are dedicated to the active and successful execution of the Strategic Plan, viewing any challenges not as obstacles but as opportunities to mobilize and collaborate more effectively.

We are committed to fulfilling our obligations as outlined in the Service Delivery Charter and eagerly anticipate the successful implementation and evaluation of the Strategic Plan. Let us unite as a team, fostering a path towards assured success.


Julius Mbaabu M'Inoti

Chairman of the Board

Date: 28/04/2025

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

6. Report of the Senior Principal

Presented herein is the Annual report and financial statement of Mukiria Technical Training Institute for the year ended 30th June 2024 as per requirements by the PFM Act , 2012 and Public Audit Act, 2015 and TVET Act,2013.

Financial Performance

The total income for the year 2023/2024 was Ksh. **217,670,481** compared to Ksh **130,109,644** for the year 2022/2023. There was an increase of **Ksh 87,560,836** The total expenditure was **Ksh 144,399,712** as compared to the expenditure for the previous year of **Ksh 111,703,258**.The expenditure increased by **ksh 32,696,455**.During the financial year, the institute reported a surplus of **Ksh 73,270,768** as compared to a surplus of **Ksh 18,406,387** in Financial Year 2022/2023. The surplus was as a result of the number of trainees increased compared to previous year, GOK scholarship and increased uptake of HELB loans

Non-financial information

(a) Academic programme

During the financial year under review the Institute had 7 Academic Departments. Namely:

1. Business studies and Entrepreneurship department
2. Computing and Informatics
3. Mechanical & Automotive Engineering
4. Hospitality and Institutional Management
5. Building and Civil Engineering
6. Electrical and Electronics Engineering
7. Agriculture and Environmental Studies

(b) Student population

The Institute admits students allocated by KUCCPS, walk in placements and outsourcing from high population catchment areas. By the end of the 2023/2024 financial year, the Institute had a population of over 3,500 trainees. The number is expected to rise to over 4,500 trainees in the 2024/2025 financial year. This will be achieved through:

- Aggressive marketing of the institute programmes.
- Expansion of the institute training facilities to accommodate more trainees.
- Mounting of academic programmes that are market demand driven.
- Improved internal and external academic performance
- Strengthened collaborations with local industrials and other institutions of higher learning

(c) ISO/ISMS Certification

The Institute continued to maintain its ISO 9001:2015 & ISMS certification in the year under review. This certification led to improved internal operations mainly because the documented procedures are articulately followed and are being complied with. Internal audits were conducted in the year to determine the level of adherence with the ISO/ISMS and QMS procedures. Surveillance audit from KEBS was conducted and the institute is in the process of organizing refresher training for the staff.

(d) Performance

In the financial year 2023/2024, the institute made the following achievements;

- Increased students' enrolment to over 3500
- Construction of modern student ablution block
- Construction of Tution and Workshop block phase 11

- Renovation and Equipping workshops .
- Improved ICT infrastructures by installation of optic fibre, structured cabling network, increased from 15mpbs to 50mpbs, renovation of computer labs and equipping, jitume lab equipped with 100 computers to enable online business.
- Upgraded the website to publicise the institution.
- Enhanced access to student portal to ease service delivery
- CBET training to trainers to keep them abreast.
- Capacity Building and benchmarking for trainers including outside the country.
- Overseen the construction of Igembe Central TVC

(e) Corporate Social Responsibility

The institute embarked on the following CSR activities within the year:

- Construction of Nyweri Primary school kitchen.
- Mentorship programmes.
- Visiting the less fortunate such as children's home through the students clubs and societies.
- Hiring casuals from the community.

(f) Professional development

Professional development of our staff remains a key priority and the latest data from the Human Resource department shows that the highest numbers of our academic staff have at least a degree qualification or are finalizing their degree programmes. Most staff in Administration department have the required qualifications and experience.

(g) Student employability

The institute continues to work to increase student engagement in their future career and employment opportunities. The institute has taken some initiatives to integrate employability and sustainability into the curriculum as features of good practice at the Institute. Work-based placement or attachments are part of the students' academic studies. The institute offers career guidance and encourages students to seek workplace internships and volunteering opportunities. The institute is endeavouring in dual training where the trainees will be assured of practical training.

Challenges

The institute encountered a number of challenges during the year.

- The ballooning wage bill is technically unsustainable. This is brought by the increased number of 97 BoG Staff compared to 39 PSC staff.
- The institute is committed to implementing its strategic plan. However, it is forced to curtail its operation as a result of the reduced Government capitation and grants. The institute relies heavily on fees from students which is wholly from Government funding and HELB with over 70% of the budget coming from the Government.
- The land of approx. 2.5acres is not able to sufficiently hold the population of over 3000 trainees.

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

Way Forward

The above challenges have negatively impacted on the institute performance. However, the institute has taken actions to manage costs in order to improve the operating performance for the subsequent years.

In the financial year 2024/2025, the institute will focus on the implementation of its strategic plan and transformation towards being a Centre of excellence in the provision of globally competitive and innovative Technical Vocational Education and Training.

The institute will focus on excellent teaching staff, high quality teaching, physical and technological infrastructure, student experience, support provision, student retention and employability. Through judicious financial management, Mukiria TTI will be able to maintain its high academic standards, while ensuring that critical infrastructure and academic projects and maintenance of existing assets are not compromised. In order to attract more students, the institute will also come up with a predictable institute calendar, make efforts to curb students and staff unrest by engaging students and staff in dialogues through meetings. Staff development will also be given priority. Mukiria TTI will diversify the sources of income and increase the allocation to research. We shall encourage public-private-partnerships in funding institute education.

Credit is owed to our tremendous Board of Governors, staff, trainees, Government, industry, donors and community. I would like to thank all, because the efforts you put enable Mukiria TTI to make valuable contributions to society. The journey ahead may be increasingly difficult, but let us not be weary as difficult roads will often lead to beautiful destinations.

I look forward to the same cooperation and enthusiastic participation in 2024/2025 financial year.

Thank you, and God bless you.



Michael Maina

Senior Principal/Secretary to the Board

Date: 28/4/2025

7. Statement of Performance against Predetermined Objectives

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

Mukiria Technical training institute has 5 strategic pillars and objectives within current Strategic Plan for the FY 2018-2023. These strategic pillars are as follows:

- Pillar 1: Governance
- Pillar 2: Access and equity
- Pillar 3: Physical Infrastructure
- Pillar 4: Training and research
- Pillar 5: Collaboration

Mukiria TTI develops its annual work plans based on the above 5 pillars. Assessment of the institute’s performance against its annual work plan is done on a quarterly basis. The Institute achieved its performance targets set for the FY 2023/2024 period for its 5 strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements/ Output
Pillar 1: Governance	Improve institutional corporate governance	<ul style="list-style-type: none"> • Developed Policies • Competent leaders • Qualified staff 	<ul style="list-style-type: none"> • Review the remaining institutional policies to align with the strategic plan. • Carry out capacity building for the Top Management and the Staff on leadership. 	<ul style="list-style-type: none"> • Reviewed policies • Capacity building for staff undertaken
	Mobilize financial resource to fund strategic	<ul style="list-style-type: none"> • Proposals 	<ul style="list-style-type: none"> • Prepare and present 3 proposals per year for funding to the Government 	<ul style="list-style-type: none"> • More funding for the Institute

Mukiria Technical Training Institute

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

	plan		<ul style="list-style-type: none"> through the MoE Enhance income generating activities 	<ul style="list-style-type: none"> Income generating activities enhanced
Pillar 2: Access and equity	Increase student enrollment	<ul style="list-style-type: none"> Student enrollment increased 	<ul style="list-style-type: none"> Marketing through door to door advertisements, use of posters, media and brochures, Participation in Tvet fairs and exhibitions and one on one meeting. Introduce market driven courses Sensitize students and parents on various avenues of funding Dual training for trainees 	<ul style="list-style-type: none"> Increased student population MoU with industry
	Promote equity on the programs offered in the institute		<ul style="list-style-type: none"> Sensitization on the programs offered in the institute Industrial exposure through educational trips 	<ul style="list-style-type: none"> Electronic and Print Advertisements Print outs of brochures
Pillar 3: Physical Infrastructure	Improve and expand Institutional Infrastructure	<ul style="list-style-type: none"> Workshops, lecture rooms and ICT infrastructure improved 	<ul style="list-style-type: none"> Equip the library Equip all the academic departments Maintain current infrastructure in good condition Construct a food and beverage complex Acquire additional 2 acres of land Construct a tuition & Workshop block 	<ul style="list-style-type: none"> Workshops, lecture rooms and ICT infrastructure in place

Mukiria Technical Training Institute

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

			funded by the Board	
Pillar 4: Training and research	Introduce new academic programs	<ul style="list-style-type: none"> Increased learning programs 	<ul style="list-style-type: none"> Establish general agriculture program Establish at least 2 CBET curriculum 	<ul style="list-style-type: none"> Increased student population
	Streamline curriculum-based research	<ul style="list-style-type: none"> Projects undertaken and written 	<ul style="list-style-type: none"> Assign trainee's supervisors during research project writing Purchase research guide books Establish research coordinator office 	<ul style="list-style-type: none"> Well-coordinated project writing process
	Enhance innovation	<ul style="list-style-type: none"> Innovations developed 	<ul style="list-style-type: none"> Participate during innovation competitions Patenting of innovations 	<ul style="list-style-type: none"> students acquire more knowledge
Pillar 5: Collaboration	Enhance collaboration with the industry	<ul style="list-style-type: none"> Signed MoU's 	<ul style="list-style-type: none"> Sensitization on skills offered at the institute Sign MoUs Timely feedback Timely information Competent personnel handling information 	<ul style="list-style-type: none"> Cordial relationship with industries

8. Corporate Governance Statement

Mukiria Technical Training Institute is committed to exhibiting best practices in all aspects of corporate governance as guided by the TVET Act, 2013 and the Mwongozo Code of Governance. Every TVET Institution is governed by a governing body in the form of a Board of Governors (BOG) which is responsible for providing the required leadership in developing appropriate plans and strategies that will contribute to a sustainable execution of its mandate to satisfy the socioeconomic advancement of the nation and the region. Each Institution is headed by a Principal, who acts as the secretary to the governing BOG. The BOG consists of the Chairperson and 8 other members as spelt out in the TVET Act, 2013. In Kenya, the TVET Act, 2013 gives the composition of the BOG as follows:

- (a) A chairperson;
- (b) A representative of the PS in the Ministry responsible for TVET.
- (c) A representative of the Governor in the county
- (d) Six other persons appointed from the fields of;
 - (i) Leadership and management;
 - (ii) Financial management;
 - (iii) Technology;
 - (iv) Industry;
 - (v) Engineering;
 - (vi) Information Communication Technology/legal

There must be at least two thirds gender representation in the membership.

Appointment

The Board is appointed by the Cabinet Secretary with a three-year term renewable once and for seamless, one or two members are re-appointed.

In the year 2023/2024 the following board members served the institute:

1. Mr Julius M.M'Inoti
2. Mr.Arina Archer
3. Ms.Rephah M Kitavi
4. Mrs Catherine Gitonga
5. Mrs Flora Gacheri
6. Mr Dancan Nyabochoa
7. Mr Batista Miriti
8. Mr Samwel Akweyu
9. Ms Virginia Kawira
10. Mrs.Carolyne K. Muguna-Handed over on 14th November, 2023
11. Mr.Michael Maina-Took over from 14th November, 2023

Meetings of the Board

The BoG meets quarterly on average, and time to time special meeting are organised to cater for emerging issues which cannot wait for the scheduled meetings.

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

The meetings of the Board held during the financial year are as indicated in the table below.

	Name		Full Board	Finance committee	Academic committee	Audit Committee	Adhoc Committee
1.	Mr Julius Mbaabu M'Inoti	Chairman	100%	NO	NO	NO	100%
2.	Mr. Archer Arina	BoG Member	60%	NO	100%	100%	0%
3.	Ms.Rephah Kitavi	BoG Member	80%	100%	NO	NO	0%
4.	Mrs Catherine Gitonga	BoG Member	100%	NO	100%	NO	0%
5.	Dr.Floria Gacheri	BoG Member	100%	NO	100%	NO	0%
6.	Mr Dancan Nyabochoa	BoG Member	80%	100%	NO	NO	0%
7.	Qs Batista Miriti Nanu	BoG Member	100%	100%	NO	NO	0%
8.	Mr Samwel Akweyu	BoG Member	100%	NO	NO	100%	0%
9.	Ms Virginia Kawira	BoG Member	80%	NO	NO	67%	0%
10.	Mrs.Carolyne K. Muguna	BoG Secretary	60%	25%	0%	NO	100%
11.	Mr. Michael Maina	BoG Secretary	40%	50%	67%	NO	0%
	Total Meetings		5	4	3	3	1

NB:

- ✓ Carolyne K. Muguna- Handed over on 14th November,2023 and Michael Maina took over from 14th November,2024.

Board Committees

The BoG has 3 working sub-committees:

- i. Academic and Research,
- ii. Finance & Operations
- iii. Audit and Risk Governance.

The Sub-Committees can co-opt persons of special expertise during their deliberations.

All Committees of the Board have an appointed chairperson. The decisions, reports and recommendations of these committees are formally reported to the Full Board.

ACADEMIC COMMITTEE

1. Dr. Flora Gacheri
2. Mrs Catherine Gitonga
3. Mr. Archer Arina
4. Mr. Michael Maina

FINANCE COMMITTEE

1. Ms Rephah Kitavi
2. Qs Batista Miriti
3. Mr. Dancan Nyabochoa
4. Mr. Michael Maina

AUDIT COMMITTEE

1. Mr. Samwel Akweyu
2. Mr. Archer Arina
3. Ms. Virginia Kawira

Finance Committee

The Finance Committee is responsible for monitoring and advising Board on the financial health of the institute, including the financial strategy, budget setting, annual accounts, investment activity, and consideration of capital expenditure. The Committee also has responsibility for monitoring institutional level Key Performance Indicators in order to measure and monitor institute performance against agreed strategies and targets. The Committee also monitors and advises on the conduct of the institute estates/infrastructure activity including revenue and capital expenditure. The Committee may draw on professional expertise beyond that available within the Board membership.

The Committee monitors and reviews the development and implementation of good governance practice. The Committee is responsible for the oversight of human resource strategy, policies and associated procedures including the use of performance and development systems, indicators and benchmarks.

Audit Committee

The Audit Committee has responsibility for monitoring the effectiveness of the institute's risk management, control and governance arrangements, along with the arrangements to promote economy, efficiency and effectiveness throughout the institution, and advises the Board accordingly. The Committee exercises oversight over internal audit arrangements. It considers internal audit reports and recommendations for the improvement of the institute's systems of internal control, together with management's responses and implementation plans. The Committee also exercises oversight over external audit arrangements, such as the nature, scope

and effectiveness of the process, and considers the audit aspects of the institution's financial statements.

Academic Committee

The Academic Committee of the Board assists the Board in fulfilling its oversight of the institute academic programs, strategic academic plans, student learning, graduation matters and related activities such as:

- i. To advise Board on students' access and admissions, curriculum design, course and fees structure, academic and mentoring support, provision and use of learning resources and students' welfare.
- ii. To establish and review structures and mechanisms for assuring the implementation of academic policies, the maintenance of standards and enhancement of good practice;
- iii. To oversee and co-ordinate activities associated with national and external agencies involved in quality assurance;
- iv. To consider the overall balance of academic activities and provision of resources;
- v. To develop, amend, repeal and approve regulations concerning academic programmes;
- vi. To consider and advice Board on all matters related to research and innovation in the Institute.

Ad hoc Committee

The Board may appoint an ad hoc committee to handle special matters.

Remuneration of the BOG

The Chairperson and other members of the Board, other than the Secretary to the Board (Principal), do not receive a salary. They are however paid a sitting allowance for every meeting attended. The Chairperson does not receive honoraria as stipulated in the Government communiqué. The committee members do not receive any remuneration apart from the reimbursement of expenses incurred while on the institute duties.

Conflict of Interest

Board members have a statutory duty to avoid situations that they have interests that may conflict with those of the Board. Members of the Board are obligated to disclose to the Board any real or potential conflict of interest which may come to their attention whether direct or indirect. During every meeting, an agenda item exists which requires members to make declarations of any conflict of interest. In the 2023/2024 financial year no conflict of interest arose in the conduct of Board business.

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

Ethics Conduct

The Board, Management and members of staff of Mukiria Technical Training Institute are required to conduct themselves with integrity and professionalism in accordance with the code of conduct and ethics of the institute.

During the 2023/2024 financial year Mukiria Technical Training Institute continued to strengthen ethical conduct of their staff through training and sensitization of staff members on corruption risk assessment and enforcement of preventive measures.

Succession Planning

The Board of Governors is the overall governing organ of the institute. The appointment of the members of the Board is done by the Cabinet Secretary of the Ministry of Education. The Principal Secretary ensures that there is a staggering of the Board members retirement dates so that all the members do not retire the same time.

Board charter

The Institute has a Board Charter which guides its operations.

Board Inauguration, Induction, Retreat and Training

No new board members in the FY 2023/2024. The Board attended retreat from 18th June, 2024 to 22nd June, 2024.

9. Management Discussion and Analysis

SECTION A

The Institute's Operational and Financial Performance

REVENUE

Table 1 below is the analysis of the revenue received during the financial:

Table 1: Sources of Revenue

	FY 2023/2024	Percentage Of Total Revenue	FY 2022/2023	Percentage Of Total Revenue
GoK	Kshs.			
Transfer from GOK-Operation	89,308,116	36.2%	38,348,125	28.3%
Appropriation in Aid				
Rendering of services- fees from students	123,603,487	50.1%	91,574,749	67.6%
Other Income	4,758,878	1.9%	186,770	0.1%
Total Appropriation in Aid	128,362,365	52%	91,761,519	68%
Total Revenue	217,670,481	100%	130,109,644	100%

The major source of the Institute revenue during the FY 2023/2024 was fees from students which include transfer from GOK or Government grants. The Institute received from the government Ksh. 89,308,116. The revenue from rendering of services was Kshs. 123,603,487 (50.1%) of the total revenues and revenue from other income generating activities was Kshs. 4,758,878 which is 1.9% of the total revenue.

Table 2: Comparison of Revenue for FY 2023/2024 and FY 2022/2023

Appropriation in Aid (AIA)- the total AIA for the year was Kshs. 128,362,365 as compared to Kshs. 91,761,519 in the previous year. An increment by 40% due to rise in the number of trainees and increased uptake of HELB loans and Busaries. This increase has been evidenced by rise in other Income from the CBET training hire of facility received of Ksh2,577,500 and Meru University of Science and Technology students ksh 1,770,900 of training with the mechatronics equipment.

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

	FY 2023/2024	FY 2022/2023	Increment	
	Kshs.	Kshs.	Kshs.	%
Transfer from GOK	89,308,116	38,348,125	50,959,991	133%
Transfer from GOK-Development	28,982,738	5,316,154	23,666,584	445.2%
Total GOK	118,290,854	43,664,279	74,626,575	170.9%
Appropriation in Aid				
Tuition and Other Fees	123,603,487	91,574,749	32,028,738	35%
Other Income	4,758,878	186,770	4,572,108	
Total Appropriation in Aid	128,362,365	91,761,519	36,600,846	40%
Total Revenue	246,653,219	135,425,798	111,227,421	82%

Table 3: Expenses

The total operational expenses for the year amounted to Kshs. 144,399,712. The expenses are analysed as follows:

Expenses	FY 2023/2024	% of total Expenses
	Kshs	
Operational Expenses		
a) Personnel Emoluments	26,461,748	18%
b) RMI Costs	13,937,025	10%
c) Board Expenses	5,463,760	4%
d) Other Operational Expenses	84,138,248	58%
e) Depreciation	14,398,932	10%
Total Expenses	144,399,712	

Table 4: Comparison of Expenses for FY 2023/2024 and FY 2022/2023

Expenses	FY 2023/2024	2022/2023	Variance	
	Kshs	Kshs	Kshs	
a) Personnel Emoluments	26,461,748	21,628,835	4,832,913	22%
b) RMI Costs	13,937,025	3,456,287	10,480,738	303%
c) Board Expenses	5,463,760	5,952,177	-488,417	-8%
d) Other Operational Expenses	84,138,248	61,675,791	22,462,456	36%
e) Depreciation	14,398,932	18,990,167	-4,591,235	-24%
Total Expenses	144,399,712	111,703,258	32,696,455	29%

- i. **Personnel Emoluments**—Personnel emoluments amounted to Kshs.26,461,748 of the total expenditure for the year. The personnel emoluments increased by Kshs. 4,832,913 (22%) from previous year due to increased pay to staff and employer contribution to statutory requirements.
- ii. **Maintenance cost**—The cost increased by ksh 10,480,738 *i.e 303% from previous year*. More repairs were done including cabro laying at the parking area, renovations of ICT and Jitume Lab,workshops and offices, common room and the compound generally.
- iii. **Board Expenses** –The expenses decreased by **ksh 488,417 (8%)** since the retreat was for 3 days and no frequent adhoc committees in the year.
- iv. **Other Operational Expenses**-Increased expenses by **ksh 22,462,456 (36%)** during the year due to increased number of trainees, CBET training and exam materials are generally high, marketing cost,ISO certification cost,KUCCPS payment, optic fiber installation, registration of new courses by TVETA,rise in fuel and electricity cost, Local and foreign travels and trainings among others . Inflation is also a factor to increased costs.

10. Environmental And Sustainability Reporting Statement

Mukiria T.T.I exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below are highlights of strategies and activities that promote the organisation's strategic objectives.

Sustainability strategy and profile

Mukiria Technical Training Institute has established several strategies to ensure sustainability of its programs amidst many challenges facing the management. The Board has engaged collaborations with the National Government through MoE under the State Department of Vocational and Technical Training for policy direction and funding on major projects. In

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

In addition, we have also enhanced collaborations with the County Government through the CDF for students' sponsorships and community mobilization in development activities. Mukiria TTI will strive to acquire additional land for expansion of the institute. The management has aggressively invested in the installation of ERP system for efficiency and effectiveness in management process and data processing. In addition, we are refurbishing the institute website for marketing and for effective communication to all our stakeholders. Marketing of courses both locally and nationally to attract trainees to equip them with hands on skills for employability and self-employment. The management is committed to continual improvement of the face of the institute by, paving the pathways to improve cleanliness as well securing the facility by proper fencing.

Environmental performance

The management is in the process to plan on planting of trees under the green economy for sustainable environment. In addition, we have improved our environment by planting flowers along designated pathways and gardens for general aesthetics. The Institute disposes its wastes appropriately both the WC waste and waste waters through the sewerage system. Adequate sanitation areas with hand wash have been provided for maintenance of hygiene. Provision of clean water for consumption and for general cleaning through collaborations with water project in the locality. Need to increase water reservoirs and connectivity for treated water systems to prevent water borne diseases.

Employee welfare

The BOG recruits qualified staff both trainers and support staff equity based on the need. The recruitment is guided by MoE which details the terms and references of engagement of staff. The management observes integrity, professionalism, gender and disability inclusivity, as well as stakeholder involvement. The Board has developed staff establishment and career progression policy for Mukiria TTI BOG staff. We undertake annual staff appraisal and training Needs assessment to establish gap for capacity building. Mukiria TTI complies with Occupational Safety and Health Act of 2007, (OSHA).

Market place practices-

The organisation should outline its efforts to:

The Institute outline its efforts to:

- a) Responsible competition practice.

The institute upholds section 6 of the constitution of Kenya for all of the officers while on duty. The management has continually sensitized both staff and students on corruption prevention matters. The service charter in English and Swahili has clearly been displayed to all designated areas.

- b) Responsible Supply chain and supplier relations – The management implement the Public Procurement and Disposal Act of 2012 and its Regulations of 2016 in all its

procurement for goods, services and contracts.

- c) Mukiria TTI advertises our training programs through our website, the media, door to door marketing strategies through the local administration and personal selling through good examination performance and quality services and customer focus.
- d) Product stewardship - Our customer rights and interests have been safe guarded by ensuring clear communications to our customers through relevant offices. We also provide newsletters to convey crucial and authentic information to the trainees. We use authorized communication channels, the official addresses, mobile numbers and emails.

Corporate Social Responsibility / Community Engagements

The institute embarked on the following CSR activities within the year:

- Construction of Nyweri Primary school kitchen.
- Mentorship programmes.
- Tree planting.

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

11. Report of the Board of Governors

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

Principal activities

The principal activities of the Institute are:

- a. To conduct training at tertiary level in technical and vocational education and training fields.
- b. To determine curricula appropriate for training of the various manpower category and specialization required by the labour market through careful selection of available syllabi from local or international institutions recognized by the Ministry of Education (MoE).
- c. To foster linkages with industry and other institutions for the promotion of quality and relevant training.
- d. To promote and inculcate entrepreneurial skills and culture within the institute's staff and students.
- e. To conduct Applied Research.
- f. To undertake income-generating activities through production, consultancy and tailor-made short courses, in-service courses, equipment and facility hiring and hospitality services to compliment Government grants and fees revenue.
- g. Foster spiritual growth among community members both staff and trainees.

Results

The results of the institute for the year ended June 30th, 2024 are set out on page 1

Board of Governors

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

Auditors

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

By Order of the Board



Michael Maina
Secretary of the Board

Date: 28/4/2025

12. Statement of Board of Governors Responsibilities

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

The Board members are responsible for the preparation and presentation of the Institute's financial statements, which give a true and fair view of the state of affairs of the Institute, for and as at the end of the financial year (period) ended on June 30, 2024. This responsibility includes:

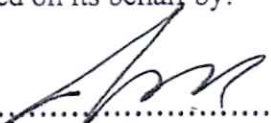
- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Institute;
- (iii) Designing, 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 Institute.
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

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

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

Approval of the financial statements

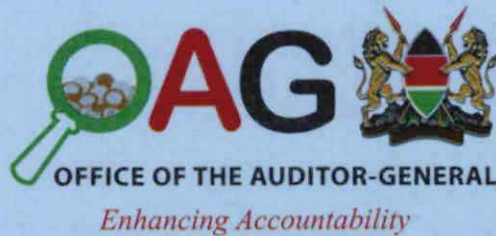
The institute's financial statements were approved by the Board on 28/4/2025 and signed on its behalf by:


.....
Julius Mbaabu M'Inoti
Chairperson of the Board


.....
Michael Maina
Accounting Officer/Principal

REPUBLIC OF KENYA

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

The accompanying financial statements of Mukiria Technical Training Institute set out on pages 1 to 36, which comprise of the statement of financial position as at 30 June, 2024,

the statement of financial performance, the statement of changes in net assets, the 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, have been audited 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Mukiria 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 Financial Reporting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Long Outstanding Receivables from Exchange Transactions

The statement of financial position, reflects current portion of receivables from exchange transactions balance of Kshs.88,796,716 which includes student debtors balance of Kshs.88,076,704 and as disclosed in Note 18 to the financial statements. In addition, review of the ageing analysis reveals that the receivables from exchange transactions balance of Kshs.88,796,716 includes a balance of Kshs.26,639,015 which has been outstanding for over three years. Further analysis show that the student debtors increased from Kshs.68,401,862 from the previous year to Kshs.88,076,704 in the year under review by Kshs.20,394,854 (30%). The huge increase in the student debtor's receivables may be an indication of a lack of effective debt collection strategies. However, there was no policy on the impairment of long-standing fees arrears casting doubt on the fair statement of the accounts receivable balance.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.88,796,716 could not be confirmed.

The audit was conducted in accordance with the International Standards on Supreme Audit Institutions (ISSAIs). I am independent of the Mukiria 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

1. Budgetary Control and Performance

The statement of comparison of budgeted versus actual amounts reflects the final receipts budget and actual on a comparable basis of Kshs.242,252,435 and

Kshs.227,904,697, respectively, resulting in underfunding of Kshs.14,347,738 or 6% of the budget. The Institute spent Kshs.129,340,513 against actual receipts of Kshs.227,904,697 resulting in an under-utilization of Kshs.98,564,184 or 43% of actual receipts.

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

2. Unrealized Technical Capitation

Review of capitation records revealed that, during the year under review, the Institute received a capitation grant of Kshs.89,308,116 from the Ministry of Education, Technical and Vocational Department. The National Education Management Information System (NEMIS) reported a total number of three thousand eight hundred and thirty-nine (3,839) students from the enrollment records provided. However, the expected capitation during the financial year was Kshs.115,170,000 resulting in underfunding of Kshs.25,861,884,

In the circumstances, there was negative service delivery to the public.

The under-utilization affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of these matters.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Issues

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources and Effectiveness of Internal Controls, Risk Management and Governance. However, some issues remained unresolved as at 30 June, 2024 contrary to Section 31(1)(a) of Public Audit Act, 2015 which states that within three months after Parliament or the County Assembly has debated and considered the final report of the Auditor General and made recommendations, a state Organ or a public entity that had been audited shall, as a preliminary step, submit a report on how it has addressed the recommendations and findings of the previous year's audit.

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. Non-Compliance with Staff Ethnic Composition

Review of staff records revealed that the Institute was not in compliance with the staff ethnicity requirement, as stipulated by relevant laws and diversity policies. It was noted that fifty-six percent (56%) of the total workforce of one hundred and nineteen (119) staff members belong to the dominant community, raising concerns about adherence to fair recruitment and inclusivity principles.

Further, the Institute employed fourteen (14) staff during the year. However, seven (7) of those fourteen (14) were from the dormant community. This was contrary to Section 7(2) of the National Cohesion and Integration Act, 2008, which provides that the staff establishments of public entities are to reflect the diversity of the people of Kenya, with at least 30 % of employees expected to be from other ethnic communities.

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

2. Delayed Completion and Handover of Igembe Central Technical Vocational Center

The statement of financial position and as disclosed in Note 20 to the financial statements reflects a balance of Kshs.148,993,363 in respect to plant, property and equipment, which includes a balance of Kshs.41,051,775 as additions during the year, and which further includes an amount of kshs.17,809,354 in respect to payments made towards the mentored institution - Igembe Technical Vocational Center. However, the following were observed;

1. The project was yet to be handed over to the Principal, Igembe Central Technical Vocational Center. However, the scheduled handover that was to take place on 30 April, 2024 never took place, and no substantive explanation was given.
2. Certificate number 9 from Regional works officer indicated that the project was ninety six percent (96%) complete, however, physical inspection of the project in April, 2025 revealed poor work man ship on the floors, walls, electrification system, some sockets were left open, painting and ceiling were poorly done.
3. The letter dated 18/11/2024 by Mukiria Technical Institute indicated that the Institution had paid a sum of Kshs.51,008,138 out of the contract sum of Kshs.59,062,877 with retention money Kshs.5,667,571 and thus a balance from the Ministry of Education totalling Kshs.1,666,585 yet to be disbursed. However, there was no evidence of a retention account to confirm the amount deducted and retained in a separate account.
4. No ownership documents for the land upon which the project was built were provided for the audit.

In the circumstances, the value for money on the Igembe Central Technical Vocational Center payments of Kshs.7,809,354 could not be confirmed.

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. Weak It Controls System

Review of Mukiria Training Institute's ICT environment identified critical gaps that could significantly affect operational efficiency, data security, and ICT governance. Key concerns were the absence of a formal cloud data backup system, leaving the Institute vulnerable to data loss in the event of system failures, cyberattacks, or disasters. While manual backups are performed, there are no verification processes to ensure their completeness and recoverability, increasing the risk of permanent data loss.

2. Lack of Approved Staff Establishment

During the year under review, the Institute incurred an amount of Kshs.26,461,748 on employee costs. However, the Institute provided unapproved staff establishment contrary to Policy B.2(1) of the Human Resource Policies and Procedures Manual for the Public Service, 2016, which requires every public entity to prepare Human Resource Plans based on comprehensive job analysis to support achievement of goals and objectives in their Strategic Plans. It was, therefore, not possible to determine whether the institute operated with an optimal number of staff.

In the circumstances, the controls on optimal staff levels could not be confirmed.

3. Lack of Staff Medical Insurance

The statement of performance reflects employees' cost amount of Kshs.26,461,748, as disclosed in Note 12 to the financial statements. However, a review of the Institute's expenditure reveals that no medical expenses were incurred on staff medical insurance during the year. Additionally, there was no provision for staff medical insurance in the budget and procurement plan.

In the circumstances, actions meant to mitigate health related risks that may impact on employee performance could not be confirmed.

4. Lack of Deposit or Retention Account

The statement of financial position and as reflected in Note 20 to the financial statements reflects Kshs.148,993,363 in respect to property, plant and equipment, including Kshs.41,051,775, respectively being additions during the year. However, the retention amount deducted at a percentage of 10% from the total cost of the amount payable to the contractors was not credited to the retention account.

In the circumstances, the controls on the retention amount deducted could not be confirmed.

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 to cease operations.

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

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

The Board of Governors is responsible for overseeing the Institutes 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.

A 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

05 May, 2025

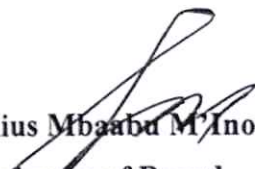
Mukiria Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2024

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

	Notes	2023/2024	2022/2023
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6a	89,308,116	38,348,125
Total Revenue from Non-Exchange transactions		89,308,116	38,348,125
Revenue from Exchange transactions:			
Rendering of services- fees from students	8	123,603,487	91,574,749
Sale of goods	9	2,181,378	135,170
Rental revenue from facilities and equipment	10	2,577,500	51,600
Revenue from Exchange transactions		128,362,365	91,761,519
Total Revenue		217,670,481	130,109,644
Expenses			
Use of goods and services	11	82,703,681	61,675,791
Employee costs	12	26,461,748	21,628,835
Board /Council Expenses	13	5,463,760	5,952,177
Depreciation and amortization expense	14	14,398,932	18,990,167
Repairs and maintenance	15	13,937,025	3,456,287
Contracted services	16	774,300	0
Total Expenses		143,739,445	111,703,258
Net surplus/(deficit) for the year		73,931,035	18,406,387

(The notes set out on pages 8 to 39 form an integral part of the Annual Financial Statements).

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


Julius Mbaabu M'Inoti
Chairman of Board


Michael Maina
Principal


Roseline Kanyiri
Finance Officer
ICPAK No:26894

Date: 28/04/2025

Date: 28/4/2025

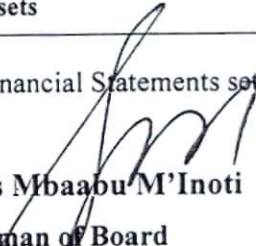
Date: 28/04/2025


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


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

Description	Notes	2023/2024	2022/2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	17	162,946,921	97,995,690
Current portion of receivables from exchange transactions	18	88,796,716	68,401,862
Inventories	19	1,334,382	772,005
Total Current Assets		253,078,018	167,169,557
Non-Current Assets			
Property, plant, and equipment	20	148,993,363	129,284,344
Intangible assets	21	165,000	660,000
Total Non-Current Assets		149,158,363	129,944,344
Total Assets (A)		402,236,382	297,113,901
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	22	36,677,443	34,468,735
Total Current Liabilities		36,677,443	34,468,735
Non-Current Liabilities			
Total non-current liabilities		0	0
Total Liabilities (B)		36,677,443	34,468,735
Net Assets (A-B)		365,558,939	262,645,166
Represented By:			
Revaluation Reserves		51,613,590	51,613,590
Accumulated Surplus		190,990,136	117,059,101
Capital Fund		122,955,213	93,972,475
Net Assets		365,558,939	262,645,166

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


Julius Mbaabu M'Inoti
 Chairman of Board


Michael Maina
 Principal


Roseline Kanyiri
 Finance Officer

Date: 28/04/2025

Date: 28/4/2025

ICPAK No. 26894
 Date: 28/04/2025

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

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

Description	Revaluation reserve	Accumulated Fund	Capital	Total
			Grants/Fund	
At July 1, 2022	0	98,652,714	88,656,321	187,309,035
Adjustment of building	46,333,590			46,333,590
Revaluation of Motor Vehicle	5,280,000	-	-	5,280,000
Surplus/(deficit) for the year	-	18,406,387	-	18,406,387
Capital grants received during the year	-	-	5,316,154	5,316,154
At June 30, 2023	51,613,590	117,059,101	93,972,475	262,645,166
At July 1, 2023	51,613,590	117,059,101	93,972,475	262,645,166
Adjustment of building	0			
Surplus/(deficit) for the year	-	73,931,035	-	73,931,035
Capital grants received during the year	-	-	28,982,738	28,982,738
At June 30, 2024	51,613,590	190,990,136	122,955,213	365,558,939

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

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

Description		2023/2024	2022/2023
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities	6	89,308,116	38,348,125
Grants from donors and development partners	7	0	0
Rendering of services- fees from students	8b	104,854,965	91,574,749
Sale of goods	9	2,181,378	135,170
Rental revenue from facilities and equipment	10	2,577,500	51,600
Total Receipts		198,921,959	130,109,644
Payments			
Use of goods and services	11	82,703,681	61,675,791
Employee costs	12	26,461,748	21,628,835
Board /Council Expenses	13	5,463,760	5,952,177
Repairs and maintenance	15	13,937,025	3,456,287
Contracted services	16	774,300	0
Total Payments		129,340,513	92,713,090
Net Cash Flows from operating activities	23	69,581,445	26,540,507
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		-33,612,951	-48,043,821
Proceeds from sale of property, plant and equipment			
Net cash flows used in investing activities		-33,612,951	-48,043,821
Cash flows from financing activities			
Proceeds From Borrowing		0	0
Repayment Of Borrowings		0	0
Government Development Grants		28,982,738	5,316,154
Net cash flows used in financing activities		28,982,738	5,316,154
Net Increase/(Decrease) in Cash and Cash equivalents		64,951,231	-16,187,160
Cash and Cash equivalents at 1 JULY 2022	17	97,995,690	114,182,850
Cash and Cash equivalents at 30 JUNE 2023	17	162,946,922	97,995,690

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

	Original annual Budget	Adjustments	Final Annual Budget	Actual Cumulative to date	% of Utilization
	a	b	c=a+b	d	e=d/c %
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs
Transfers from other Govt entities & conditional grants Govt grants	103,081,285	20,000,000	123,081,285	118,290,854	96%
Rendering of services- Fees from students	114,390,650		114,390,650	104,854,965	92%
Other Income	4,780,500		4,780,500	4,758,878	100%
Total income	222,252,435	20,000,000	242,252,435	227,904,697	102%
Expenses					
Compensation of employees	27,785,850		27,785,850	26,461,748	95%
Use of Goods and services	88,385,510		88,385,510	82,703,681	94%
Remuneration of directors	5,646,840		5,646,840	5,463,760	97%
Repairs and maintenance	14,612,600		14,612,600	13,937,025	95%
Contracted services	791,000		791,000	774,300	98%
Total expenditure	137,221,800	-	137,221,800	129,340,513	94%
Surplus for the period	85,030,635	20,000,000	105,030,635	98,564,184	94%
Capital Expenditure	85,030,635	20,000,000	105,030,635	33,612,951	32%

(Budget notes)

- *The income from GoK was not received as anticipated and the collection of fees from trainees was not achieved leading to collection to 86%.*
- *Receipt of Ksh 20,000,000 from GoK has led to adjustment. (Presidential Directive)*

Reconciliation between Statement of Performance Statement of budget comparison

	Statement of Performance	Statement of budget comparison	Variance
Transfers from other Govt entities Govt grants	89,308,116	118,290,854	-28,982,738
Rendering of services- Fees from students	123,603,487	104,804,763	18,798,724

- *The difference of ksh 28,982,738 is as a result of fund received from GOK for the construction of mentee institution – Igembe Central TVC and ksh 20,000,000/= for construction of Tuition block.*
- *The statement of financial performance is prepared on accrual basis thus ksh 18,798,724 is reflected as receivable.*

19. Notes to the Financial Statements

1. General Information

MTTI is established by and derives its authority and accountability from TVET Act, 2013. The institute is wholly owned by the Government of Kenya and is domiciled in Kenya. The institute's principal activity is training.

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 judgment in the process of applying the *institute's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 20. 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.2012, the State Corporations Act, the TVET Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

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

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

<p>IPSAS 43: Leases</p>	<p><i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Institute. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
<p>IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
<p>IPSAS 45: Property Plant and Equipment</p>	<p><i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
<p>IPSAS 46: Measurement</p>	<p><i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</p>

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

	<p>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value</p>
IPSAS 47: Revenue	<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 institute shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48: Transfer Expenses	<p>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>
IPSAS 49: Retirement Benefit Plans	<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.</p>

iii. Early adoption of standards

The institute did not early adopt any new or amended standards in year 2023/2024.

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 institute and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

The institute 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 institute.

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 28th *June 2023*. 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 institute upon receiving the respective approvals to conclude the final budget. Accordingly, the institute recorded additional appropriations of *ksb 20,000,000* on the FY 2023/2024 budget following the Board's approval on *12th April, 2024*. 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 5 of these financial statements.

c) Taxes

Current income tax

The institute is exempt from paying taxes as per TVET Act,2013

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

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the institute 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 Institute. 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 Institute 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 Institute 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 Institute. 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 Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one institute and a financial liability or equity instrument of another institute. At initial recognition, the institute 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 amortised cost, fair value through net assets/ equity, or fair value through surplus and deficit on the basis of both the institute'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 institute 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 institute 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

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 institute 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 institute 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 institute recognizes a loss allowance for such losses at each reporting date. There are no Critical estimates and significant judgments made by management in determining the expected credit loss (ECL).

Financial liabilities

Classification

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

j) Inventories

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

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

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

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

Inventories (Continued)

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

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 institute recognises a social benefit as an expense for the social benefits scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the institute 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. They include:

- i. Revaluation Reserves
- ii. Accumulated Surplus
- iii. Capital Fund

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* has no retirement benefit plan for its employees and directors.

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

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

t) Cash and cash equivalents

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

u) Comparative figures

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

v) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the *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 Institute based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Institute. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

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

- The condition of the asset based on the assessment of experts employed by the *Institute*.
- 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 11b

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.

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

6. Transfers from other National Government entities

Description	KShs	KShs
	2023-2024	2022-2023
6(a) Unconditional grants		
Capitation	86,392,003	35,108,000
Economically Disengaged Youth Program	2,916,113	3,240,125
Total	89,308,116	38,348,125
6(b) Conditional grants		
Igembe Central TVC	8,982,738	0
Tuition & Workshop block	20,000,000	
Total government grants and subsidies	118,290,854	38,348,125

(c) Transfers from other Government entities (Categorized)

Name of the Entity Sending the Grant	Amount recognized to Statement of Comprehensive Income kS	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	2022-2023
	KShs	KShs	KShs	KShs	KShs
State Department of TVET	89,308,116	-	28,982,738	118,290,854	38,348,125
Total	89,308,116	-	28,982,738	118,290,854	38,348,125

7. Grants from Donors and Development Partners

JICA- Research Grant	0	0
World Bank Grants	0	0
In-Kind Donations	0	0
Donations transferred to revenue-conditions met	0	0
Other Grants (specify)	0	0
Total Grants from Development Partners	0	0

8. Rendering of Services

	2023-2024	2022-2023
Description	KShs	KShs
Tuition	22,136,529	28,851,397
Personal emoluments	33,804,302	21,189,807
Electricity water and conservancy	10,957,653	5,911,632
Activity fee	12,459,204	6,078,366
Industrial attachments/insurance	4,522,000	5,536,671
Local travel and transport	10,978,113	5,413,636
Repair maintenance and improvements	8,655,603	2,982,215
Exams	14,996,284	12,213,994
Student Welfare	1,164,800	478,152
Student identity card	410,000	291,888
Registration	586,500	437,832
KUCCPS placement fee	2,932,500	2,189,160
Total revenue from rendering of services	123,603,487	91,574,749

(8b) Cash flow from Rendering of services

Details	2023/2024	2022/2023
Cash from Rendering of services	104,854,965	91,574,749

9. Sale of Goods

Description	2023-2024	2022-2023
	KShs	KShs
Mechatronics	1,770,900	0
sale of scrap metals	93,721	0
Hospitality Sales	29,057	47,770
Bus hire	272,000	73,100
Agriculture /farm sales	9,700	14,300
Tender sales	6,000	0
	2,181,378	135,170

10. Rental revenue from facilities and equipment

Description	2023-2024	2022-2023
	KShs	KShs
Hire Of Facility	2,577,500	51,600
Total	2,577,500	51,600

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

11. Use of Goods and Services

	2023-2024	2022-2023
DESCRIPTION	KShs	KShs
Activity	3,094,100	3,694,010
Membership and subscriptions (KUCCPS)	5,713,500	0
Printing and Stationery	2,084,453	1,819,628
Newspapers and Periodicals	40,620	48,900
Postage	8,293	14,961
Professional bodies renewal fee	11,200	30,900
Annual subscriptions (CAPA)	0	100,000
Fuel,Oils &Lubricants	1,978,800	964,520
Automation	3,565,591	1,606,389
Bank charges	335,609	400,227
TVETA	1,714,500	20,000
Electricity water and conservancy	1,707,751	900,404
Exam	22,870,087	18,214,153
Students welfare	2,508,454	1,086,144
Internets services	798,774	835,356
international standard organization certification (iso)	1,762,060	1,078,990
Kenya association of technical training	120,000	60,000
Cleaning & detergents expenses	308,160	305,743
Local travel and transport	6,496,601	4,911,942
Marketing	6,142,792	2,755,250
Hospitality	2,977,450	2,042,014
Industrial attachments/medical	1,793,783	978,367
Performance contracts	2,210,455	1,256,550
Tuition expenses	6,695,790	11,396,462
Robotics/Trade fair	1,102,842	543,614
Insurance	425,940	399,065
Telephone/communication postage	474,000	479,500
Corporate Social Responsibility	99,600	98,600
Leases	25,000	28,000
Training/developments	5,637,476	4,218,494
Total	82,703,681	60,288,184

12. Employee Costs

	KShs	KShs
DESCRIPTION	2023-2024	
Name	KShs	KShs
Helb deductions	747,761	636,809
National security social fund	2,378,750	1,174,532
Nita levy	56,180	0
Housing Levy	673,890	0
National Hospital insurance fund	789,450	606,300
Paye as you earn	141,098	754,346
Personal emoluments	21,674,619	18,456,848
Total	26,461,748	21,628,835

13. Board Expenses

Description	KShs	KShs
	2023-2024	
Board of Governors allowances	5,463,760	5,952,177
Total remuneration of directors	5,463,760	5,952,177

14. Depreciation and Amortization expense

Description	2023-2024	2022-2023
	Kshs	Kshs
Property, plant and equipment	13,903,932	12,936,206
Intangible assets	495,000	495,000
Total depreciation and amortization	14,398,932	13,431,206

15. Repairs and Maintenance

Description	2023-2024	2022-2023
	KShs	KShs
Office, Furnitures & Equipments	1,245,149	939,014
Computer, and Accessories	174,328	608,443
Workshops Furnitures & Equipments	6,269,847	1,305,455
Generator RMI	94,360	0
Compound Maintenance	756,930	353,250
Motor Expenses	588,564	131,091
workshops-ICT Labs,hospitality and cosmetology		55,034
Laying of cabros at parking area	4,792,847	0
System Maintenance	15,000	64,000
TOTAL	13,937,025	3,456,287

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

16. Contracted Services

Description	2023-2024	2022-2023
	KShs	KShs
Sanitation services	61,800	56,640
Security	712,500	670,700
Total contracted services	774,300	727,340

17. Cash and Cash Equivalents

Description	2023-2024	2022-2023
	KShs	KShs
Current accounts	162,943,609	97,989,341
Cash in hand	3,312	6,349
Total cash and cash equivalents	162,946,921	97,995,690

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

		2023-2024	2022-2023
Financial institution		KShs	KShs
a) Current account	Accounts number		
Cooperative bank	1129021590500	132,216,353	77,360,854
National bank developments accounts	1071226198200	24,316,123	4,317,323
National bank recurrents accounts	1248040062400	28,717	6,414,113
National bank Igembe Central TVC	1022218425000	6,382,416	9,897,050
Sub- total		162,943,609	97,989,341
b) Others(specify)			
cash in hand		3,312	6,349
Sub- total		3,312	6,349
Grand total		162,946,921	97,995,690

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

18.Receivables from Exchange transactions

18 (a) Current Receivables from Exchange transactions

	2023-2024	2022-2023
	KShs	KShs
Current receivables		
Student debtors	88,076,704	68,401,862
Other debtors	720,012	0
Total receivables	88,796,716	68,401,862

18(b) Ageing Analysis of Receivables from Exchange transactions

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	22,199,178.88	25%	13,680,372	20%
Between 1- 2 years	17,759,343.10	20%	20,520,559	30%
Between 2-3 years	22,199,178.88	25%	6,840,186	10%
Over 3 years	26,639,014.65	30%	27,360,745	40%
Total (a+b)	88,796,716	100%	68,401,862	100%

19.Inventories

Description	2023-2024	2022-2023
	KShs	KShs
Consumable stores	1,334,382	772,005

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

20. Property, Plant and Equipment

	Building		Motor vehicles	Furniture and fittings	Computers and accessories	Plant and Equipment	Capital Work In Progress	Total
	4%	12.5%						
Depreciation rate	4%	12.5%					0%	
Cost	Shs	Shs					Shs	
At 1st July 2022	0	1,580,000	0	1,580,000	3,880,150	54,597,024	29,516,830	89,574,004
Additions	46,373,591	5,217,080		5,217,080	2,297,408	1,822,900	38,666,432	94,377,411
Revaluation		5,280,000	5,280,000					5,280,000
At 30th June 2023	46,373,591	6,797,080	5,280,000	6,797,080	6,177,558	56,419,924	68,183,262	189,231,415
Additions	7,438,824	2,100,000		2,100,000	293,975	2,602,800	28,616,176	41,051,775
Transfer to asset							(7,438,824)	-7,438,824
Disposal								0
Revaluation								0
At 30th June 2024	53,812,415	8,897,080	5,280,000	8,897,080	6,471,533	59,022,724	89,360,614	222,844,366
At 1st July 2022	0	476,125	0	476,125	1,926,304.2	39,049,474	0	41,451,903
Depreciation	7,419,775	849,635	1,320,000	849,635	1,853,267	7,052,491	0	18,495,167
At 30th June 2023	7,419,775	1,325,760	1,320,000	1,325,760	3,779,572	46,101,965	-	59,947,071
Depreciation	2,152,497	1,112,135	1,320,000	1,112,135	1,941,460	7,377,841	0	13,903,932
At 30th June 2024	9,572,271	2,437,895	2,640,000	2,437,895	5,721,032	53,479,805	0	73,851,003
Net Book Values								
At 30th June 2024	44,240,144	6,459,185	2,640,000	6,459,185	750,501	5,542,919	89,360,614	148,993,363
At 30th June 2023	38,953,816	5,471,320	3,960,000	5,471,320	2,397,986	10,317,959	68,183,262	129,284,344

Work In Progress	
Ablution block	0
Tuition Block(YAW) phase 1&2	32,384,904
Igembe Central TVC	56,675,710
Masonry Workshop	0
Land	300,000
Total	89,360,614

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

Notes to the Financial Statements (Continued)
Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were not revalued,

20 (b) Property, Plant and Equipment at Cost

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

Land	-	-	-
Buildings	53,812,415	9,572,271	44,240,144
Plant and Machinery and Equipment,	59,022,724	53,479,805	5,542,919
Motor Vehicles including Motorcycles	5,280,000	2,640,000	2,640,000
Computers and Related Equipment	6,471,533	5,721,032	750,501
Furniture, And Fittings	8,897,080	2,437,895	6,459,185
Total	133,483,752	73,851,003	59,632,749

21. Intangible Assets

Cost	30%	30%
At beginning of the year 1 July 2022	1,650,000	1,650,000
Additions	-	-
At end of the year 30th June 2023	1,650,000	1,650,000
Additions-internal development	-	-
At end of the year 30th June 2024	1,650,000	1,650,000
Amortization and impairment		
At beginning of the year	990,000	495,000
Amortization	495,000	495,000
At end of the year	1,485,000	990,000
Impairment loss	-	-
At end of the year 30th June 2024	1,485,000	990,000
NBV	165,000	660,000

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

22. Trade and Other Payables

Trade payables	98,691	753,095		
Fees paid in advance	25,677,469	24,085,779		
Audit fees	3,961,602	3,301,335		
Retention	6,939,681	6,328,526		
Other Payables	-	-		
Total Trade and Other Payables	36,677,443	34,468,735		
At 30 June 2023				
Trade Payables	753,095	0	24,085,779	24,838,874
Audits fees	0	0	3,301,335	3,301,335
Retention			6,328,526	6,328,526
Refundable deposits from customers	0	0	0	0
Total	753,095	0	33,715,640	34,468,735
At 30 June 2024				
Trade Payables	98,691	-	25,677,469	25,776,160
Audits fees	0	0	3,961,602	3,961,602
Retention	0	0	6,939,681	6,939,681
Total	98,691	0	36,578,752	36,677,443

22b Payments received in advance.

Fees received in advance	25,677,469		24,085,779	
Others (Specify)	0		0	
Total	25,677,469		24,085,779	
Ageing analysis:				
	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	8,987,114.10	35%	8,430,023	35%
1-2 years	7,703,240.66	30%	8,430,023	35%
2-3 years	5,135,493.77	20%	4,335,440	18%
Over 3 years	3,851,620.33	15%	2,890,293	12%
Total	25,677,469	100%	24,085,779	100%

23. Cash generated from operations.

	2023-2024	2022-2023
	Current FY	Comparative FY
	Kshs	Kshs
Surplus for the year before tax	73,931,035	18,406,387
Adjusted for:		
Depreciation	14,398,932	18,990,167
Working Capital Adjustments		
Increase in Inventory	-562,377	-109,615
Increase in Receivables	-20,394,854	-9,068,640
Increase in Deferred Income		0
Increase in Payables & other payables	2,208,708	-1,677,792
Increase in Payments received in advance		0
Net Cash Flow from Operating Activities	69,581,444	26,540,507

24. Financial Risk Management

The institute's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The company's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The 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.

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:

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023				
Receivables from exchange transactions	68,401,862	34,200,931	6,840,186	27,360,745
Receivables from non-exchange transactions	0	0	0	0
Bank balances	97,995,690	97,995,690	0	0
Total	166,397,552	132,196,621	6,840,186	27,360,745
At 30 June 2024				
Receivables from exchange transactions	88,796,716	39,958,521.98	22,199,178.88	26,639,014.65
Receivables from non-exchange transactions	0	0	0	0
Bank balances	162,946,921	162,946,921	0	0
Total	251,743,636	202,905,443	22,199,179	26,639,015

Financial risk management (continued)

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

The institute has significant concentration of credit risk on amounts due from trainees.

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 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.

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023				
Trade Payables	753,095	0	24,085,779	24,838,874
Audits fees	0	0	3,301,335	3,301,335
Retention			6,328,526	6,328,526
Refundable deposits from customers	0	0	0	0
Total	753,095	0	33,715,640	34,468,735
At 30 June 2024				
Trade Payables	95,691	3,000	25,677,469	25,776,160
Audits fees	0	0	3,961,602	3,961,602
Retention	0	0	6,939,681	6,939,681
Total	95,691	3,000	36,578,752	36,677,443

(iii) Market risk

The institute has put in place an internal audit function to assist it in assessing the risk faced by the institute 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 institute's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The institute'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 institute's exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

The entity has no transactional currency exposures.

b) Interest rate risk

Interest rate risk is the risk that the institute's financial condition may be adversely affected as a result of changes in interest rate levels. The 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.

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

Management of interest rate risk

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

iv) Capital Risk Management

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

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Revaluation Reserve	51,613,590	51,613,590
Retained Earnings	190,329,869	117,059,101
Capital Reserve	122,955,213	93,972,475
Total Funds	364,898,672	262,645,166
Total Borrowings	0	0
Less: Cash and Bank Balances	162,946,921	97,995,690
Net Debt/(Excess Cash and Cash Equivalents)	201,951,751	164,649,476
Gearing	-55%	-63%

25.Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

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

No transactions and balances with related parties during the year.

26.Segment Information

There was no Segment Information in the financial year.

27.Contingent Assets and Contingent Liabilities

There were no Contingent Assets and Contingent Liabilities in the financial year.

28.Capital Commitments

There were no Capital Commitments in the financial year.

29.Events After the Reporting Period

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

30.Ultimate and Holding Entity

The institute is a State Corporation under the Ministry of Education, State Department of TVET. Its ultimate parent is the Government of Kenya.

31.Currency

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

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

20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

1	Inaccuracies between the Statement of Comparison of Budget and Actual Amounts	The variance of ksh.995,865 arising from the difference between the statement of comparison of budget and actual amounts of ksh.120,709,131 and the statement of financial performance total revenue of Kshs.119,713,266 has now been reconciled	resolved	
2	Unsupported PPE	Mukiria Technical Training Institute is in the process of acquiring the title deeds for the two parcels of land, Registration Number ; Abo/Mariene 2/781 measuring 2.75 acres and Nyweri/Mariene / 779 measuring 2.6 acres and the process of valuation has been initiated.	unresolved	FY 2024/2025
3	Long Outstanding Receivables from Exchange Transactions	The matter has been tabled before the Board and measures including issuance of demand letters and legal action instituted against the defaulters shall be put in place. Bad debt policy to be implemented on the debts not recoverable.	unresolved	FY 2024/2025
5	Unsupported Rental Revenue from Facilities and Equipment	The right procedure for renting equipment shall be put in place.	resolved	
6	Unsupported Expenditure on repairs and Maintenance	The recommended procedure shall be adhered to since we have acquired a qualified Procurement Officer	resolved	
7	Unclaimed Money Caution	The refundable deposits refers to unclaimed money paid by previous and current students. No claims have been made so far but we are in the process of informing the students and	resolved	

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

		parents/guardians to claim the monies.		
8	Non-Compliance on Recruitment and Appointment Procedures for Trainers	The scheme of service, career progression and pay structure are presented to the Board of Governors for approval. The required recruitment process will be adhered to.	resolved	
9	Ethnic Composition	The institution has always advertised its position to the public to ensure compliance with National Cohesion and Integration Act 2008. Most of the employees were recruited before the enactment of the Act, and the institution employed from the locality. However, new recruitments are in adherence with the Act.	unresolved	30/06/2027
10	Irregular payments of Board Allowances	It is the responsibility of the cabinet secretary not the institution to gazette the appointment of the board members.	resolved	
11	Irregular procurement of goods and services	The management has since then ensured procurement process is adhered to.	resolved	
12	Irregular Expenditure on Enterprise Resource Planning (ERP) Software System - Kshs.1,650,000	The system is functional and student portal working.	resolved	
13	Delay in completion of students Ablution Block	Delay in realisation of income as affected the process.	resolved	
14	Delay in Implementation of mentored institution	The management is following up the contractor to ensure completion	resolved	
15	Lack of Risk Management Policy	The Risk Management Policy is in the process of approval by the Board.	resolved	



Michael Maina
Accounting Officer
Secretary to the Board/Principal

Date: 28/4/2025

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

Appendix II: Projects Implemented by Mukiria Technical Training Institute

Status of Projects completion

1	Igembe Central TVC	59,062,878	56,675,710	96%	23,470,635	23,470,635	GoK
2	Building and Civil engineering workshop	16,683,770	8,332,732	50%	17,000,000	8,332,732	Mukiria TTI
3.	Construction of institute gate	3,500,000	0	0%	2,700,000	0	Mukiria TTI
4.	Construction of masonry workshop	5,000,000	4,573,289	100%	5,000,000	4,573,289	Mukiria TTI
5	Students ablution block	2,865,535	2,865,535	100%	2,865,535	2,865,535	Mukiria TTI

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

Appendix III- Inter-Entity Confirmation Letter

Name of transferring institute-**State Department of TVET**

Name of beneficiary institute-**Mukiria Technical Training Institute**

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
41300	19 Oct 2023	13,440,000		13,440,000	
42557	21 Dec 2023	2,916,113		2,916,113	
45173	23 Jan 2024	11,763,500		11,763,500	
45174	07 Feb 2024	13,444,000		13,444,000	
45362	20 Feb 2024	45,735,552		45,735,552	
46068	18 Mar 2024	2,008,951		2,008,951	
41079	10 Jul 2023		4,000,000	4,000,000	
45651	27 Feb 2024		20,000,000	20,000,000	
46053	14 Mar 2024		4,982,738	4,982,738	
Total		89,308,116	28,982,738	118,290,854	

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

Head of Accounts Department - State Department of TVET:

Name Sign Date

Head of Accounts Department – Mukiria Technical Training Institute:

Name Roseline Kanyin Sign [Signature] Date