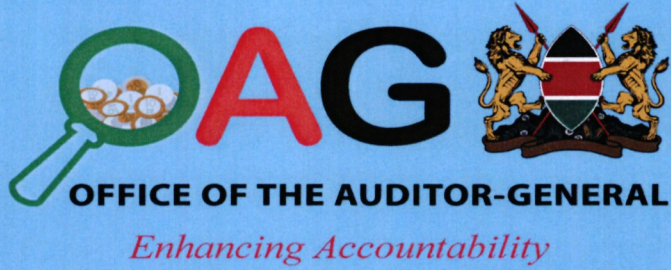


REPUBLIC OF KENYA



REPORT NATIONAL ASSEMBLY

DATE: 25 JUL 2022

DAY: TUESDAY

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TABLED BY: OF CLERK AT THE TABLE:

Hon. Naomi Wago, MP
Deputy majority whip
Anne Shitoko

THE AUDITOR-GENERAL

ON

**MATILI TECHNICAL TRAINING
INSTITUTE**

**FOR THE YEAR ENDED
30 JUNE, 2022**



MATILI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30TH JUNE 2022

Matili Technical Training Institute
Annual Report and Financial Statements
For the year ended 30th June 2022

Matili Technical Training Institute
Annual Report and Financial Statements
For the year ended 30th June 2022

Table of Contents

I.	Key Entity Information and Management.....	iv
II.	The Board of Governors	ix
III.	Management Team	xii
IV.	Chairman's Statement	xiv
V.	Report of the Principal	xv
VI.	Statement of Performance against Predetermined Objectives	xvi
VII.	Corporate Governance Statement.....	xx
VIII.	Management Discussion and Analysis	xxii
IX.	Environmental and Sustainability Reporting Statement	xxiv
X.	Report of the Board of Governors.....	xxvii
XI.	Statement of Board of Governors' Responsibilities	xxviii
XII.	Report of the Independent Auditor on Matili Technical Training Institute.....	xxix
XIII.	Statement of Financial Performance for the year ended 30 June 2022	1
XIV.	Statement of Financial Position as at 30th June 2022	2
XV.	Statement of Changes in Net Asset for the year ended 30 June 2022.....	3
XVI.	Statement of Cash Flows for the year ended 30 June 2022	4
XVII.	Statement of Comparison of Budget & Actual amounts for the year ended 30 June 2022.....	5
XVIII.	Notes to the Financial Statements	6
XIX.	Appendices	31

I. Key Entity Information and Management

(a) Background information

Matili Technical Training Institute was established in 1959 under the Vocational Youth Centre that was elevated to a Youth Polytechnic in 1971 the called a Village Polytechnic under the sponsorship of the Friends Church (Quakers). The Institute was elevated to its current status in April, 2009 when it was moved from the Ministry of Youth Affairs and Sports to the Ministry of Science and Technology. The Institute is registered by the Technical and Vocational Education and Training Authority under Certificate No. TVETA/PUBLIC/TVC/0020/2016.

(b) Principal Activities

Mission

The Institute exists to produce highly qualified personnel with knowledge skills and competencies to meet societal and industrial needs.

Vision

To be a renowned Centre of Excellence in Technical Training and Research in Science Technology and Innovation.

Institute Motto

Technology and Innovation

Core values

The Institute is guided by the following core values and competencies which form the corporate culture of the Institute:

- a) Passion for results
- b) Good governance
- c) Respect Equity and Equality
- d) Customer and community focus
- e) Professionalism and Integrity

(c) Key Management

- a) The entity's day-to-day management is under the following key organs:
- b) Board of Governors
- c) Accounting officer/ Principal
- d) Management

Matili Technical Training Institute
Annual Report and Financial Statements
For the year ended 30th June 2022

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Mrs. Judith Sande
2.	Deputy Principal	Ms. Lilian Simali
3.	Registrar	Mr.ThomasAbuga
4.	Dean of Students	Mr. AncrumAmunga
5.	Head of Finance	CPA Samuel Kituyi
6.	Head of Procurement	Ms. Coldilda Wakukha
7	Internal Auditor	CPA Jescah Ngichabe
8	Human Resource Officer	Ms. Violet Singoro

(e) Fiduciary Oversight Arrangements

Finance & General Purposes Committee Activities

The Committee shall exercise all the powers of BOG in financial matters except in relation to items which are reserved to BOG, on which the Committee shall advise the BOG.

Terms of Reference: The role of the Committee shall be to monitor the financial status of the Institute on behalf of the BOG. In addition to advising BOG on those matters referred to above, the Committee's responsibilities shall include:

- (i) To monitor and facilitate the implementation of the Institute's strategy with regard to financial matters;
- (i) To receive reports from the Accounting Officer ensuring that ensuring that financial statements are understandable, transparent and reliable;
- (ii) To consider the adequacy of the Institute estate and proposals for its maintenance and development, including opportunities to dispose of and acquire new projects;
- (iii) To determine the fees and charges made for the institute services and facilities;
- (iv) To supervise the financial administration of the Institute and make recommendations to BOG where appropriate;
- (v) To supervise the arrangements for safeguarding the Institute's assets;
- (vi) To ensure the proper financial evaluation and control of projects;
- (vii) To supervise the arrangements for investing the Institute's funds, including monitoring the performance of investments;
- (viii) To ensure the appropriate exploitation of the Institute's intellectual property;
- (ix) To make recommendations to BOG on the financing of projects; and
- (x) To supervise the effective and efficient procurement and use of resources in accordance with the objectives of the Institute.

Audit Risk and Governance Committee Activities

The Committee shall exercise all the powers of BOG in audit, governance and risk management matters except in relation to items which are reserved to BOG, on which the Committee shall advise the BOG. The Committee responsibilities shall include:

- (i) Ensuring the risk management process is comprehensive and on-going, rather than partial and periodic;
- (ii) Helping achieve an organization wide commitment to strong and effective internal controls, emanating from the tone at the top;
- (iii) Reviewing corporate policies relating to compliance with laws and regulations, ethics, conflicts of interest, and the investigation of misconduct and fraud;
- (iv) Reviewing current and pending corporate governance related litigation or regulatory proceedings to which the institution is party;
- (v) Continually communicating with senior management regarding status, progress, and new developments, as well as problematic areas;
- (vi) Ensuring the internal auditor's access to the audit committee, encouraging communication beyond scheduled committee meetings;
- (vii) Reviewing internal audit plans, reports and significant findings; and
- (viii) Establishing a direct reporting relationship with the external auditors.

Education, Research and Human Resource Committee Activities

The Committee shall exercise all the powers of BOG in Education, Research and Human Resource matters except in relation to items which are reserved to BOG, on which the Committee shall advise the BOG. The Committee responsibilities shall include:

- (i) Driving the Institute's research agenda in line with the country's Vision;
- (ii) Encourage research culture in the institute;
- (iii) Institutionalize networking, collaboration research and outreach in the Institute;
- (iv) Encourage innovation and handle issues to do with intellectual property rights;
- (v) Ensure dissemination of research findings;
- (vi) Advises the Board of Governors on the strategic direction of the Institute's academic activities, academic risks and the overall effectiveness of services in support of the academic endeavour;
- (vii) Responsible for providing assurance to the Board of Governors on the effectiveness of the Institute's academic governance arrangements, the student experience, and setting and maintaining standards;
- (viii) Support the development of HR policies, guidelines, procedures, regulations and standard; and
- (ix) Monitor labour administration in the Institute.

**Matili Technical Training Institute
Annual Report and Financial Statements
For the year ended 30th June 2022**

Senior Management Activities

The main purpose of the senior management team is to:

- (i) Ensure that MaTTI's BOG is able to take strategic decisions relation to the Institute's activities;
- (ii) Provide leadership in communicating MaTTI's mission, vision, strategic goals, core values, plans and achievements effectively and consistently to BOG, Government, and Staff, Clients, community members and the general public and other stakeholders;
- (iii) Be accountable for the development and implementation of the Institute's strategic, corporate and business plans in line with the mission and vision; and
- (iv) Take a strategic overview of performance in all areas of the Institute's activities.

Specifically, the Senior Management Team:

- (a) Make recommendations to the BOG on the implementation and achievement of the Board's Strategic Framework;
- (b) Monitor the Institute's Corporate Plan delivery through appropriate key management and performance information reporting to the Board of Governors appropriately;
- (c) In light of income projections and forecasts, considers the annual grants and operational expenditures and monitors such expenditures;
- (d) Determines strategic issues arising from the introduction of new policies or process, including actively managing risks across the Institute and regularly reviewing the corporate risk register;
- (e) Considers the impact of external factors and developments, including specific political initiatives and the response to key consultation documents and where appropriate make recommendations to the Board and/or its relevant Committees; and
- (f) Leads all managers in motivating and developing the Institute's staff to deliver the highest standards of performance and customer service.

(f) Entity Headquarters

Matili Technical Training Institute
P.O. Box 76-50204
Kimilili
Kimilili –Misikhu Highway
Bungoma, KENYA

(g) Entity Contacts

Matili Technical Training Institute
Telephone:(254) 707747007
E-mail: matilitechnicalcollege@yahoo.co.uk
info@matilitechnical.ac.ke
Website: www.matilitechnical.ac.ke

Matili Technical Training Institute
Annual Report and Financial Statements
For the year ended 30th June 2022

(h) Entity Bankers

S/NO	BANK NAME	BRANCH	ACCOUNT NAME	ACCOUNT NO.
1	Kenya Commercial Bank	Kimilili	MAIN	1107228476
2	Kenya Commercial Bank	Kimilili	Savings	1198427175
3	Kenya Commercial Bank	Kimilili	Development	1121314678
4	Kenya Commercial Bank	Kimilili	Loima TVC	1183518218
5	Kenya Commercial Bank	Kimilili	Turkana North Tvc	1183517610

(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

**Matili Technical Training Institute
Annual Report and Financial Statements
For the year ended 30th June 2022**

II. The Board of Governors

NAME POSITION ND PHOTO	QUALIFICATION
 <p>Prof. Wilphredian Okumu- Bigambo (Chairman, BOG) D.O.B: 22nd September 1957</p>	<p>Prof. Wilphredian Okumu-Bigambo holds PhD from Moi University, MA from Moray House College, Edinburgh, Post Graduate Diploma from Kenyatta University, Bachelor of Arts from University of Nairobi. On work experience, Prof. is a Director, Corporate Communication of Moi University. He has also been an Associate Professor, Moi University, Senior Lecturer, Moi University, Assistant Lecturer, Moi University, Lecturer at Siriba Teachers College, Teacher at St. Peters, Mumias High School, Kisoko Girls High School and Talai High School, Kabarnet. He chairs Full Board and Ad hoc Committee meetings.</p>
 <p>Mrs. Hellen Barasa (Member) D.O.B: 6th March, 1951</p>	<p><u>QUALIFICATION</u> 1973 - 1976: University of Nairobi, Bachelor of Education Arts Second Class Honours (Lower Division) <u>WORK EXPERIENCE:</u> 1976 -1978: Teacher, Chwele Girls High School 1979 -1980: Deputy Principal, Madzu Girls High School 1981 - 1982: Deputy Principal, Butere Girls High School 1983 - 1999: Deputy Principal, Ag. Principal, Nakuru High School 2000 - 2006: Principal, St. Theresa’s Girls High School, Kimilili</p>
 <p>DR. Cecilia Muthike Wanjala (Member) D.O.B: 27th July, 2017.</p>	<p>She is the Deputy Director Commercial Enterprises, Kenya Medical Research Institute. She presents a wealth of experience in Innovation and Research Output Commercialization and Enterprise Development among other certifications. She chairs the Audit and Risk Management Committee of the board. She is a registered Pharmacist BPharm (UON), MBA (Strategic Management) UON, and currently pursuing PhD (Business Administration) UON.</p>

**Matili Technical Training Institute
Annual Report and Financial Statements
For the year ended 30th June 2022**



Ms. Jane Wangechi Kariuki
(Member)
D.O.B: 9th October, 1966

Ms. Jane Wangechi Kariuki holds Masters of Science in Entrepreneurship from Jomo Kenyatta University of Agriculture and Technology, Post Graduate Diploma in Education from Kenyatta University, Bachelor of Science in Mechanical Engineering from the University of Nairobi. Her other professional trainings includes; Policy Development at Kenya School of Government, Kabete, Strategic Development Programme at Kenya School of Government, Kabete, Senior Management Course at Kenya School of Government, Baringo. On work experience, Ms. Jane Wangechi Kariuki is Deputy Director, Ministry of Education - GoK Project Coordinator, she has also been a Principal Technical Accreditation and Quality Assurance Officer, Chief Technical Accreditation and Quality Assurance Officer, Lecturer Nairobi TTI, Assistant Lecturer, Nairobi TTI.



Mr. Alex Mwaura
(Member)
D.O.B: 19th November, 1955

EDUCATION:

Registered PhD Candidate with Mount Kenya University.
2011: Masters of Education in Administration and Planning, Catholic University of Eastern Africa (CUEA)
2008: Bachelor of Education in Education Management, University of South Africa (UNISA)
1995: Advanced Certificate in Curriculum Design and Instructional Materials Development (Technical Training Institute) Madras, India

WORKING EXPERIENCE:

2012 to Date: Part time Lecturer, Mount Kenya University, Part time Lecturer, Egerton University, Part time Lecturer, PUEA
2011 - 2015: Ministry of Industrialization and Enterprise Development, Kenya Industrial Training Institute (KITI) Nakuru, Principal Lecturer/College Registrar
2005 - 2011: Ministry of Labour and Human Resource Development, DIT, Assistant Director Curriculum (Research and Development) among others.

**Matili Technical Training Institute
Annual Report and Financial Statements
For the year ended 30th June 2022**



Mr. Kadima Victor Chitechi
(Member)
D.O.B: 9th March, 1978

Mr. Kadima Victor Chitechi holds Msc, Information Technology from Masinde Muliro University of Science and Technology, bachelor of science in IT from Busoga University in Uganda, Advanced Diploma in Business Information Technology, Graffins College, Kenya, Diploma in Management of Information Systems, IMIS UK, Diploma in Networking, Infotech training Centre, Kenya, Advanced Certificate in Computer Maintenance Technology, KTTC, Kenya, Certificate in microcomputer Engineering, Technical University of Kenya. On work experience, Mr. Kadima works as Assistant Lecturer - Department of IT, School of computing and informatics at Masinde Muliro University of Science and Technology. Chair, BoG Research, Training, and Human Resource Committee.



Mr. Robley Ngoje
(Member)

He is the Group Head of Employee Relations & Wellness, Human Resource Division, KCB Bank Group. He chairs, the Planning, Finance, Development and Enterprise Committee of MaTTI Board.

He holds MSc. in HRM, BCom, HRM, Bachelor of Laws (UoN), Diploma in Banking and a Certified Trustee among a host of other certifications. He is a PhD Finalist in Business Administration (UoN).







Mrs. Judith Sande
(Principal/Secretary, BOG)
D.O.B 6th January, 1967





Mrs. Judith Sande holds Master of Science Community Nutrition & Development from Maseno University, Bachelor of Education, Home Economics from Kenyatta University. Her other professional Trainings includes; Senior Leadership Development Program, Kenya School of Government, Embu, Higher National Diploma (Human Resource) at Ramogi Institute of Advanced Technology.

**Matili Technical Training Institute
Annual Report and Financial Statements
For the year ended 30th June 2022**

III. Management Team

 <p>Mrs. Judith Sande (Principal/Secretary, BOG) Master of Science Community Nutrition & Development, Bachelor of Education, Home Economics</p>	<ul style="list-style-type: none"> • Being overall head of Institution under the direction of the Board of Governors. • Serving as the Secretary to the managing authority of the Institution. • Promoting linkages between the Institution and the neighbouring communities and organizations.
 <p>Ms. Lilian Simali (Deputy Principal) Bachelor in Education</p>	<ul style="list-style-type: none"> • Administering of the Institution's in the absence of the Principal. • Coordinating all the departments and ensuring that the approved curriculum is implemented. • Maintaining student disciplinary in the Institution. • Guiding and counselling of trainers and trainees. • Initiating and supervising of income-generating activities in the departments.
 <p>Mr. Thomas Abuga (Registrar) Master in Business Administration</p>	<ul style="list-style-type: none"> • Head of Registry section. • Ensuring Admissions and registration of students. • Coordinating the marketing of college programmes. • Assessing teaching manpower needs in the Institution. • Serving as secretary to the Academic Board and Heads of Departments' meetings.
 <p>Mr. Ancrum Amunga (Dean of Students) Master in Civil Engineering</p>	<ul style="list-style-type: none"> • Head of Students affairs in the Institution. • Organizing of orientation programmes. • Organizing and supervising students' elections, installation and training of student leaders. • Ensuring utilization of student's recreational facilities. • Coordinating the organization of students' government public lectures, clubs and societies.

**Matili Technical Training Institute
Annual Report and Financial Statements
For the year ended 30th June 2022**

 <p>CPA Samuel Kituyi (Finance Officer) Bachelor of Commerce - Finance Option CPA-K, Dip. Business Administration</p>	<ul style="list-style-type: none"> • In charge of Finance and Accounts department. • Preparation of financial reports. • Preparation of annual financial budgets. • Financial Advisor to the college. • Ensuring proper financial controls are in place.
 <p>Ms. Coldilda Wakukha (Procurement Officer) Bachelor of Commerce (Purchasing and Supplies Management option)</p>	<ul style="list-style-type: none"> • Administering the procurement section. • Preparing and analysing of tender documents. • Preparing procurement plan. • Ensuring inspection of goods delivered by suppliers. • Advising on matters relating to procurement. • Ensuring all departmental inventories are maintained and updated. • Conducting periodic market survey for cost and price analyses.
 <p>CPA Jesciah Ngichabe (Internal Auditor) BCOM (Finance Option) CPA – K</p>	<ul style="list-style-type: none"> • Coordinate the preparation of the audit budget to ensure sufficient allocation of resources critical for the timely implementation of the audit strategy • Develop an annual programme of audit review work, to ensure audit reviews are done in a timely manner for quality management purposes and compliance to the relevant statutory requirements. • Report to audit committee in relation to the adherence to the internal systems, policies and procedures to avert risks that arise. • Present findings of audit reviews to management to assist in the development and implementation of strategies to address the issues/ gaps identified
 <p>Ms. VIOLET SINGORO (HUMAN RESOURCE OFFICER) BBA (Human Resource)</p>	<ul style="list-style-type: none"> • Oversee recruitment and appointment of staff to ensure the Institution has the right staffing • Oversee the human resource training and development through liaison with other departments to establish human resource needs. • Advise the BOG on matters relating to human resource policies so as to make informed decisions. • Develop the human resource planning policy and procedures in line with the Institution overall policy.

**Matili Technical Training Institute
Annual Report and Financial Statements
For the year ended 30th June 2022**

IV. Chairman's Statement

In the Financial Year 2020/2021, I committed to support Matili Technical Training Institute in meeting the National Values by promoting good governance, inclusive of decision making, respect of rule of law and moral uprightness, transparency and accountability, equity and fairness in performance of all activities of the Institute. Tolerance of cultural diversity, gender belief system, tribe and respect for self and others are national values that I upheld during my service as the Chair of the Board.

In the Financial Year 2021/2022 the Board endeavoured to complete old pending projects, employ competent technicians, improve training facilities, equip the driving school, enhance the Management Information System in the Institution and also enhance cohesion among the stakeholders.

This financial statement reports how the Institute attained the strategic objectives set out in the Strategic Plan 2017-2022 through meeting the targets, the budget and the Performance Contract for the Financial Year 2021/2022.

Among the outstanding achievements reported in this financial statement include installation of Management Information System (MIS) for Finance and Admission, funding research and Innovation programs in the Institution both at regional and National level competitions, funding development projects in the Institution and Oversighting training programs in the Institution.

I would like to express my gratitude and appreciation to the Government of Kenya who have relentlessly funded the Institution projects, training and employed trainers and administrators in the Institution. On behalf of the Board, I would like to thank the parents, guardians and other funders, investors and all the Matili Technical Training Institute partners for their support. I also extend my appreciation to Matili Technical Training Institute Management and staff for their continued dedication to the college and its Vision and Mission.



CHAIRMAN-BOARD OF GOVERNORS

**Matili Technical Training Institute
Annual Report and Financial Statements
For the year ended 30th June 2022**

V. Report of the Principal

Matili Technical Training institute is well placed to providing adequate and relevant training to her graduates that will enable them to contribute towards the attainment of our country's Vision 2030 strategic objectives. In furtherance of our mandate therefore, we have committed ourselves to consistently and regularly review, improve and consolidate our academic programs in several ways that will ensure their competitiveness in terms of quality and relevance.

With the guidance of the Governing Board, we worked hard in setting up structures and policies aimed at guiding the institution in the right strategic direction.

HIGHLIGHTS OF FY 2021/2022 PERFORMANCE

The Financial Year 2021/2022 marked the full resumption of services after the emergency of Covid 19 pandemic that had grounded learning.

Previously, in a move to boost trainee enrolment, the Government introduced Capitation to the tune of Ksh. 30,000/= per trainee per annum to all joining and current trainees in all Technical and Vocational Training Institutions. The total student's fees is capped at Ksh.56, 420/= per annum. The balance of Kshs.26, 420/= is paid by the parents, guardians and sponsors. Needy trainee may apply for HELB loan to pay the balance and pocket money.

In the year under review, we reported a surplus of Kshs. 120,881,505. The total revenue receivable stood at Kshs. 276,038,689 from both Non-exchange and Exchange transactions.

Students Enrolment;

During the year FY2021/2022, the trainee population increased from 3871 in the FY2021/2022 to 4305. This increase is attributed to the marketing and promotion activities carried out by the institute.

I have confidence that the trainees are well equipped with the necessary skills that strategically aligns them with opportunities within our Counties, Country, Regionally and globally at the same time contributing to the realization of the Big 4 Agenda: Health, Manufacturing, and Affordable Housing and Food security.

On behalf of the Institute Board, staff and trainees, I take this opportunity to thank the Government for its unequivocal support during the year under review.

I also appreciate the financial, material and moral support of our collaborators, partners and friends during the year. It is because of the understanding and guidance of the Chairman of the Board as well as the cooperation of the entire staff and our trainees that we ended the year within an environment of peace and stability. I wish to register my sincere gratitude to them all.

I look forward to their continued support in the new financial year and the years ahead.



**JUDITH SANDE
PRINCIPAL/SECRETARY TO THE B.O.G**

Date.. 28/09/2022

**Matili Technical Training Institute
Annual Report and Financial Statements
For the year ended 30th June 2022**

VI. Statement of Performance against Predetermined Objectives

Matili Technical Training Institute has nine strategic pillars /issues/ themes and objectives within current Strategic Plan for the FY2017- FY2022. These strategic pillars are as follows:

PILLAR	THEME
<i>Pillar 1</i>	Institutional Corporate Governance
<i>Pillar 2</i>	Equity and Access to programs
<i>Pillar 3</i>	Relevance of programs
<i>Pillar 4</i>	Quality of Programs
<i>Pillar 5</i>	Capacity for delivery of services
<i>Pillar 6</i>	Sustainable financing model

Matili Technical Training Institute develops its annual work plans based on the above nine pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Institute achieved its performance targets set for the FY 2021/2022 period for its nine strategic pillars, as indicated in the diagram below:

No.	Pillar	Objective	Activity	Key Performance Indicator (KPI)	Achievement
1	Institutional Corporate Governance	Strengthen institutional governance and effective management for the college.	Organizing workshops on current trends and best practices of governance, management and leadership, PC negotiation, vetting and ISO certification	Number of each category inducted	B.O.G management and student leaders inducted
			B.O.G meetings and retreats	Number of meetings held	Meetings held
			Training the head of each department on strategic management and leadership	Number trained	Heads of department trained
			Developing MaTTI communication strategy	Communication strategy in place	Implementation of a MaTTI communication strategy
			Planning, organizing and holding regular team building sessions for the staff and students' council to maintain teamwork for high levels of service delivery.	Number of team building sessions held each year	Team building activities held.
			Enhance corporate identity and symbols	College house style, flag and anthem in place, painting of building and	College house style developed and implemented, college

**Matili Technical Training Institute
Annual Report and Financial Statements
For the year ended 30th June 2022**

				perimeter wall in the college colors done.	flag and anthem designed and perimeter wall painted
2	Equity and Access to Programs	Enhancing equity and access to training	Developing and implementing a MaTTI marketing strategy of promotion of college pursuant to the Big four Agenda	Increase in enrollment registered	MaTTI marketing strategy developed and implemented.
			Sensitizing trainees, staff ,and community on capitation and how loan-cum-bursary scheme by HELB	Number of sensitization meetings held for trainees staff and community at large.	Stakeholder sensitized on how capitation and loan-cum-bursary scheme by HELB work.
			Diversifying training programs to include both offline and online e-learning and integrated digital literacy	Number of opportunities for access increased	Training programs diversified
			Expanding the internet bandwidth for Matili to connect globally	High speed access	Expanded internet bandwidth installed
			Mounting open and distance education and training courses	Courses designed accredited by the TVETA	Open and distance education and training mounted
3	Relevance of Programs	Enhance the relevance of the training programs and courses	Reviewing training curricula to be in line with the current National	Number of programs and courses accredited and registered	Training programs and courses reviewed
			Mounting part-time training in already identified market driven courses	Part-time courses developed and offered in each identified market driven area.	Part-time training mounted
			Adapting the training standards set by TVETA, the KNQA, private sector regulatory and professional bodies	Copies of the TVETA standards and KNQA policies disseminated	Awareness of staff on TVETA standards and the KNQA policies created
			Forming tripartite CBET committees in every department	Trades committees composed of representatives of SMEs, employer and the college appointed	The promotion of relevant Oss and marketing of skill training and research opportunities in each department handled by a tripartite committee
			Conducting Skills audit to the Big Four Agenda and emerging national policies	Number of market-driven courses in the Big-four Agenda mounted	Relevant skills/competencies as

Matili Technical Training Institute
Annual Report and Financial Statements
For the year ended 30th June 2022

					demand in industry identified
			Developing and implementing a labour Market monitoring strategy	Labour market monitoring strategy developed and implemented	Continual research on the changing labour needs secured
4	Quality of Programs	Enhancing the quality of training	Establishing Internal CBET assessment and moderation committee to conduct monitoring and evaluation	ToRs of MaTTI ICAM committee	Internal Competency Based Education and Training (CBET) assessment and moderation in place
			Growing the Competency Based Education and Training (CBET) course	Number of new CBET courses accredited or registered	Additional CBET courses mounted and assessed
			Training of staff on CBET delivery methodology	Number of trainers trained	Training needs addressed
			Conducting surveys to identify skills needs and gaps before perfecting CBET at MaTTI	Priority areas of needed skills and competencies identified	Staff training needs survey carried out
			Employing adequate trainers to work in the automotive garage in particular and engineering workshops in general	Adequate trainers	Enough trainers employed in mechanical engineering department and others.
			Employing competent technicians	Adequate technicians in engineering	Enough technicians employed
5	Capacity for Delivery of Services	Enhancing the relevance of the training programs and courses	Completing the food and beverage complex	Capacity of the food and beverage complex	Capacity for training in food and beverage increased
			Acquiring more land for the college campuses	Report on college asset inventory	Additional land acreage acquired
			Designing and developing a medical facility with a sick bay for trainees and staff	Number of sick cases handled at the sick bay	Medical services provided
			Designing and developing more hostel facilities	Number of residential trainees	Hostel for trainees put up
			Introducing biometric identification at the main gates	Biometric identification records kept	Safety and security increased
			Revising the design of the uniform for the support staff	improvement in the design of the uniform for staff	uniform for support staff made more attractive
			Increase clubs and societies that trainees can join	Number of clubs and societies in place as option	exercising the freedom of association rendered practical

**Matili Technical Training Institute
Annual Report and Financial Statements
For the year ended 30th June 2022**

6	Sustainable Financing Model	Assuring sustainable mobilization of financial resources for training, research and extension services by the MaTTI	Complying with the relevant laws pf financial stewardship	Committees and ad hoc committee in place	Each committee required under the Public Finance Act and Public procurement and disposal Act established
			Ensuring to lobby for more grant allocation	Government grants enhanced	Ministry of education and other relevant line ministries lobbied for grants.
			Co-financing of applied research	Number of collaborations entered	Collaborations with industry in solving real problems in place
			Increasing enrollment	Increase fee collection	Increased collection of fees from trainees.
			Lobbying the local political class to enhance bursary allocation to certain needy trainees	Increased bursary assistance by Constituency development fund and member of county assembly to targeted needy trainees	Bursary assistance more targeted and enhanced

VII. Corporate Governance Statement

The statement outlines the key aspects of the Institute's corporate governance framework. Corporate governance is the process by which the Institute is directed, controlled and held to account. It provides the structure through which the strategic objectives of the Institute are set, and the means of attaining of them as well as monitoring performance. Corporate Governance dictates the engagement between the Institute Board of Governors, Management, Regulators and all Stakeholders.

The Institute in its decision-making processes observes the highest ethical standards and benchmarks on global best practices in compliance with the applicable legal principles, its vision, mission and core values for sustainability of the Institute.

(i) The Board charter.

The Board is guided by the Board Charter which defines the governance procedures within which the Board exists and operates. The charter was enacted by the board in February 2021 and it clearly states the respective roles, responsibilities and the authorities of the Board and its Committees.

(ii) Board Appointment and Composition.

In accordance with the TVET Act, 2013, the Board of Governors consists of nine persons appointed by the Cabinet Secretary for a period for of three years and who are eligible for re-appointment for a further one term.

The membership of the Board of Governors comprises of;

- (a) The Chairperson;
- (b) The principal who is the Secretary to the Board of Governors.
- (c) Representative of the Principal Secretary in the Ministry of Education Science and Technology, State Department of TVET
- (d) Representative of the Governor of County Government of Bungoma
- (e) Five other members appointed on the basis of their knowledge and experience in— (i) leadership and management; (ii) financial management; (iii) technology; (iv) industry; (v) engineering; (vi) information communication technology

Some of the roles of the board of governors include:

- (a) Approve the policies of the Institute
 - (b) Employ staff
 - (c) Approve the Annual Budget
 - (d) Cause the Accounts to be kept and financial statement to be prepared and presented for audit.
 - (e) Undertake other functions set out in the TVET Act, 2013.
- (iii) Board Diversity**

**Matili Technical Training Institute
Annual Report and Financial Statements
For the year ended 30th June 2022**

The Board members possess a broad range of skills, expertise, experience and knowledge essential to undertake the Institute's mandate. The Institute endeavors to and remains compliant with the one third (1/3) gender balance.

(iv) Separation of Powers

The Chairman of the Board's responsibilities include the operation, leadership and governance of the Board, ensuring its effectiveness and setting its agenda. The Institute Principal's roles and responsibilities include the day-to-day management of the Institute's business and overseeing the implementation of strategies, policies approved by the Board.

(v) Board's Effectiveness

In order to ensure that the Board members are effective in their contribution to the management of the Institute, the members undergo regular training to enable them to fulfill their responsibilities. The Board members undergo a comprehensive induction and capacity building program upon their inauguration.

(vi) Board Evaluation

The Board has put in place evaluation system to ensure that the Board achieves its objective. The Board evaluation is scheduled to take place in the year 2022/2023.

(vii) Sitting Allowances of the Board

The Board members are remunerated for their service in accordance with the prevailing relevant legislative provisions and/or guidance from the relevant authority. The remuneration includes sitting allowances per sitting to the Chairman and members. In addition, sitting allowances may be payable when on official duty in and outside the country.

(viii) Conflict Of Interest

The Institute conflict of interest policy outlines the circumstances under which a conflict of interest may arise. Board members are required to avoid conflict of interest and deal at arms-length in any matter that relates to the organization. However, a board member who identifies an area of conflict shall be required to disclose any actual or potential conflict of interest to the board. A register of interests is maintained and declarations of any conflicts of interests are made at the start of each committee and board meetings.

(ix) Committees of the Board:

The Institute has a total of three committees which are;

- (i) The Audit, Risk and Governance Committee
- (ii) Finance and Resource Mobilization Committee
- (iii) Education, Research and Human Resource Committee.

**Matili Technical Training Institute
Annual Report and Financial Statements
For the year ended 30th June 2022**

VIII. Management Discussion and Analysis

(a) The Institute's Performance

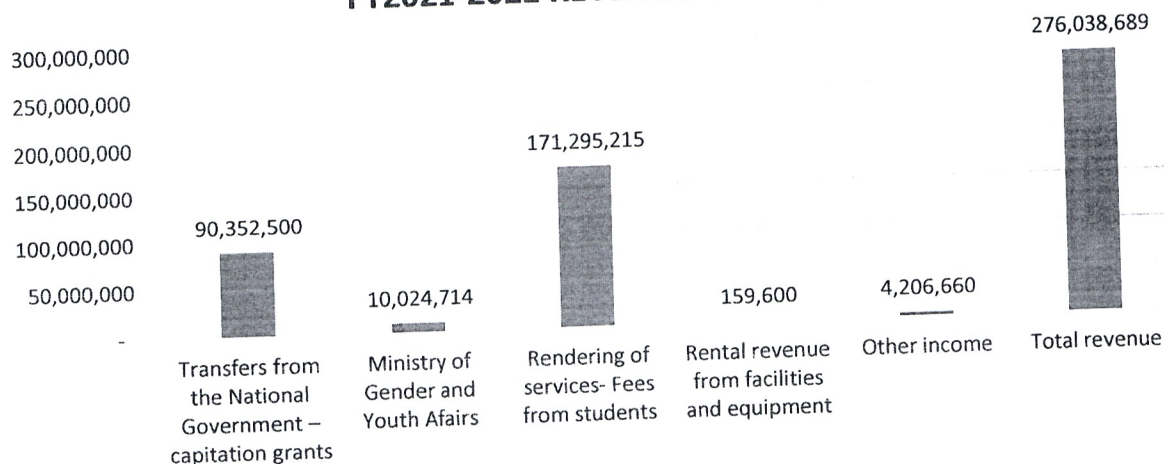
Revenue

The Institute's sources of funds during the year under review includes;

- (i) Government Grants – Capitation
- (ii) Internally generated funds – Tuition and other related charges
- (iii) Transfers from the Ministry of Gender and Youth affairs for NYS students.
- (iv) Externally sourced funds – Research Grants

During the year, revenue of Kes. 90,352,500 was expected from the national government as capitation, 10,024,714 from the Ministry of Gender and Youth Affairs for NYS students, Kes. 171,295,215 from Tuition and other fees for rendering of services and Kes. 4,206,660 from other incomes. The Institute's revenue increased by 60% (Kes. 109,975,919) from Kes. 166,062,770 to Kes. 276,038,689. The increase was attributed to capitation for increased enrolment and the Ministry of Gender and Youth Affairs (NYS) trainees' fees.

FY2021-2022 REVENUE ANALYSIS

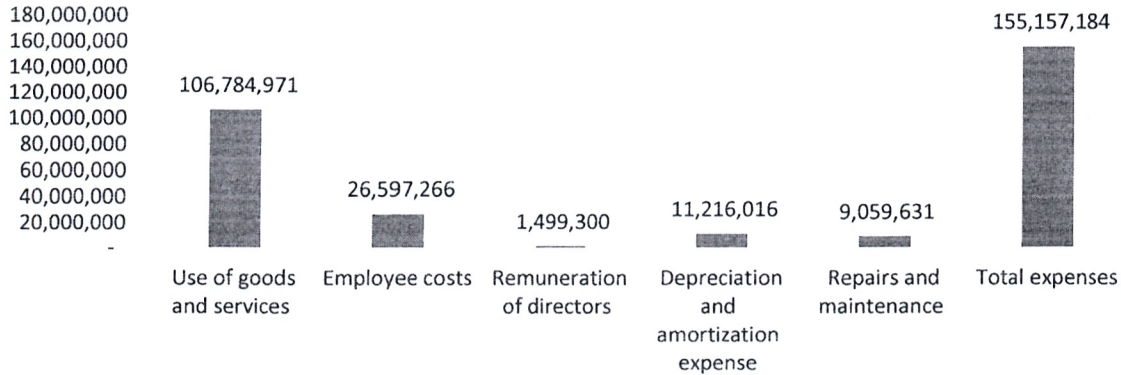


Expenditure

The institute's expenditure comprises of the use of goods and services, employee costs, repairs and maintenance, the board of governors' costs, and general expenses. The overall expenditure for the period increased by 29% (Ksh. 119,835,636 to Ksh. 155,157,184). The major repairs maintenance and improvement activities that were undertaken increased the expenditure by the recorded amount.

**Matili Technical Training Institute
Annual Report and Financial Statements
For the year ended 30th June 2022**

FY2021/2022 EXPENDITURE ANALYSIS



(b) The Institute's Compliance with Statutory Requirements

The Institute complies with statutory requirements and has remitted payroll statutory deductions over the years.

(c) Material Arrears in Statutory/Financial Obligations.

The Institute does not have any loan default, pending bills, tax default, outstanding staff and pension obligation/actuarial deficit.

(d) Key Projects and Investment Decisions the Institute undertook.

During the year under review the Institute undertook the following projects some of which are works in progress

(e) Major Challenges and Risks Facing the Institute

The following are the major challenges facing the Institute.

No.	Challenge	Mitigation
1	Interruption of the Institute's academic program by the COVID-19 pandemic	Offering online learning.
2	Delayed disbursement of capitation funds from the Government	Making formal follow-ups including, writing letters and visiting the Ministry of Education Offices
3	Infrastructure limitation due increased student population.	Constructed temporary lecture halls, writing and submitting proposals to the Ministry of Education for Development Grants and encouraging the locals to construct accommodation facilities for the trainees.

(f) The Entity's Financial Probity and serious Governance Issues

There are were no financial probity and serious governance issues during the year under review.

IX. Environmental and Sustainability Reporting Statement

Matili Technical Training Institute exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a highlight of strategies and activities that promote the organisation's strategic objectives.

Sustainability strategy and profile

The triple Bottom Line concepts analyses the sustainability of an organization based on three concepts: Profits, people (social) and Planet (environment).

Profit: The institute has adopted a transformation strategy aimed at ensuring that she remains financially sound in the face of dwindling funding from the central government. The institutions have expanded it capacity for internally generated income like production of sanitizers and masks.

Social: the institute has developed a succession management policy to address the welfare of employees in the future and ensure that the organization is sustainable in the future

Environment: The board of governance has plans to undertake an environmental sustainability audit and developed an environmental policy to address the issues of environmental sustainability that will be identified during the audit.

Environmental performance

Use of softcopy material has been encouraged and thereby reduced on the use of paper. Training sessions are conducted with the use of white boards instead of chalk board thereby reducing dust and related effects.

Employee welfare

The Institute values her employees and the many stakeholders, including the wider community where the training of our students has the potential to bring positive social and environmental change. We value the contribution that individuals and external entities make to our Institute through community consultation process. Capacity building trainings were conducted during the year to improve on the staff competency and planning for retirement.

We integrate the principles of social responsibility into our core mandate internally by exhibiting the behaviors of good corporate governance, ethical decision making, and providing our personnel with opportunities to develop and excel. We integrate the principles of social responsibility into our training activities externally by minimizing our environmental impact and seeking to enhance the amenity of residential communities.

Activity	Description
Better training	<ul style="list-style-type: none"> • Optimizing training operations to meet ongoing social and sustainability objectives. • Providing opportunities for growth as the Institute by becoming involved in our local community.
Enhanced community	<ul style="list-style-type: none"> • Focusing on good urban design and empowered members for healthy, happy and resilient community.

**Matili Technical Training Institute
Annual Report and Financial Statements
For the year ended 30th June 2022**

Supported Staff

- Promoting initiatives that support staff and their families, beyond the provision of employment.
- Promoting initiatives that recognize the contribution of the students to the community.

Policies Guiding the Institute's Hiring Process

S/no	Title	Review Period	Remarks
1	Career Progression	Regularly	Vacant positions are filled competitively both internally and externally. Financial resources are considered before effecting the strategy
2	Human Resource Manual	Regularly	Terms and conditions of service governing employees are applied across the board without discrimination
3	Internship Policy and guidelines	Regularly	Intern positions are filled competitively and without discrimination
5	Gender Mainstreaming	Regularly	The Institute observes equal employment opportunities during staff recruitment across all genders
6	Disability Mainstreaming	Regularly	The institute offers equal employment opportunities to officers living with disability. The institute also offers rights and privileges as provided in the PWDs Act and Board employment policies

Market place practices-

Responsible Supply Chain and Supplier relations

The institute has maintained good business practice by complying with the government policy and Section 227 of The Constitution of Kenya.

All procurement activities have continuously been carried out where Supply Chain ensured that there are sufficient funds to meet the obligations of the resulting contract and are reflected in the approved budget estimates. Knowledge of available funds acts as a guide in knowing what to procure and when to procure.

The organization has maintained and continuously updated list of registered suppliers, contractors and consultants in various specific categories of goods, works or services according to its procurement needs.

Matili Technical Training Institute has at all-time ensured responsible treatment of the suppliers in various ways as featured below;

- i) Ensuring proper communication channels e.g. Telephone lines and emails are open so as to make sure information is passed across efficiently and effectively between the procurement department and the suppliers.
- ii) Providing customer support when and where required. This entails listening keenly to suppliers, contractors and consultants and responding appropriately.
- iii) When doing procurement planning the institute has complied with preference and reservation requirements.

- iv) Supply Chain function has ensured timely submission of the suppliers' invoices to facilitate payment process by the finance department after delivery of goods, services or works is completed. This helps in making sure that the payment process is not delayed. Timely payment of suppliers helps in maintaining a good relationship with the supplier and also avoiding of penalties that may arise from delayed payment.
- v) Supply Chain also makes follow ups of invoices issued to finance for payment process to ensure timely payments of suppliers.

Employee welfare

The Institute values employees and all stakeholders, including the wider community where the training of our students has the potential to bring positive social and environmental change. We value the contribution that individuals and external entities make to our Institute through community consultation process. Capacity building trainings were conducted during the year to improve on the staff competency and planning for retirement.

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Enhanced community	<ul style="list-style-type: none"> • Focusing on good urban design and empowered members for healthy, happy and resilient community.
Supported Staff	<ul style="list-style-type: none"> • Promoting initiatives that support staff and their families, beyond the provision of employment. • Promoting initiatives that recognize the contribution of the students to the community.

Corporate Social Responsibility / Community Engagements

During the year under review, the institute carried out various CSR activities to impact the society such as, road safety awareness and helping the less fortunate in our community.

**Matili Technical Training Institute
Annual Report and Financial Statements
For the year ended 30th June 2022**

X. Report of the Board of Governors

The Board members submit their report together with the audited financial statements for the year ended June 30, 2022, which show the state of the Institute's affairs.

Principal activities

The principal activities of the institute are is to provide high quality Technical and Vocational Education and Training and Research that promote Creativity and Innovations to meet global challenges

Results

The results of the Institute for the year ended June 30 are set out on page 1 to 7

Board/Board of Governors

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

Auditors

The Auditor General is responsible for the statutory audit of the Matili Technical Training Institute in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



.....
**Secretary of the Board/Principal
Matili Technical Training Institute**

Date: 28/09/2022

XI. 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 council 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/period and the operating results of the Institute for that year/period. 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.

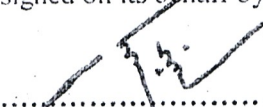
The board members are responsible for the preparation and presentation of the Institute's financial statements, which give a true and fair view of the state of affairs of the Institute for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the Institute, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.


The Council 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, 2022, 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 Council 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 26/09/2022 and signed on its behalf by:


.....
Name Prof. W. Okumu-Bigambo
Chairperson of the Board


.....
Name JUBITH SANDER
Accounting Officer/Principal

REPUBLIC OF KENYA



Enhancing Accountability

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke

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

REPORT OF THE AUDITOR-GENERAL ON MATILI TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Matili Technical Training Institute set out on pages 1 to 33, which comprise the statement of financial position as at

Report of the Auditor-General on Matili Technical Training Institute for the year ended 30 June, 2022

30 June, 2022, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the 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 Matili Technical Training Institute as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Technical and Vocational Education and Training Act, 2013.

Basis for Qualified Opinion

Misstatement of Receivables - Student Debtors

The statement of financial position reflects receivables from exchange transactions - student debtors of Kshs.173,071,003 as disclosed in Note 16 to the financial statements. However, records maintained by the Institute including debtors ledgers indicated that the balance includes student debtors totalling Kshs.35,385,144 that had been outstanding for more than 365 days as at 30 June, 2022. The balance of Kshs.173,071,003 also includes student debtors totalling Kshs.46,406,297 with no details on when they were incurred.

In the circumstances, the accuracy, completeness and validity of student debtors balance of Kshs.173,071,003 could not be confirmed.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects approved receipts budget and actual on comparable basis amounts of Kshs.266,584,919 and

Kshs.276,038,689 respectively, resulting to over-funding of Kshs.9,453,770. The source and approval of the excess funds has not been explained. Similarly, the statement reflects actual expenditure of Kshs.143,941,168 against approved budget of Kshs.266,584,919 resulting to under-performance of Kshs.122,643,751 or 46% of the budget.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Failure to Comply with the Law on Ethnic Composition

Review of human resources records of the Institute revealed that during the year under review, the Institute had 130 employees. However, out of the 130 employees, 120 or 92% were from the same ethnic community. This was contrary to Section 7(2) of the National Cohesion and Integration Act, 2008 which provides that no public establishment shall have more than one third of its staff from the same ethnic community.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether processes

and systems of internal controls, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and the Board of Governors

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities,

financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Institute to cease to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Institute to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, SBS
AUDITOR-GENERAL

Nairobi

14 June, 2023


**Matili Technical Training Institute
Annual Report and Financial Statements
For the year ended 30th June 2022**

XIII. Statement of Financial Performance for the year ended 30 June 2022


	Notes	FY2021-2022	FY2020-2021
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government	6 (a)	90,352,500	78,487,500
Ministry of Gender and Youth Affairs	6 (b)	10,024,714	-
Total revenue from non-exchange transactions		100,377,214	78,487,500
Revenue from exchange transactions			
Rendering of services- Fees from students	7	171,295,215	87,374,610
Rental revenue from facilities and equipment	8	159,600	163,100
Other income	9	4,206,660	37,560
Total revenue from exchange transactions		175,661,475	87,575,270
Total Revenue from exchange transactions			
Total revenue		276,038,689	166,062,770
Expenses			
Use of goods and services	10	106,784,971	82,375,936
Employee costs	11	26,597,266	13,257,642
Remuneration to board of governors	12	1,499,300	1,524,000
Depreciation and amortization expense	13	11,216,016	-
Repairs and maintenance	14	9,059,631	22,678,058
Total expenses		155,157,184	119,835,636
Surplus for the year		120,881,505	46,227,134

(The notes set out on pages 6 to 30 form an integral part of the Annual Financial Statements).

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


.....
Chairman of Board of
Governors


.....
Finance Officer


.....
Principal

Date 28.09.2022

ICPAK No 27394
Date 28/09/2022

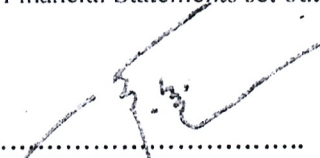


Date 28/09/2022

Matili Technical Training Institute
Annual Report and Financial Statements
For the year ended 30th June 2022

XIV. Statement of Financial Position as at 30th June 2022

	Notes	FY2021-2022	FY2020-2021
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	15	67,673,269	77,352,696
Current portion of receivables from exchange transactions	16	173,071,003	99,384,693
Inventories	17	7,212,655	3,675,592
Total current assets		247,956,927	180,412,981
Non-current assets			
Property, plant and equipment	18	357,164,841	502,647,495
Intangible assets	19	5,931,200	3,250,666
Total non current assets		363,096,041	505,898,161
Total assets		611,052,968	686,311,242
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	20	6,655,488	95,868,393
Refundable deposits from customers	21	5,149,500	10,953,309
Total current liabilities		11,804,988	106,821,702
Capital and assets			
Reserves		309,138,218	410,261,283
Accumulated surplus		231,887,210	151,843,153
Capital fund		47,006,536	17,385,104
Total net assets		599,247,980	579,489,440
Total net assets and liabilities		611,052,968	686,311,242

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

		
Chairman of Board of Governors	Finance Officer ICPAK No 24394	Principal
Date 28.09.2022	Date 28/09/2022	Date 28/09/2022

XV. Statement of Changes in Net Asset for the year ended 30 June 2022

Matili Technical Training Institute
Annual Report and Financial Statements
For the year ended 30th June 2022

Description	Revaluation Reserve	Accumulated surplus	Capital Fund	TOTAL
	KSHS	KSHS	KSHS	KSHS
At July 1, 2020	64,006,396	105,616,019	17,385,104	187,007,519
Revaluation gain	346,254,887	-	-	346,254,887
Surplus-Statement of Financial performance	-	46,227,134	-	46,227,134
Capital/development grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2021	410,261,283	151,843,153	17,385,104	579,489,540
At July 1, 2021	410,261,283	151,843,153	17,385,104	579,489,540
Revaluation gain	(172,423,652)	-	-	(172,423,652)
Prior year adjustment*	71,300,587			
Surplus-Statement of Financial performance	-	120,881,505	-	120,881,505
Capital/development grants received during the year	-	(40,837,448)	40,837,448	-
Transfer of depreciation/amortization from capital fund to Retained earnings	-	11,216,016	(11,216,016)	-
At June 30, 2022	309,138,218	231,887,210	47,006,536	599,247,980

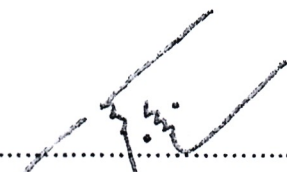
Note:

*Prior year adjustment relates to the overstatement of trade payables in the prior year by Kshs. 71,300,587

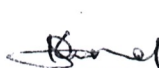
Matili Technical Training Institute
Annual Report and Financial Statements
For the year ended 30th June 2022

XVI. Statement of Cash Flows for the year ended 30 June 2022


	Note	FY2021-2022 Kshs	FY2020-2021 Kshs
Cash flows from operating activities			
Receipts			
Transfers from the National Government	6 (a)	90,352,500	78,487,500
Ministry of Gender and Youth Affairs	6 (b)	10,024,714	-
Rendering of services	7	171,295,215	87,374,610
Rental revenue from facilities and equipment	8	159,600	163,100
Other income	9	4,206,660	37,560
Total Receipts		276,038,689	166,062,770
Payments			
Use of goods and services	10	106,784,971	82,375,936
Employee costs	11	26,597,266	13,257,642
Remuneration of directors	12	1,499,300	1,524,000
Repairs and maintenance	14	9,059,631	22,678,058
Total Payments		143,941,168	119,835,636
Net cash flows from operating activities		132,097,521	46,227,134
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	18 & 19	(40,837,448)	(13,733,997)
Decrease in current portion of receivables	16	(73,686,310)	(87,592,593)
Increase in inventories	17	(3,537,063)	-
Decrease in payables and refundable deposits	20 & 21	(23,716,127)	39,909,261
Net cash flows used in investing activities		(141,776,948)	101,326,590)
Net (decrease)/increase in cash and cash equivalents		(9,679,427)	50,136,395
Cash and cash equivalents at 1 July	15	77,352,696	63,753,820
Cash and cash equivalents at 30 June	15	67,673,269	77,352,696


.....
Chairman of Board of
Governors

Date 28.09.2022


.....
Finance Officer

ICPAK No 24394
Date 28/09/2022


.....
Principal

Date 28/09/2022

Matili Technical Training Institute
Annual Report and Financial Statements
For the year ended 30th June 2022

XVII. Statement of Comparison of Budget & Actual amounts for the year ended 30 June 2022

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilisation Difference	Explanation
	Kshs	Kshs	Kshs	Kshs	Kshs	%	
Revenue							
Transfers from the National Government –Capitation	116,409,772	-	116,409,772	90,352,500	26,057,272	22%	
Transfers from other levels of Government- NYS	-	-	-	10,024,714	(10,024,714)	-100%	(a)
Rending of services- Fees from students	139,123,847	-	139,123,847	171,295,215	(32,171,368)	-23%	
Rental revenue from facilities and equipment	3,128,800	-	3,128,800	159,600	2,969,200	95%	(b)
Other income	7,922,500	-	7,922,500	4,206,660	3,715,840	47%	(c)
Total income	266,584,919	-	266,584,919	276,038,689			
Expenses							
Use of goods and services	209,834,119	-	209,834,119	106,784,971	103,049,148	49%	(d)
Employee costs	25,750,800	-	25,750,800	26,597,266	(846,466)	-3%	
Remuneration of board of governors	2,000,000	-	2,000,000	1,499,300	500,700	25%	(e)
Repairs and maintenance	4,000,000	-	4,000,000	9,059,631	(5,059,631)	-126%	(f)
Capital expenses	25,000,000	-	25,000,000	40,837,448	(15,837,448)	-63%	(g)
Total expenditure	266,584,919	-	266,584,919	143,941,168			
Surplus for the period				132,097,521			

Explanations for variances above 10%

- (a) The difference was due to disbursement from Ministry of Gender and Youth Affairs (NYS) which had not been factored in the budget during the financial year.
- (b) The under performance was due to the decrease of demand for the institute's rental facilities and the conversion of accommodation house to classes.
- (c) The underperformance was due to low enrolment in Computer packages trainees than had been budgeted.
- (d) The under utilization was due to late disbursement of capitation funds.
- (e) The under utilization was due to embracing of ICT to carry out meeting hence reduced physical meetings thus reduced allowances.
- (f) The movement was due to increased improvement of infrastructure to accommodate the increasing trainee enrolment.
- (g) The movement was due to certificates for construction works in progress which have not been raised.

XVIII. Notes to the Financial Statements

1. General Information

Matili Technical Training Institute is established by and derives its authority and accountability from TVET Act 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to: offer competence Based Technical Training, prepare and guide trainees, for evaluation and certification by appropriate examining bodies and promote Science, Technology and Innovation in all training programs.

2. Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Matili Technical Training Institute.

The financial statements have been prepared in accordance with the PFM Act 2012, the State Corporations Act 2012, the TVET Act 2013, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2022.

IPSASB deferred the application date of standards from 1st January 2022 owing to covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022.

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.

Matili Technical Training Institute
Annual Report and Financial Statements
For the year ended 30th June 2022

Standard	Effective date and impact:
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the Entity;</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Entity’s financial performance, financial position and cash flows.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
<p>Other improvements to IPSAS</p>	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p>

Matili Technical Training Institute
Annual Report and Financial Statements
For the year ended 30th June 2022

Standard	Effective date and impact:
	<ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>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:</p> <p>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>

iii. Early adoption of standards

The Institute did not early-adopt any new or amended standards in year 2022.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

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

Interest income

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

Dividends

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

4 Summary of Significant Accounting Policies (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions (continued)

Rental income

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

b) Budget information

The original budget for FY 2021/2022 was approved by the Board of Governors on **30 January 2021**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

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 a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the 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 schedule 5 of the *Income Tax* Act for the F.Y 2021-2022.

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.

Notes to the Financial Statements (Continued)

d) Investment property

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

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of 27.5 years.

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

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

e) Property, plant and equipment

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible assets

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

h) Research and development costs

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

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

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit.

During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

i) Financial instruments

Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

i) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

Financial liabilities

Initial recognition and measurement

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

Loans and borrowing

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

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

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

Inventories (Continued)

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

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

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

k) Provisions

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

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

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

Contingent liabilities

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

Contingent assets

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

l) Nature and purpose of reserves

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

m) 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.

n) Employee benefits

Retirement benefit plans

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

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

o) 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.

p) Borrowing costs

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

q) Related parties

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

r) Service concession arrangements

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

s) 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.

t) Comparative figures

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

u) 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, 2022.

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

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

Useful lives and residual values

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

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

Provisions

Provisions 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.

Matili Technical Training Institute
Annual Report and Financial Statements
For the year ended 30th June 2022

Notes to the Financial Statements (Continued)

		FY2021-2022	FY2020-2021
6 (a)	TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES	Kshs	Kshs
	Unconditional grants		
	Capitation grants	90,352,500	78,487,500
	Total unconditional grants	90,352,500	78,487,500
	Total transfers from national government	90,352,500	78,487,500

Government sponsored trainees are given a capitation grant of Kshs 7,500 per quarter and there were 3871, 3871, 4305, and 4305 trainees in quarter 1, 2, 3 respectively.

6 (b)	TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES	FY2021-2022	FY2020-2021
		Kshs	Kshs
	Ministry of Gender and Youth Affairs - NYS	10,024,714	-
	Total transfers from ministries, departments and agencies	10,024,714	-

The revenue relates to receivables from The Ministry of Gender and Youth Affairs for 115 NYS trainees who were in session for the period

7	RENDERING OF SERVICES	Kshs	KShs
		FY2021-2022	FY2020-2021
	Tuition	58,127,748	21,578,576
	Personal Emoluments	37,343,880	23,883,900
	Medical services	1,716,960	1,101,500
	Repairs Maintenance and Improvements (RMI)	6,598,032	4,242,550
	Electricity Water (EW&C)	4,010,328	2,576,630
	LT&T	3,433,920	2,202,000
	Computer	1,716,960	1,100,500
	Library fees	4,599,000	2,933,600
	Activity fee	3,495,240	2,224,020
	Administration expenses	13,490,400	8,638,606
	Student union	2,882,040	1,833,500
	Student Insurance	2,882,040	1,833,176
	Admission fees	801,209	23,000
	Student ID	960,300	523,500
	Attachment fees	5,364,800	2,931,600
	Examination fees	23,835,210	9,392,060
	NITA	37,148	-
	Bursary income	-	76,000
	Helb loan	-	161,600
	Fee arrears	-	118,292
	Total revenue from Rendering services	171,295,215	87,374,610

Matili Technical Training Institute
Annual Report and Financial Statements
For the year ended 30th June 2022

Notes to the Financial Statements (Continued)

8	RENTAL REVENUE FROM FACILITIES AND EQUIPMENT	FY2021-2022	FY2020-2021
		Kshs	Kshs
		27,000	123,000
	Trainees' accommodation	27,600	40,100
	Rental income from staff	105,000	-
	Hire of facilities	159,600	163,100
	Total revenue from rental of facilities and equipment		

9	OTHER INCOME	FY2021-2022	FY2020-2021
		Kshs	Kshs
		52,835	25,560
	Sale of tenders	609,425	-
	Production unit	150,000	-
	Departmental income	3,326,400	-
	Driving School	68,000	-
	Computer Packages	-	12,000
	Bus hire	4,206,660	37,560
	Total other incomes		

10	USE OF GOODS AND SERVICES	FY2021-2022	FY2020-2021
		Kshs	Kshs
		371,730	179,433
	Advertisement	18,593,771	22,625,500
	Administration expenses	100,878	67,825
	Bank charges	1,793,332	470,100
	Conference and delegation	2,424,265	236,870
	Consulting fees	7,361,134	3,052,079
	Consumables	3,362,096	1,475,058
	Fuel and oil	1,509,538	311,219
	Insurance	17,175	11,945
	Postage	4,090,840	854,378
	Printing and stationery	1,058,850	256,385
	Hire charges	1,860,800	1,911,048
	Library	4,392,950	170,060
	Activity	11,552,992	3,392,960
	Examinations	1,884,640	735,800
	Student union	1,467,105	773,714
	Telecommunication	29,531,713	29,508,906
	Training expenses	699,050	-
	PC expenses	1,272,850	419,500
	Attachment	5,375,245	978,271
	LT&T	508,520	3,161,980
	Medical expenses	2,881,658	3,660,323
	Electricity, water and conservancy		

Matili Technical Training Institute
Annual Report and Financial Statements
For the year ended 30th June 2022

	Security	4,370,700	2,478,500
	Subscriptions	250,640	34,400
	Production unit	52,500	27,900
	Computer expenses	-	1,783,194
	General expenses	-	3,866,413
	Total use of goods	106,784,971	82,375,936

11	EMPLOYEE COSTS	FY2021-2022	FY2020-2021
		Kshs	Kshs
	Personal Emoluments	22,191,050	11,352,359
	PAYE	627,972	172,456
	NHIF	753,255	362,600
	NSSF	2,327,214	1,105,639
	HELB	697,775	264,588
	Total employee costs	26,597,266	13,257,642

12	REMUNERATION TO BOARD OF GOVERNORS	FY2021-2022	FY2020-2021
		Kshs	Kshs
	Directors allowances	1,499,300	1,524,000
	Total remuneration to Board of Governors	1,499,300	1,524,000

13	DEPRECIATION AND AMORTIZATION EXPENSE	FY2021-2022	FY2020-2021
		Kshs	Kshs
	Property, plant and equipment*	9,733,216	-
	Intangible assets**	1,482,800	-
	Total depreciation and amortization expense	11,216,016	-

14	REPAIRS AND MAINTENANCE	FY2021-2022	FY2020-2021
		Kshs	Kshs
	Property	4,768,206	21,430,980
	Equipment and machinery	689,808	289,384
	Motor Vehicles	1,358,971	721,576
	Furniture and fittings	249,890	170,468
	Computers and accessories	829,200	65,650
	Total repairs and maintenance	9,059,631	22,678,058

15	CASH AND CASH EQUIVALENTS	FY2021-2022	FY2020-2021
		Kshs	Kshs
	Description		
	Current account	67,663,609	77,352,695
	Cash at hand	9,660	-
	Total cash and cash equivalents	67,673,269	77,352,695

Matili Technical Training Institute
Annual Report and Financial Statements
For the year ended 30th June 2022

15 (a)	DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS		FY2021-2022	FY2020-2021
	Financial institution	Account number	KShs	KShs
	a) Current account			
	Kenya Commercial Bank-Matili Main account	1107228476	47,820,046	44,689,920
	Kenya Commercial Bank-Development account	1121314678	5,337,034	1,617,016
	Kenya Commercial Bank-Savings account	1198427175	14,350,686	29,013,973
	Kenya Commercial Bank-Turkana North	1183517610	104,890	1,124,858
	Kenya Commercial Bank-Loima Institute	1183518218	50,953	457,310
	Sub-total		67,663,609	76,903,329
	b) Others(specify)			
	Cash in hand		9,660	449,367
	Sub- total		9,660	449,367
	Grand total		67,673,269	77,352,696

16	RECEIVABLES FROM EXCHANGE TRANSACTIONS		FY2021-2022	FY2020-2021
	Current Receivables from Exchange Transactions		Kshs	Kshs
	Student debtors		173,071,003	99,367,293
	Sundry debtors		-	17,400
	Total current receivables		173,071,003	99,384,693

17	INVENTORIES		FY2021-2022	FY2020-2021
			Kshs	Kshs
	Consumable stores		42,020	3,052,079
	Health unit stores		198,497	198,875
	Catering stores		424,638	424,638
	Maintenance stores		6,547,500	
	Total inventories at the lower of cost and net realizable value		7,212,655	3,675,592

**Matili Technical Training Institute
Annual Report and Financial Statements
For the year ended 30th June 2022**

Notes to the Financial Statements (Continued)

18. Property, Plant and Equipment

Cost	Land buildings		Buildings		Motor vehicles		Furniture and fittings		Computers		Plant and equipment		Biological assets		WIP		Total	
	Shs		Shs		Shs		Shs		Shs		Shs		Shs		Shs		Shs	
At 1 July 2021	11,000,000		230,742,348		18,356,422		7,627,909		8,460,000		226,460,816		-		-		502,647,495	
Additions	-		-		13,636,200		2,721,273		1,928,148		3,496,871		290,000		14,601,622		36,674,114	
Revaluation gain	28,750,000		5,306,030		407,378		(2,582,919)		(3,705,535)		(200,598,506)		-		-		(172,423,552)	
At 30th June 2022	39,750,000		236,048,378		32,400,000		7,766,263		6,682,613		29,359,181		290,000		14,601,622		366,898,057	
At 30th June 2022	39,750,000		236,048,378		32,400,000		7,766,263		6,682,613		29,359,181		290,000		14,601,622		366,898,057	
Depreciation	-		2,360,484		4,050,000		485,391		1,002,392		1,834,949		-		-		9,733,216	
At 30th June 2022	-		2,360,484		4,050,000		485,391		1,002,392		1,834,949		-		-		9,733,216	
Net book values																		
At 30th June 2022	39,750,000		233,687,894		28,350,000		7,280,872		5,680,221		27,524,232		290,000		14,601,622		357,164,841	
At 30th June 2021	11,000,000		43,189,649		10,224,504		5,188,397		4,457,355		38,077,288		-		-		112,137,193	

Cost	Land buildings		Motor vehicles		Furniture and fittings		Computers		Plant and equipment		Capital work in progress		Biological assets		Total	
	Shs		Shs		Shs		Shs		Shs		Shs		Shs		Shs	
At 1 July 2020	11,000,000		7,871,250		3,040,688		3,142,650		43,516,901		43,189,649		-		111,761,137	
Additions	-		5,761,422		2,888,909		3,225,000		-		-		-		11,875,331	
At 30th June 2021	11,000,000		13,632,672		5,929,597		6,367,650		43,516,901		43,189,649		-		123,636,468	
Depreciation	-		3,408,168		741,200		1,910,295		5,439,613		-		-		11,499,275	
At 30th June 2021	-		3,408,168		741,200		1,910,295		5,439,613		-		-		11,499,275	
Net book values																
At 30th June 2021	11,000,000		10,224,504		5,188,397		4,457,355		38,077,288		43,189,649		-		112,137,193	
At 30th June 2020	11,000,000		7,871,250		3,040,688		3,142,650		43,516,901		43,189,649		-		111,761,137	

Matili Technical Training Institute
Annual Report and Financial Statements
For the year ended 30th June 2022

Notes to the Financial Statements (Continued)

19. Intangibles Assets

Description	FY2021-2022	FY2021-2021
	Kshs	Kshs
Cost		
At beginning of the year	3,250,666	1,392,000
Additions	4,163,334	-
At end of the year	7,414,000	1,392,000
Additions-internal development		1,858,666
At end of the year	7,414,000	3,250,666
Amortization and impairment		
At beginning of the year	-	-
Amortization	-	-
At end of the year	7,414,000	3,250,666
Impairment loss	(1,482,800)	-
At end of the year	5,931,200	3,250,666
NBV		

20 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS			
		FY2021-2022	FY2020-2021
		Kshs	Kshs
		4,984,702	3,533,126
Trade payables		1,670,786	16,152,215
Fees paid in advance-NYS		-	85,755,860
Third-party payments		-	(8,721,129)
Other payables		6,655,488	95,868,393
Total trade and other payables		-	(71,300,587)
Prior year adjustments in payables		-	23,716,127

21 REFUNDABLE DEPOSITS FROM CUSTOMERS/STUDENTS			
		FY2021-2022	FY2020-2021
		Kshs	Kshs
		-	2,230,209
BURSARY		-	5,440,600
HELB		5,149,500	3,250,500
Caution money		-	32,000
NITA EXAMS		5,149,500	10,953,309
Total deposits			

Matili Technical Training Institute
Annual Report and Financial Statements
For the year ended 30th June 2022

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Lands and Management Policy and guidelines (Issued June 2020). These amounts were adopted in the financial statements on 30 June 2022.

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

Description	Cost	Accumulated	
	Kshs	Depreciation	NBV
	Kshs	Kshs	Kshs
Land	39,750,000	-	39,750,000
Buildings	236,048,378	2,360,484	233,687,894
Plant And Machinery	29,359,181	1,834,949	27,524,232
Motor Vehicles including Motorcycles	32,400,000	4,050,000	28,350,000
Computers and Related Equipment	6,682,613	1,002,392	5,680,221
Office Equipment, Furniture, And Fittings	7,766,263	485,391	7,280,872
Total	352,006,435	9,733,216	342,273,219

Notes to the Financial Statements (Continued)

23. Financial Risk Management

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

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

(i) Credit risk

The entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and 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 entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2021				
Receivables from exchange transactions	99,384,693	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	77,352,696	-	-	-
Total	176,737,389	-	-	-
At 30 June 2022				
Receivables from exchange transactions	173,071,003	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	67,673,269	-	-	-
Total	240,744,272	-	-	-

Matili Technical Training Institute
Annual Report and Financial Statements
For the year ended 30th June 2022

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

The entity has significant concentration of credit risk on amounts due from student debtors.

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.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	
At 30 June 2021				
Trade Payables	95,868,393	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	95,868,393	-	-	-
At 30 June 2022				
Trade Payables	6,655,488	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	6,655,488	-	-	-

Matili Technical Training Institute
Annual Report and Financial Statements
For the year ended 30th June 2022

(iii) Market risk

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

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

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

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

(iv) Capital Risk Management

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Revaluation Reserve	309,138,218	410,261,283
Retained Earnings	231,887,210	151,843,153
Capital Fund	47,006,536	17,385,104
Total Funds	599,247,980	579,489,540
Total Borrowings	-	-
Less: Cash and Bank Balances	-	-
Net Debt/(Excess Cash and Cash Equivalents)	-	-
Gearing	-	-

24. 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*. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

- i) The National Government;
- ii) The Ministry of Education;
- iii) Key management;
- iv) Board of governors;

25. Events After The Reporting Period

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

26. Ultimate And Holding Entity

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

27. Currency

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

Matli Technical Training Institute
Annual Report and Financial Statements
For the year ended 30th June 2022

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Name: **JOBITH SANKER**
Accounting Officer
Principal

**Matili Technical Training Institute
Annual Report and Financial Statements
For the year ended 30th June 2022**

Appendix II: Projects Implemented by Matili Technical Training Institute)

Projects

Projects implemented by the State Corporation Funded by development partners

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1						
2						

Status of Projects completion

Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1 Purchase of college bus	13,636,200	12,000,000	100%		12,000,000	Internal
2 Construction of food and beverages complex	25,000,000	14,601,622	50%	25,000,000	14,601,622	Gok
3 Purchase of Generator	2,500,000		100%		2,500,000	Internal

**Matili Technical Training Institute
Annual Report and Financial Statements
For the year ended 30th June 2022**

Appendix III - Inter-Entity Confirmation Letter



**MINISTRY OF EDUCATION
STATE DEPARTMENT OF VOCATIONAL & TECHNICAL TRAINING
MATILI TECHNICAL TRAINING INSTITUTE**

P.O. BOX 76 — 50204, KIMILILI, TEL: 0707747007

E-mail: matilitechnicalcollege@yahoo.co.uk Website: www.matti.ac.ke




The Matili Technical Training Institute wishes to confirm the amounts disbursed to you as at 30th June 2022 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below. Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30th June 2022

Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30 th June 2022			Total (D)=(A+B+C)	Amount Received by [beneficiary Entity] (KShs) as at 30 th June 2021 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)			
	18/11/2021	29,032,500	-	-	-	29,032,500	-
	2/3/2022	29,032,500	-	-	-	29,032,500	-
	3/6/2022	32,287,500	-	-	-	32,287,500	-
Total		90,352,500					

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

Head of Accountants department of beneficiary Entity:

Name JOHN H. SANKI Sign  Date 30/06/2022

**Matili Technical Training Institute
Annual Report and Financial Statements
For the year ended 30th June 2022**

Appendix IV: Reporting of Climate Relevant Expenditures

Name of the Organization
Telephone Number
Email Address
Name of CEO/MD/Head

Name and contact details of contact person (in case of any clarifications)

Project Name	Project Description	Project Objectives	Project Activities	Source Of Funds				Implementing Partners
				Q1	Q2	Q3	Q4	

