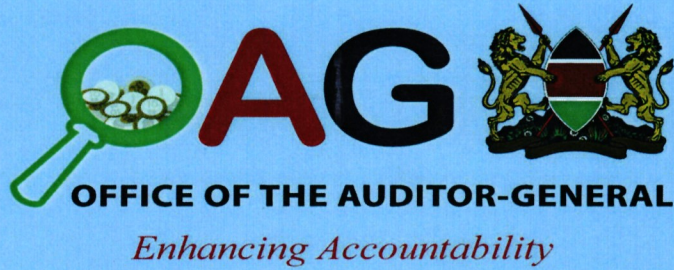


REPUBLIC OF KENYA



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OF KENYA
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REPORT

OF

THE AUDITOR-GENERAL

ON

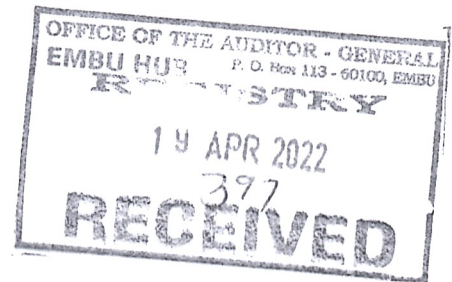
MITUNGUU TECHNICAL TRAINING
INSTITUTE

FOR THE YEAR ENDED
30 JUNE, 2021

THE NATIONAL ASSEMBLY	
DATE:	23 NOV 2022
TABLED BY:	LON
CLERK-AT THE-TABLE:	Moses Temuna
	DAY: Tuesday



MITUNGUU TECHNICAL TRAINING INSTITUTE



ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
JUNE 30 2021

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

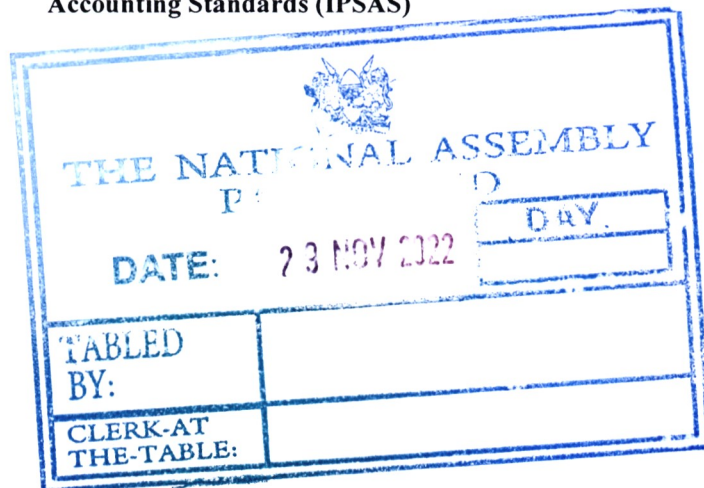


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IKEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

Mitunguu Technical Training Institute was incorporated / established under the TVET Act (2013) in 2014 and opened its doors in 2015. The entity is domiciled in Kenya, Mitunguu, Meru. The Institute is under the Ministry of Education.

Vision

To be a national centre of excellence in Technical and Vocational Education and Training (TVET).

Mission

To develop professional skills and technical competences, produce proficient and versatile professional managers by providing quality management courses.

(b) Principal Activities

The core business of Mitunguu Technical Training Institute is to offer technical and vocational education and training at the institute level.

(c) Key Management

Mitunguu Technical Training Institute's day-to-day management is under the following key organs:

- Board of Governors
- Accounting officer/ Principal
- Senior Management

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Joseph K. Thaimuta
2.	D/principal (Admin)	Julius Kirera
3.	D/Principal (Academic)	Joseck Munyua
4.	Finance Officer	Mathew Muturi
5.	Registrar	Penninah Ngina
6.	Dean of students	Joseph Koruru
7.	Procurement Officer	Jackson Muturi

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(e) Fiduciary Oversight Arrangements

1.	Human Resource, Finance and Planning	1) Jenaro Guantai Ithinji – Chairman 2) Kelvin M Mbaabu – Vice Chairman 3) Sabina Gatumi – Member 4) Thaimuta J. Kobia – Secretary/Principal
----	--------------------------------------	---

(f) Headquarters

Mitunguu Technical Training Institute
Along Tunyai-Nkubu Mati Road
P.O. Box 64-60204
Mitunguu
MERU.

(g) Entity Contacts

Telephone :(254) 701 233 591
E-mail: Mitunguutechnical@gmail.com
Website: www.mitunguutechnical.ac.ke

(h) Bankers

1. Co-operative Bank of Kenya
Nkubu branch
P.O. Box 740-60202
Nkubu.
2. KCB Bank
Nkubu branch
P.O Box 178-60200
Meru.
3. Equity Bank (Kenya) Ltd
Nkubu branch
P.O Box 60-60202
Nkubu.

(i) Independent Auditors







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

(j) Principal Legal Adviser



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

**Mitunguu Technical Training institute
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II.THE BOARD OF GOVERNORS








PASSPORT	DATE BIRTH	QUALIFICATIONS	EXPERIENCE
<p>Mr.Jenaro G. Ithinji</p>  <p>BOG Chairman</p>	1969	M.ED	Several years in academic and administration in private and public sector.
<p>Kelvin Mutuma B</p>  <p>BOG Vice Chairman</p>	1985	BA(Law)	Practising lawyer and an accountant
<p>Mr.Joseph K. Thaimuta</p>  <p>Principal</p>	1969	M.Ed	Jan 2021 to Date: Mitunguu TTI: Principal 17 Several years in a National polytechnic as a trainer,Dean of students and Deputy Principal 20 years as an administrator in education institutions
<p>Sabina Gatumi</p>  <p>BOG Member</p>	1969	MBA	Several years in public sector
<p>Mary Mwandulo</p>  <p>BOG Member</p>	1980	M.sc IT	Lecturer at Meru University of Science and technology
<p>Jonathan Kiambi</p>  <p>BOG Member</p>	1965	MBA	General manager of Geminia insurance company Has several years' experience in Marketing

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<p>Charles Ikiara</p>  <p>BOG Member</p>	<p>1961</p>	<p>BBA Marketing</p>	<p>Several years in banking industry</p>
<p>Miriti Mnanu</p>  <p>BOG Member</p>	<p>1966</p>	<p>BA (Bldg,Econ)</p>	<p>Several years in private sector (Quantity Surveyor)</p>

Mitunguu Technical Training institute
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III.MANAGEMENT TEAM

PASSPORT	DOB	QUALIFICATIONS	EXPERIENCE
 Principal	1969	M.ed	-Jan 2021 to Date: Mitunguu TTI: Principal 17 Several years in a Kabete National Polytechnic as a trainer, Dean of students and Deputy Principal. 20 years as an administrator in education institutions
 D/Principal (Administration)	1961	BED-Arts	2016 to Date: Mitunguu TTI- Deputy Principal 2014 to 2015: Murugi Day Secondary School - Deputy Principal 1990 -2013: Katheri High School -Head of Department
 D/Principal (Academics)	1966	BED-Arts	Dec.2019 to Date: Mitunguu TTI- Deputy Principal Oct 2017-Sep 2019: Mitunguu TTI-Head of Department Sep 2007-Sep 2017: Lower Chure Sec. School - Head of Department 1996-2007-Kithatu Girls Sec School-Head of Department May 1990-Secondary School Teacher
 Registrar	1973	M.SC-applied mathematics	2016 to date- Mitunguu TTI- Registrar 2014-2016 – Uruku girls Sec School –Deputy Principal 2005-2014 – Kathanthatu Sec School –Teacher 1998-2005 Muthetheni Girls – Teacher
 Dean of Students	1970		2016 to date Mitunguu TTI – Dean of Students 2013- 2015 Kaubau day – Deputy Principal 2011-2012 Ntharene Day – Teacher 1997-2010 Nkuene Boys – Deputy Principal
 Finance Officer	1986	MBA-Ongoing BCOM-Accounting CPA(K)	April 2021 to Date-Mitunguu TTI-Finance Officer October 2019-March 2021-Kabete National Polytechnic-Accountant 1 August 2011-September 2019-Tharaka Boys High School-Accountant 2
 Procurement	1987	BSC-Supply Chain Management with IT	March 2020-To date-Mitunguu TTI Procurement Officer Sep 2018-Jan 2020 KeRRA Assistant procurement Officer October 2016- August 2018 Meru Level 5 Procurement Officer

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IV. CHAIRMAN'S STATEMENT

Mitunguu Technical Training Institute is situated in Meru County, 32 kilometers from Meru town and 17 kilometers from Nkubu town in the Eastern region of Kenya and approximately 235 kilometers Northeast of Nairobi. Meru County borders five other counties namely; Isiolo to the North, Nyeri to the South West, Tharaka-Nithi to the South East and Laikipia to the West. Meru County is made up of nine constituencies; Igembe South, Igembe Central, Igembe North, Tigania West, Tigania East, North Imenti, Buuri, Central Imenti and South Imenti where the Institute is situated

Mitunguu Technical Training Institute is established and registered by Technical and Vocational Education and Training Authority (TVETA) established by the TVET Act No. 29 of 2013. The institute sits on a 50-acre piece of land. The vision of the institute is to be national centre of excellence in technical and vocational and training. The mission is to produce proficient and versatile human resource by providing quality relevant, and innovative technical and vocation education and training.

The major successes and strengths of the institute include: -

- The state- of- the- art infrastructure
- Consistent good performance in Performance Contracting
- The Institute enjoys political good will in promoting technical vocational and training (TVET),
- Good catchment area for the trainees from Tharaka Nithi, Mbeere and Embu areas.
- accessible road network: the instituted along the Mati Road connecting to Embu County and Nkubu Town in Meru County
- Adequate land the institute is on 50 acres of land piece no. 2863
- Formation of covid-19 response team and provision of PPEs like sanitizers, Face masks detergents and fumigation solution in preparedness of the reopening of the institute. The institute is KEBS certified to produce sanitizers.
- Electricity supply: the institute is connected to the National Grid on three phase supplies
- Enactment of TVET Act, 2013
- Funding support from the government for the ongoing administration block left wing up second floor
- Establishment of the state department of TVET
- Developing the second vibrant strategic plan aligned to big four agenda, Covid-19 pandemic and vision 2030.

Mitunguu Technical Training institute
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The Institute has its challenges bearing in mind that it started in May 2015 with little or no resources some of which include the following:

- ✓ Late disbursement of capitation grants which makes implementation of projects difficult.
- ✓ High rate of depreciation.
- ✓ Lack of dormitories.
- ✓ Raising number of the trainees versus physical facilities.
- ✓ Inadequate funds to meet learning infrastructural needs of the trainees.
- ✓ Lack of boarding facilities to take care of the trainees who do not come from the surroundings. The community also have not developed facilities that can be hired for accommodation
- ✓ Low automation level, the connectivity of the institute to the internet is very low and the government fibre optical cable is not available
- ✓ Inadequate learning and training resources. The government provide basic resources to start the institute in electrical & electronics and information Communication Technology departments however, the departments require very many consumable resources on daily basis which are not available.
- ✓ Floods during the rainy seasons
- ✓ Changing technology which makes the facilities provided by the government need replacement frequently
- ✓ Competition from other institutions offering similar courses in shorter durations
- ✓ HIV/AIDS
- ✓ Drug and substance abuse
- ✓ Changing economic times
- ✓ Inadequate staff both trainers and support staff. Employment of the staff is the responsibility of the government of which this has been done but not enough.
- ✓ Change in government policy
- ✓ Political interference
- ✓ Covid-19 pandemic

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The way forward for the Mitunguu Technical Training Institute is allocate more funds on marketing and publicity so as increase gross enrolment, enhance collaboration partnerships with the local community and other agencies, integrate ICT in education and training, improve the human resource capacity through enhancing competencies and team building.

The institute will also strife to improve physical facilities and infrastructure, institute's safety and security through developing security policy, asset management by developing and updating asset inventory and train staff and trainees on first aid, firefighting skills and disaster management skills.

The vision for Mitunguu Technical Training Institute is to be a national centre of excellence in Technical & Vocational Education and Training.



Mr Jenaro Guantai Ithinji

**Mitunguu Technical Training institute
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V.REPORT OF THE PRINCIPAL

LOCATION AND ESTABLISHMENT

Mitunguu Technical Training Institute is situated in Meru County, 32 kilometers from Meru town and 17 kilometers from Nkubu town in the eastern region of Kenya and approximately 235 kilometers northeast of Nairobi.

Mitunguu Technical Training Institute was established and registered by Technical and Vocational Education and Training Authority (TVETA) established by the TVET Act No. 29 of 2013. The institute sits on a 52-acre piece of land. Its construction was funded by the government of Kenya between the years 2011 and 2015 with the core mandate of providing training to the large number of young people who graduate annually from secondary and primary school system. This is in the realization that producing a properly and effectively trained, disciplined and patriotic human resource can make a positive contribution to the development of the nation in line with Kenya Vision 2030.

The Institute was designed to be constructed in phases. The first phase of the Institute was designed to offer courses mainly in Electrical & Electronic Engineering and Information & Communication Technology. The Institute opened its doors in May 2015 and admitted eight (8) students in Electrical Installation (Artisan). It had one (1) TSC teacher (Principal), two (2) BOG teachers and two (2) non-teaching staff. Currently the institute is made up of 47 courses in six departments. The institute population comprises 907 trainees, 29 public service commission trainers, 28 BOG trainers and 16 non-training staff.

The major successes and strengths of the institute include: -

STRENGTHS

- Adequate land
- Good & modern physical structures
- Internet available
- Supply of clean water
- Electricity supply
- Qualified personnel
- Conducive environment

Mitunguu Technical Training institute
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SUCSESSES

- Funding support from the government
- Political Goodwill
- High population density for trainees
- Economically endowed region
- Accessible road network
- Support from neighbouring institutions
- Increasing demand for technical education
- Implementation of Kenya Vision 2030
- Enactment of TVET Act 2013
- Establishment of the state department of TVET

CHALLENGES

The Institute has its challenges which include the following:

- Lack of boarding facilities
- Inadequate of Institute transport facilities
- Inadequate of recreational facilities
- Inadequate Automation level
- Low enrollment
- Inadequate learning & training resources
- Inadequate financial resources

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VI. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

The pillars are summarized in the table below

Strategic Pillar	Objective	Strategy
Science Technology and Innovation	To improve physical facilities and infrastructure	Expand facilities and infrastructure Improve existing facilities and infrastructure Asset management
	To improve the Institute's safety and security systems	Information security management Security policy, Work environment Promote health and safety
Education and Training	To enhance corporate governance by developing and adapting a Quality Management System (QMS)	Develop and implement Processes and procedures, Adaption of QMS, Management Reviews, Zero tolerance to corruption Ensure continued relevance of the service delivery charter, Students' governance
	To enhance collaboration & development partners	Source for funding, Collaborate with the local community, Collaboration with other agencies.
	To strengthen the Institute's financial management system	To enhance management of Financial Resources, To operate within the set budgetary allocations, Diversify sources of income, Reduce costs.
Human Resource Management and Development	Training and improve the human resource capacity	Enhance competencies, Team building, Staff appraisal, HR Policy, Transfer of skills, Succession planning, Staff motivation
Information and Communication Technology (ICT)	To integrate ICT in education and Training	Integrate ICT ERP System
Gender and Youth Development	To increase gross enrollment	Intensify marketing Expand the curriculum

VII. CORPORATE GOVERNANCE STATEMENT

Number of Board Meetings held and Attendance

S/N	Date of the Meeting	Attendance
2.	14 th July, 2020 (Administration, Finance & Planning Committee)	1) Kelvin M Mbaabu – Vice Chairman 2) Sabina Gatumi – Member 3) Charles Ikiara – Member 4) Caroline K Muguna – Secretary/Principal
3.	17 th July, 2020 (Full Board Meeting)	1) Jenaro Guantai Ithinji – Chairman 2) Kelvin M Mbaabu – Vice Chairman 3) Jonathan K Muketha – Member 4) Sabina Gatumi – Member 5) Charles Ikiara – Member 6) Miriti Munanu - Member 7) Mary Mwadulo – Member 8) Margaret N Nduhiu – County Director TVET 9) Caroline K Muguna – Secretary/Principal
4.	11 th September, 2020 (Administration, Finance & Planning Committee)	1) Jenaro Guantai Ithinji – Chairman 2) Kelvin M Mbaabu – Vice Chairman 3) Sabina Gatumi – Member 4) Charles Ikiara – Member 5) Caroline K Muguna – Secretary/Principal
5.	2 nd October, 2020 (Administration, Finance & Planning Committee)	1) Jenaro Guantai Ithinji – Chairman 2) Kelvin M Mbaabu – Vice Chairman 3) Sabina Gatumi – Member 4) Julius Mwongera – Ag. Secretary/Principal
6.	4 th December, 2020 (Administration, Finance & Planning Committee)	1) Jenaro Guantai Ithinji – Chairman 2) Kelvin M Mbaabu – Vice Chairman 3) Sabina Gatumi – Member 4) Julius Mwongera – Ag. Secretary/Principal
7.	12 th January, 2021 (Full Board Meeting)	1) Jenaro Guantai Ithinji – Chairman 2) Kelvin M Mbaabu – Vice Chairman

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		<ul style="list-style-type: none"> 3) Sabina Gatumi – Member 4) Charles Ikiara – Member 5) Miriti Munanu - Member 6) Mary Mwadulo – Member 7) Margaret Nduhiu – County Director TVET 8) Thaimuta J. Kobia – Secretary/Principal
8.	4 th February, 2021 (Administration, Finance & Planning Committee)	<ul style="list-style-type: none"> 5) Jenaro Guantai Ithinji – Chairman 6) Kelvin M Mbaabu – Vice Chairman 7) Sabina Gatumi – Member 8) Thaimuta J. Kobia – Secretary/Principal
9.	14 th April, 2021 (Full Board Meeting)	<ul style="list-style-type: none"> 1) Jenaro Guantai Ithinji – Chairman 2) Kelvin M Mbaabu – Vice Chairman 3) Sabina Gatumi – Member 4) Jonathan K. Muketha - Member 5) Miriti Munanu - Member 6) Mary Mwadulo – Member 7) Margaret Nduhiu – County Director TVET 8) Thaimuta J. Kobia – Secretary/Principal

Succession Plan

Appointment of Board members from the ministry and internal appointments of various heads of departments

Existence of a Board Charter

The board charter is available and in place.

**Mitunguu Technical Training institute
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VIII. MANAGEMENT DISCUSSION AND ANALYSIS

SECTION A

The Operational and Financial Performance of Mitunguu Technical Institute

Mitunguu Institute mandate is Education and Training. It was established to train in Electrical & Electronics Engineering, and Information Communication & Technology. The Institute has been able to address the industry demands by introducing new courses like Building & Construction Technology, Cosmetology, Business Management Courses, Agriculture Engineering and Competence Based Education & Training. The enrolment has gradually increased over the years from six male trainees in 2015 to over 1,375 trainees' net enrolment. The Institute has also been able to admit 286 trainees from the NYS under the sponsorship of the government, 13 Meru Youth service trainees and 69 Trainees sponsored by KCB Foundation. Despite delays in remitting funds by the government, the Institute has been able to mitigate the financial constraints through preparation of supplementary budget during the year. Some of the challenges that the Institute is experiencing is lack of boarding facilities, inadequate learning & training resources, low automation, lack of recreational facilities, low enrolment, lack of transport facilities, inadequate financial resources among others. The Institute enjoys political goodwill, accessible road network, increasing demand for technical education, establishment of the state department of TVET, economically endowed region, adequate land for expansion among others

SECTION B

Compliance with Statutory Requirements

Mitunguu Technical Training Institute has complied with the statutory requirements like payment of the KRA Returns- PAYE & WITH-HOLDING TAX, NSSF, NHIF and NITA. The institute has not been involved in any court case since it started in 2015 to-date. The community is very supportive and there has not been any claim of any Institute property.

SECTION C

Key Projects and Investments Decisions the Entity is planning /Implementing

The Institute is buying an Institute bus to address the challenge of transport and procuring textbooks to enhance training for the trainees from the savings. Construction of administration block is ongoing that is financed by the Government of Kenya. Installing of drip irrigation project to provide food and practical for the agriculture trainees

SECTION D

Major Risks facing the Institute

The Institute has risks like flooding due to high water table and long dry spell during the dry seasons. Competitions from the neighbouring Institutions offering similar courses hence low enrolment, drug & substance abuse, inadequate staffing by the Ministry of Education, changing technology, HIV/AIDS, Covid-19 pandemic, changing government policy, political interference, changing economic times, information security, legal and statutory regulations among others.

SECTION E

Material Arrears in Statutory /Financial Obligations

The institute has no arrears in statutory or financial obligations and this is demonstrated by financial statements.

Mitunguu Technical Training institute
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For the year ended June 30, 2021

IX. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Environmental reporting is a self-regulating business model that helps organization to be socially accountable to its self, stakeholders and the public.

Corporate social responsibilities/community engagements

By practicing CSR organization can be conscious of the kind of impact they are having on all aspects of society including economic, social and environmental.

The following are some of the CSR activities carried out by Mitunguu Technical Training Institute during the FY 2020/2021

1. Employment of community people as workers in the institute
2. Christian movement and young Christian society movement have organized crusades with local churches, secondary schools and primary schools around the area
3. The Institute held several cultural days whereby the community has come to watch their children's talents this has brought harmonious co-existence.

On conservation of environment

1. The Institute environmental club has planted 524 exotic and indigenous trees within the compound
2. Drainage around the institute has been improved
3. Litter bins have been set up around
4. Compost pits have been dug at strategic points within the compound

To develop and improve sports the management as:-

1. Sponsored National Ball Games Championship at Thika Technical Training Institute Nairobi region

On promotion of education

1. Institute admit students from all parts of the country
2. The Institute ensured that learning facilitates are adequate.
3. The Institute ensured that there is enough trainers/lecturers by employing more BoG trainers
4. Encouraging trainees to apply for loans from Higher Education Loan Board
5. Education excursion/trips have been held
6. Motivational speakers were invited in the Institute

On health care the institute did the following

1. Ensured that there are regular visits by the nurse 2 times a week
2. Ensured enforcement of acquirement of NHIF for its workers
3. Provision of First Aid kits.

Mitunguu Technical Training institute
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Employee welfare

Recruitment Process

Appointment of staff of The Institute shall be done by the Institute Board in accordance with the approved procedures.

The Head of a Department will be responsible for determining the existence of a Vacancy in his/her department. Once a decision to recruit is made, the Head of Department will then complete a Staff Requisition Form.

The overall departmental head will notify the Principal by giving justifications on the need. Once approved by the Principal the need shall be forwarded to the HR department

Applications for appointment to vacant posts will be invited by open advertisement. In each case and where possible, a shortlist of not less than three (3) candidates per post shall be prepared and interviews conducted.

The Institute shall advertise to fill vacant positions in an open, competitive, fair and merit-based process. However, consideration will be given to promote candidates from within The Institute so as to meet the employee career growth expectations.

Before external recruitment is considered the following methods of filling up the post shall first be exhausted:

- Promotion of the qualified candidates in the department or qualified candidates from another department who has the requisite qualifications and competence to do the job.
- Internal advertisement to attract applications from any staff members within The Institute . Where the internal recruitment process is exhausted and no suitable internal candidate exists, applicants will be sourced through open advertisements.

Once applications are received, the short-listing panel(s) shall be constituted by the Institute Board or the Principal

In all cases that fall within the purview of the Principal members of the shortlisting and interviewing panel shall not be at a grade equal to or below the position for which the candidate is being interviewed.

The principles of affirmative action, gender and persons living with disability and national values will apply. The Institute shall observe gender mainstreaming, balance on appointment, promotion and ensure that a minimum of a third (1/3) are of either gender.

X.REPORT OF BOARD OF GOVERNORS

The Board members submit their report together with the audited financial statements for the year ended June 30, 2021 which show the state of the *Mitunguu Technical Training Institute*'s affairs.

BOARD OF GOVERNORS

The members of the Board who served during the year are shown on page iv & vi

Auditors

The Auditor General is responsible for the statutory audit of *Mitunguu Technical Training institute* in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or Certified Public Accountants nominated by the Auditor General to carry out the audit of the *Mitunguu Technical Training Institute* for the year/period ended June 30, 2021 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



Corporate Secretary
Nairobi
Date: 20/08/2021

XI.STATEMENT OF BOARD OF GOVERNORS MEMBERS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and (*section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013* - require the Board members to prepare financial statements in respect of that *entity*, which give a true and fair view of the state of affairs of the *entity* at the end of the financial year/period and the operating results of the *entity* for that year/period. The Board members are also required to ensure that the *entity* keeps proper accounting records which disclose with reasonable accuracy the financial position of *Mitunguu Technical Training Institute*. The Board members are also responsible for safeguarding the assets of *Mitunguu Technical Training Institute*.

The Board members are responsible for the preparation and presentation of the *Mitunguu technical training institute's* financial statements, which give a true and fair view of the state of affairs of the *entity* for and as at the end of the financial year (period) ended on June 30, 2021. 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 *Mitunguu Technical Training Institute*; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for *Mitunguu Technical Training Institute's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (*the State Corporations Act, and the TVET Act*).

The Board members are of the opinion that *Mitunguu Technical Training Institute's* financial statements give a true and fair view of the state of *Mitunguu Technical Training Institute's* transactions during the financial year ended June 30, 2021, and of the *Mitunguu Technical Training Institute's* financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for *Mitunguu Technical Training Institute*, which have been relied upon in the preparation of the *Mitunguu Technical Training Institute's* financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The *Mitunguu Technical Training Institute* financial statements were approved by the Board on 20/08/2021 and signed on its behalf by:

Name: Jenaro G.Ithinji



Signature

Chairperson of the Board

Name: Joseph K Thaimuta

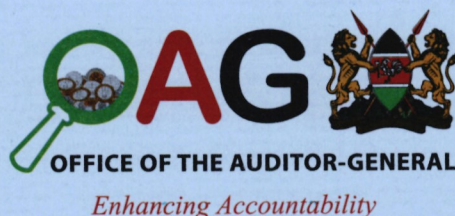


Signature

Principal

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: 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 MITUNGUU TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines, and manuals and whether public resources are applied in a prudent, efficient, economic, transparent, and accountable manner to ensure Government achieves value for money and that such funds are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, 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 by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Mitunguu Technical Training Institute set out on pages 1 to 45, which comprise the statement of financial performance

for the year ended 30 June, 2021, statement of financial position as at 30 June, 2021, 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 notes to the financial statements in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Mitunguu Technical Training Institute as at 30 June, 2021, 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 the Public Finance Management Act, 2012 and comply with the Technical and Vocational Education and Training Act, 2013.

Basis for Qualified Opinion

1.0 Inaccuracies in the Financial Statements

- i. The statement of financial position reflects an amount of Kshs.2,211,900 under refundable deposits from customers and sundry creditors, which as disclosed under Note 35 to the financial statements includes caution money brought forward of Kshs.514,000, current year's caution money balance of Kshs.675,500 and students' welfare of Kshs.1,022,400. However, these amounts were not supported with any documentary evidence.
- ii. The statement of financial performance reflects use of goods and services expenditure balance of Kshs.37,771,394 which as disclosed in Note 15 to the financial statements includes an amount of Kshs.397,072 relating to motor vehicle insurance, which was not supported with any documentary evidence.
- iii. The statement of financial position reflects an amount of Kshs.531,200 as inventories, while Note 29 to the financial statements reflects nil balances under the various sub-components for the different types of inventories. It was therefore not clear how the balance of Kshs.531,200 was arrived at.
- iv. The statement of cash flows reflects a balance of Kshs.4,290,237.99 erroneously indicated as net surplus instead of net cash flows from operating activities. In addition, the net cash flows from investing activities is indicated as a negative of Kshs.4,606,088 instead of a negative balance of Kshs.315,851. Further a balance of Kshs.38,698,338 in respect to cash flows from financing activities indicated as increase in deposits while the correct balance should have been a negative balance of Kshs.39,005,188. Further, descriptive Notes to all other reported balances have not been included in the statement of cash flows. The sub headings in the statement of cash flows is not as per the approved financial reporting template.

- v. The statement of financial performance reflects an amount of Kshs.37,771,394 relating to use of goods and services which, as disclosed in Note 15 to the financial statements, includes Kshs.4,056,187 in respect to teaching and learning materials which further includes an amount of Kshs.758,000 whose supporting documents were not provided for audit review.
- iv. The statement of financial performance reflects an amount of Kshs.37,610,278 under rendering of services which as disclosed under Note 10 to the financial statements includes tuition fees of Kshs.23,469,568. A comparison of the enrollments against the actual students in session per term revealed that an average of 75% of the students enrolled were not in session
- vi. In addition, details of students on industrial attachments, long-holidays, and deferments were not updated in the Technical and Vocational Education and Training Management Information System (TVET-MIS). The billing for rendering of services income was only done for students who physically reported back to the Institute at the start of the term. Further, class attendance registers were not updated. Consequently, it was not possible to distinguish between the students who were away on industrial attachments, long-holidays, or deferments, from those who were either irregularly attending classes without proper authorization or had dropped-out for various reasons.
- vii. The statement of financial position reflects a balance of Kshs.3,787,103 in respect to trade and other payables from exchange transactions which is further disclosed in Note 34 to the financial statements which includes Kshs.1,672,403 relating to fees paid in advance. The previous year's balance was Kshs.26,311,565 resulting to a decrease in prepayment by Kshs.24,639,162 which should have been recognized as income in the year under review. Further, the amount could not be traced to revenue (tuition income) account in the statement of financial performance.

In the circumstances, the accuracy of the financial statements could not be confirmed not ascertained.

2.0 Property, Plant and Equipment

2.1 Lack of Valuation Report and Ownership Documents

The Statement of Financial Position reflects a balance of Kshs.32,318,045 relating to net book value of property, plant and equipment, which as disclosed in Note 31 to the financial statements includes Kshs.27,018,996 relating to land and buildings. However, as reported in the previous years' audit, the Institute has not acquired ownership documents for the parcel of land.

Further, the balance of Kshs.32,318,045 did not include the values of civil works such as pathways and fences constructed by the institute, car park and car park shades, water reticulation and boreholes systems and drainage system.

In the circumstances, the accuracy and ownership of the items of Property, Plant Equipment's was not fairly stated.

2.2 Unsupported Depreciation and Amortization Expense

The statement of financial performance reflects an amount of Kshs.2,305,396 relating to depreciation and amortization expenses which as further disclosed in Note 18 to the financial statements includes intangible asset amortization of Kshs.396,508. However, the intangible asset schedule reflects amortization charge of Kshs.169,932 resulting to an unreconciled and unexplained variance of Kshs.226,576.

In the circumstances, the accuracy of the depreciation and amortization balance could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Mitunguu 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 Institute's statement of comparison of budget and actual amounts for the year ended 30 June, 2021 reflects final receipt budget of Kshs.62,586,460 and actual receipts of Kshs.57,169,592 resulting to budget under realization of Kshs.5,416,868 or 8%.

The Statement also reflects budgeted expenditure of Kshs.73,030,616 and actual expenditure of Kshs.50,895,015 resulting to an under expenditure of Kshs.22,135,601 or 30%.

The underfunding and underperformance affected the planned activities and may have impacted negatively 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 matters described in the Basis for Conclusion on Lawfulness

and Effectiveness in Use of Public Resources and Basis for Qualified Opinion sections of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1.0 Irregular Recruitment of Staff

The statement of financial performance reflects employees costs which as disclosed in Note 16 to the financial statements reflects a balance of Kshs.7,792,180 . During the year the Institute advertised to fill the various vacant positions. However, the Institute did not adhere to the required number of days for an advertisement to be open before closing it. This might have disadvantaged some potential candidates for the various positions advertised.

In the circumstances, the Institute was in breach of the Human Resources Policy on recruitment of employees.

2.0 Lack of Assets Register and Non-Tagging of Assets

There was no assets register in place and the assets were not tagged for ease of tracking and identification contrary to Section 139(1)(b) of the Public Finance Management (National Government) Regulations, 2015 which states that an Accounting Officer of a national government entity shall take full responsibility and ensure that proper control systems exist for assets and that movement and conditions of assets can be tracked.

In the circumstances, the existence and security of the property, plant and equipment could not be guaranteed leading to breach of laws.

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

Basis for Conclusion

1.0 Lack of Internal Audit Department and Non-Establishment of Internal Audit Committee

During the year under review, the Institute operated without an Internal Audit Unit and without an established Audit Committee contrary to Section 73(1) (a) and Section 73(5) of the Public Finance Management Act, 2012 which stipulates that the entity should ensure that it has appropriate arrangements in place for conducting internal audit according to the guidelines of the Public Sector Accounting Standards Board and that every national government public entity shall establish an Audit Committee whose composition and functions shall be as prescribed by the regulations respectively.

In the circumstances, the Institute was in breach of the laws.

2.0 Lack of Information, Communication and Technology (ICT) Policy

As reported in the previous years, the Institute did not have an approved ICT Policy during the year under review to ensure data security, information confidentiality, data integrity, loss of business continuity and data recovery plans contrary to Section 110(1) of the Public Finance Management (National Government) Regulations, 2015 which states that an Accounting Officer of a National Government entity shall institute appropriate access controls needed to minimize breaches of information confidentiality, data integrity and loss of business continuity.

In the circumstance, the security and reliability of the Institute's data could not be ascertained.

3.0 Operating Without a Board of Governors

As at the time of the audit in March, 2022, the Institute operated without a Board of Governors to guide its policies and operations for a period of six (6) months contrary to Section 7(2) of Second Schedule of the Technical and Vocational Education and Training Act, 2013 which states that in appointing and reappointing Members of Boards of Governors, the Cabinet Secretary shall stagger the commencement dates of some Members to maintain a proportion of new membership that ensures continuity in the affairs of the Board of Governors. The three (3) year term of the Board of Governors appointed on 5 October, 2018 expired on 4 October, 2021.

In the circumstances, the Institute was unable to constitute Board Committees such as the Audit Committee, Finance Committee, Human Resource Committee, IT Strategy Committee among others to provide oversight to the management activities in line with Good Corporate Governance practices.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, 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 those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal 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 continue to sustain its services, disclosing, as applicable, matters related to the sustainability of services unless Management is aware of the intentions to terminate Institute or to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, the 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.

Those charged with governance are responsible for overseeing the Institute's financial reporting process, reviewing the effectiveness of how the Institute 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 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 non-compliance. 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 sustainability of services 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 continue sustaining 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 Institute to cease to continue sustaining 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 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 the 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, CBS
AUDITOR-GENERAL

Nairobi

01 September, 2022

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XIII. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2020/2021	2019/2020
			Kshs
Revenue from non-exchange transactions			
Transfers from the National Government – grants/ gifts in kind	6a	18,187,500	11,407,500
Grants from donors and development partners	7		
Transfers from other levels of government	8		19,217,400
public contributions and donations	9		
Total Revenue from non-exchange transactions		18,187,500	30,624,900
Revenue from exchange transactions			
Rendering of services- Fees from students	10	37,610,278	39,022,535
Sale of goods	11	33,450	360,000
Rental revenue from facilities and equipment	12		
Finance income-external investments	13		
Other income	14	1,338,364	
Revenue from exchange transactions		38,982,092	39,382,535
Total revenue		57,169,592	70,007,435
Expenses			
Use of goods and services	15	37,771,394	19,839,655
Employee costs	16	7,792,180	5,176,808
Remuneration of Directors	17	1,361,000	641,000
Depreciation and amortization expense	18	2,078,820	2,200,198
Repairs and maintenance	19	3,649,384	797,776
Contracted services	20		
Grants and subsidies	21		
Finance costs	22		
Audit fee		-	528,740
Total expenses		52,652,778	29,184,177
Net Surplus for the year		4,516,814	40,823,258

The notes set out on pages 7 to 49 form an integral part of the Annual Financial Statements

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XIV. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Notes	2020/2021	2019/2020
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	26	6,063,860	45,069,048
Receivables from exchange transactions	27a	70,672,773	55,463,193
Receivables from non-exchange transactions	28	5,752,500	3,408,670
Inventories	29	531,200	502,760
Biological Assets	29b	66,000	96,000
Investments	30		
Total Current Assets		83,086,333	104,539,671
Non-current assets			
Property, plant and equipment	31	32,318,045	24,176,153
Intangible Assets	32	396,508	566,440
Investment property	33		
Long term receivables from non-exchange transactions	27b		
Total Non-current Assets		32,714,553	24,742,593
Total assets		115,800,886	129,282,264
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	34	3,560,527	26,840,307
Refundable deposits from customers and sundry creditors	35	2,211,900	1,536,400
Total Current Liabilities		5,772,427	28,376,707
Total liabilities		5,772,427	28,376,707
Capital and Reserves			
Accumulated surplus		77,300,670	73,010,432
Capital Fund		32,501,213	27,895,125
Total Capital and Reserves		110,028,886	100,905,557
Total Liabilities and Capital & Reserves		115,800,886	129,282,264

The Financial statements set out on pages 7 to 49 were signed on behalf of the institute Board of Governors by:

Chairman of Board of Governors



Date:20/08/2021

Finance Officer
ICPAK No. 19316

Date:20/08/2021

Principal



Date:20/08/2021

XV.STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2021

	Retained earnings	Capital/ Development Grants/Fund	Total
At July 1, 2019	32,187,174	27,895,125	60,082,299
Revaluation gain			-
Fair value adjustment on quoted investments			-
Total comprehensive income	40,823,258	-	40,823,258
Capitalized fund and Development grants received during the year			-
Transfer of depreciation/amortization from capital fund to retained earnings		-	-
At June 30, 2020	73,010,432	27,895,125	100,905,557
			-
At July 1, 2020	73,010,432	27,895,125	100,905,557
Revaluation gain			-
Fair value adjustment on quoted investments			-
Total comprehensive income	4,516,814		4,516,814
Development grants received during the year		-	-
Capitalized fund during the year.		4,606,088	4,606,088
Transfer of depreciation/amortization from capital fund to retained earnings			-
At June 30, 2021	77,527,246.44	32,501,213	110,028,459.44

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XVI.STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

		2020-2021	2019-2020
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants	6	18,187,500.00	11,407,500.00
Public contributions and donations		-	19,217,400.00
Rendering of services- Fees from students	10	37,610,278.00	39,022,535.00
Sale of goods	11	33,450.00	360,000.00
Other income	14	1,338,364.00	
Total Receipts		57,169,592.00	70,007,435.00
Payments			
Compensation of employees	16	7,792,180.00	5,176,808.00
Use of goods and services	15	37,771,394.01	19,839,655.00
Audit fees			528,740.00
Remuneration of directors	17	1,361,000.00	641,000.00
Depreciation and amortization	18	2,078,820.00	2,200,198.00
Repair and maintenance	19	3,649,384.00	797,776.00
Total Payments		52,652,778.01	29,184,177.00
Net surplus		4,516,813.99	40,823,258.00
Cash flows from investing activities			
Non-cash movements			
Purchase of property, plant, equipment and intangible assets		(4,606,088.00)	(6,695,000.00)
Proceeds from sale of property, plant and equipment			
Decrease in non-current receivables	27	(15,209,580.17)	
Decrease in non-exchange receivables	28	(2,343,830.00)	
Depreciation and amortization	18	2,078,820.00	
Decrease in inventories		(156,180.00)	
Purchase of Intangible Assets Software			(525,000.00)
Net cash flows used in investing activities		(20,236,858.17)	(7,220,000.00)
Cash flows from financing activities			
Increase in deposits	34	(23,279,780.00)	5,576,772.00
Government Development Grants		-	-
Net cash flows from financing activities		(23,285,143.83)	5,576,772.00
Net increase/(decrease) in cash and cash equivalents		(39,005,188.01)	39,180,030.00
Cash and cash equivalents at 1 July 2020	26	45,069,048.00	5,889,018.00
Cash and cash equivalents at 30 June 2021	26	6,063,859.99	45,069,048.00

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XVII.STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 30 JUNE 2021

	Original budget	Adjustments	Original budget	Comparable basis	Performance difference	Performance difference
	2020-2021		2020-2021	2020-2021	2020-2021	2020-2021
Revenue	Kshs		Kshs	Kshs	Kshs	%
Transfers from other Govt entities Gov	18,240,000		18,240,000	18,187,500	52,500	0.29
Rendering of services- Fees from stud	44,346,460		44,346,460	37,610,278	6,736,182	15.19
Sale of goods				33,450	- 33,450	#DIV/0!
Other income				1,338,364	- 1,338,364	#DIV/0!
Total income	62,586,460		62,586,460	57,169,592	5,416,868	8.66
Expenses					-	#DIV/0!
Compensation of employees	11,466,889		11,466,889	7,792,180	3,674,709	32.05
Use of goods and services	55,353,727		55,353,727	38,092,451	17,261,276	31.18
Repairs emtainance and Improvements	4,550,000		4,550,000	3,649,384	900,616	19.79
Remuneration of Directors	1,660,000		1,660,000	1,361,000	299,000	18.01
Total expenditure	73,030,616		73,030,616	50,895,015	22,135,601	30.31
Surplus for the period	- 10,444,156		- 10,444,156	6,274,577	- 16,718,733	

Rendering of services-Less fees collection from students was due to closure of institutions after Covid-19 hit the country.

Compensation of employees-Lack of employees' salary increments and BOG trainers were not employed since trainees were not on session due to Covid-19

Use of goods and services-There was less expenditure due to closure of institutions brought about by to Covid-19

Remuneration of Directors-Due to limitation on physical meetings and social gatherings

XVIII. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Mitunguu technical training institute is established by and derives its authority and accountability from TVET Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. Mitunguu technical training institute's principal activity is to offer technical and Vocational education and training (TVET) at the institute level.

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 *Mitunguu technical training institute* accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements

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

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

3. ADOPTION OF NEW AND REVISED STANDARDS

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2021

Standard	Impact
Other improvements to IPSAS	<p>Applicable: 1st January 2021</p> <p>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment and/or national accounting frameworks.</p> <p>b) IPSAS 13, Leases and IPSAS 17, Property, plant, and Equipment Amendments o remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSAS) was approved.</p> <p>c) IPSAS 21, Impairment of Non-cash Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant and Equipment and IPSAS 31 Intangible Assets.</p> <p>d) IPSAS33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to take it consistent with the core principles in the standard.</p>

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<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;

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Standard	Effective date and impact:
	<ul style="list-style-type: none"> • 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. <p>No impact.</p>
<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> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows. <p>No impact</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> 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. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30 to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. d) 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>No impact</p>

iii. Early adoption of standards

Mitunguu technical training institute did not early – adopt any new or amended standards in year 2021.

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 2020/2021 was approved by the Board on *xxxx*. 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. Accordingly, the entity recorded additional appropriations of *xxxx* on the FY 2020/2021 budget following the Board's approval.

The entity'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.

c) Taxes

Current income taxes

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

Sales tax/ Value Added Tax

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

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

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

d) Investment property

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

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

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.

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 a 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:

- 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.

i) 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

i) Inventories

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.

j) 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.

k) Nature and purpose of reserves

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

Changes in accounting policies and estimates

The Mitunguu Technical Training 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.

l) Employee benefits

Retirement benefit plans

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

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

m) 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.

n) 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.

o) Related parties

The Mitunguu Technical Training 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 Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO/principal and senior managers.

p) Service concession arrangements

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

q) 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.

r) Comparative figures

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

s) 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, 2021.

3 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and assumptions

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

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available.

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.

NOTES TO THE FINANCIAL STATEMENT CONTINUED.

6(a) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Description	2020-2021	2019-2020
	Kshs.	Kshs.
Unconditional grants		
Capitation grants		
Operational grant	18,187,500	11,407,500
Other grants	-	-
Conditional grants	-	-
Library grant	-	-
Hostels grant	-	-
Administration block grant	-	-
Laboratory grant	-	-
Learning facilities	-	-
Other organizational grants	-	-
Total Government grants and subsidies	18,187,500	11,407,500

6.(b) TRANSFERS FROM MINISTRIES, DEPARTMENT AND AGENCIES

Name of the sending the grant	Amount recognized to statement of comprehensive income	Amount defered under deferred income	Amount recognised in capital fund	Total grant income during the year
	Kshs	Kshs	Kshs	Kshs
State department of vocational and technical training of Education	18,187,500	-		11,407,500
Total	18,187,500	-		11,407,500

7. GRANTS FROM DONORS AND DEVELOPMENT PARTNERS

Description	2020-2021
	Kshs
JICA-Research grant	-
World bank grants	-
Other grants	-
Total from development partners	-

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Reconciliations of grants from donors and development partners

Description	2020-2021	
	Kshs	
Balance unspent at beginning of year	-	
current year receipt	-	
Condition met - transferred to revenue	-	
Condition to be met-remain liabilities	-	

8. TRANSFERS FROM OTHER LEVELS OF GOVERNMENT

Description	2020-2021	2019-2020
	ksh	
Transfer from Meru County		1,510,000
Transfer from National Youth Service		17,707,400
Total transfers		19,217,400

It was students' bursary

9. PUBLIC CONTRIBUTIONS AND DONATIONS

Description	2020-2021	
	Kshs	
Public donations	-	
Donations from local leadership	-	
Donation from religious institutions	-	
Donations from alumni	-	
Other donations	-	
Total donations and sponsorships	-	

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10.RENDERING OF SERVICES

Description	2020-2021	2019-2020
	kshs	ksh
Tuition fees	23,469,568	27,651,750
Activity fee	2,757,000	1,066,000
Examination fee		1,538,860
Facilities and materials	10,690,460	8,694,810
attachment	43,250	
student welfare	650,000	
Registration fees		71,115
Total revenue from the rendering of services	37,610,278	39,022,535

11.SALE OF GOODS

Description	2020-2021	2019-2020
	Kshs	kshs
Sale of goods	33,450	360,000
Sale of books	-	
Sale of publications	-	
Sale of farm produce	-	
Other	-	
Total from sale of goods	33,450	360,000

12. HIRE OF FACILITIES AND EQUIPMENT

Description	2020-2021	2019-2020
	Kshs	
Straight-lined operating lease receipts	-	
Contingent rentals	-	
Total rentals	-	

13.FINANCE INCOME

Description	2020-2021	2019-2020
	Kshs	
Cash investments and fixed deposits	-	
Interest income from treasury bills	-	
Interest income from treasury bonds	-	
Interest from outstanding debtors	-	
Total finance income	-	

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14. OTHER INCOME

Description	2020-2021	2019-2020
		Kshs
Insurance recoveries	-	-
Consultancy fees		
Income from sale of tender	-	-
Income from production unit	1,220,364	
Reimbursement and refunds	-	-
Graduation fees		
Bus hire	118,000	
Total other income	1,338,364	-

15. USE OF GOODS AND SERVICES

Description	2020-2021	2019-2020
	ksh	ksh
Teaching and learning materials	4,056,187	2,817,412
Industrial attachment	317,921	130,110
Electricity	2,005,055	998,797
Activity	334,750	526,041
Security	601,281	548,007
Kitchen expenses	117,000	1,431,057
School equipment and stores	1,315,144	21,309
Advertising	1,176,781	1,160,826
Examination fees	7,759,031	1,885,010
Audit fees provision	528,740	
Performance contracting	177,524	34,930
Travelling and accommodation	2,309,872	1,398,739
Motor vehicle Insurance	397,072	265,040
Admin expenses	3,308,720	2,229,124
Students' welfare	357,550	220,515
Robotics and automation		162,000
Farm expenses	2,946,900	1,197,790
Printing and stationery	92,032	
Medical expenses	206,365	93,306
Rent expenses	833,200	162,000
Cleaning	1,179,870	164,190
Nys students' upkeep	2,894,814	1,863,114
Internet	428,431	179,931
Training expenses	3,113,211	-
BES	30,800	
Sanitary services	33,000	5,400
Covid-19 expenses	1,250,143	
Provision for doubtful debts		2,507,007
Total goods and services	37,771,394	19,839,655

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16. EMPLOYEE COSTS

Description	2020-2021	2019-2020
	ksh	ksh
Salaries and wages	7,792,180	5,176,808
Employee related cost-contributions to pensions and medical aids		
Travel, motorcar, accomadation, susbsistence and other allowances		
Housing benefits and allowances		
Overtime payments		
Performance and other bonuses		
Social contributions		
Employee cost	7,792,180	5,176,808

17. REMUNERATION OF DIRECTORS

Description	2020-2021	2019-2020
	Kshs	Kshs
Chairman's honoraria		
Directors' emoluments	1,361,000	641,000
Other allowances	-	-
Total directors' emoluments	1,361,000	641,000

18. DEPRECIATION AND AMORTIZATION EXPENSE

Description	2020-2021	2019-2020
	Kshs	Kshs
Property, plant and equipment	1,908,888	1,957,438
Intangible assets	169,932	242,760
Investment property carried at cost	-	-
Total depreciation and amortization	2,078,820	2,200,198

19. REPAIRS AND MAINTENANCE

Description	2020-2021	2019-2020
	Kshs	Kshs
Property	3,649,384	797,776
Investment property-earning rentals		
Equipment and machinery	-	-
Vehicles		
Furniture and fittings	-	-
Computers and accessories	-	-
Other		
Total repairs and maintenance	3,649,384	797,776

20. CONTRACTED SERVICES

Description	2020-2021	2019-2020
	Kshs	Kshs
Actuarial valuations	-	
Investment Valuations	-	
Properties valuations	-	
Total contracted services	-	

21. GRANTS AND SUBSIDIES

Description	2019-2020	2018-2019
	Kshs	
Community development	-	
Education initiatives and programs	-	
Social development	-	
Community trust	-	
Sporting bodies	-	
Total grants and subsidies	-	

22. FINANCE COSTS

Description	2019-2020	2018-2019
	Ksh	
Borrowings (amortized cost)	-	
Finance leases (amortized cost)	-	
Unwinding of discount	-	
Interest on bank overdrafts	-	
Interest on loans from commercial banks	-	
Total finance cost	-	

23. GAIN ON SALE OF ASSETS

Description	2019-2020	2018-2019
	ksh	
Property, plant and equipment	-	
Intangible assets	-	
Other assets not capitalized	-	
Total gain on sale of assets	-	

24. UNREALIZED GAIN ON FAIR VALUE INVESTMENTS

Description	2019-2020	2018-2019
	Kshs	
Investment at fair value	-	
Total gain	-	

25. IMPAIRMENT LOSS

Description	2019-2020	2018-2019
	Kshs	
Property, plant and equipment	-	
Intangible assets	-	
Total impairment	-	

26 (a) DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

Financial institution	Account number	2020-2021	2019-2020
		Kshs	Kshs
a) Current account			
Kenya Commercial bank	1169208630	232,055	35,730,862
Co-operative bank	1139206659600	5,203,704	8,963,536
Equity Bank	370279113346	591,420	365,000
Sub-Total		6,027,179	45,059,398
Cash withdrawn from bank			
Cash in hand		36,681	9,650
Total		6,063,860	45,069,048

26(b). CASH AND CASH EQUIVALENTS

Description	2020-2021	2019-2020
	Kshs	Kshs
Current account	6,063,860	45,069,048
On-call deposits	-	-
Fixed deposits account	-	-
Staff car loan/mortgage	-	-
Other		
Total cash and cash equivalent	6,063,860	45,069,048

27. RECEIVABLES FROM EXCHANGE TRANSACTIONS

a) Current receivables from exchange Transactions

Description	2020-2021	2019-2020
	Ksh	Ksh
Current receivables		
Student debtors	36,338,710	10,798,396
Rent debtors	-	-
Consultancy debtors	-	-
Other exchange debtors	34,334,063	44,664,797
Less: impairment allowance	-	-
Total current receivables	70,672,773	55,463,193

27(b) Long term Receivables from Exchange Transactions

Description	2020-2021	2019-2020
	Ksh	Ksh
Non-current receivables	-	-
Refundable deposits		-
Advance payments	-	-
public organizations	-	-
Less: impairment allowance	-	-
Total		-
Current portion transferred to current receivables	-	-
Total non-current receivables		-
Total receivables		

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28. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	Kshs	Kshs
Current receivables		
Capitation grant*	5,752,500	
Transfer from other govt. entities		-
Undisbursed donor funds	-	-
Other debtors (non-exchange transactions)		3,408,670
Less: impairment allowance	-	-
Total current receivables	5,752,500	3,408,670

28(b) Reconciliation for impairment Allowance on Receivables from Non-Exchange Transactions

Description	2020-2021	2019-2020
	Kshs	Kshs
Current receivables		
At the beginning of the year		
Additional provisions during the year	-	-
Recovered during the year	-	-
Written off during the year		
At the end of the year	-	-

29. INVENTORIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Consumable stores	261,430	241,430
Maintenance stores		
Health unit stores	-	-
Electrical stores	156,180	253,850
Cleaning materials stores	113,590	7,480
Catering stores	-	-
Total inventories at the lower of cost and net		
realizable value	531,200	502,760

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29b. Biological assets

Description	2020-2021	2019-2020
	Kshs	Kshs
Pigs	36,000	36,000
Bulls	30,000	30,000
Total	66,000	96,000

30. INVESTMENTS

Description	2020-2021	2019-2020
	Kshs	Kshs
a) Investment in treasury bills and bonds		
Financial institutions		
CBK	-	-
CBK	-	-
Total	-	-

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30. PROPERTY, PLANT AND EQUIPMENT (PPE)

	Dep rate 2.5% p.a	Dep rate 12.5% p.a	Dep rate 20% p.a		
	Buildings	Furniture and Fittings	Motor vehicle	WIP	Total
Net book value as at 1 July 2018	19,080,092	838,652	-		19,918,744
At 1 July 2018	-	-	-		-
Additions	-	812,253			812,253
Disposals	-				-
Transfers/adjustments					-
Accumulated Depreciation					-
At 1 July 2017	489,233	119,808	-		609,041
At 1 July 2018	477,002	206,363	-		683,365
Total Acc Depreciation	966,235	326,171			1,292,406
Net book value as at 30th June 2018	19,080,092	838,652			19,918,744
Net book value as at 30th June 2019	18,113,857	1,324,734	-		19,438,591
At 1 July 2019					
Additions			6,695,000		
Disposals					
Transfers/adjustments					
Depreciation charge for year	452,846	165,592	1,339,000		1,957,438
Net book value as at 30th June 2020	17,661,011	1,159,142	5,356,000		24,176,153
At 30th June 2020			-		-
Cost as at 1 July 2020					
Additions	4,606,088			5,444,692	10,050,780
Disposals					
Transfers/adjustments					
At 30th June 2021	22,267,099	1,159,142	5,356,000	5,444,692	34,226,933
Depreciation charge for year	692,795	144,893	1,071,200		1,908,888
Net book value as at 30th June 2021	27,018,996	1,014,249	4,284,800		32,318,045

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31 (b) Property, Plant and Equipment at Cost

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

	Cost	Accumulated Depreciation Shs	NBV Shs
Land			-
Buildings		-	-
Plant and machinery		-	
Motor vehicles, including motorcycles		-	
Computers and related equipment			-
Office equipment, furnitu re, and fittings			
Total			-

32. INTANGIBLE ASSETS-SOFTWARE

Description	2020-2021	2019-2020
	Kshs	Ksh
At beginning of the year	566,440	284,200
Additions		525,000
At end of the year	566,440	809,200
Additions-internal development	-	-
At end of the year	566,440	809,200
Amortization and impairment	-	-
At beginning of the year	-	-
Amortization	169,932	242,760
At end of the year	396,508	566,440
Impairment loss	-	-
At end of the year	396,508	566,440
NBV	396,508	566,440

33. INVESTMENT PROPERTY

Description	2020-2021	2019-2020
	Kshs	
At beginning of the year	-	
Additions	-	
Fair value gain	-	
Depreciation	-	
At end of the year		

34. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade payables		
prepaid fees		2,399,815
Fee paid in advance	1,672,403	26,311,565
Audit Fees b/d	1,585,960	1,057,480
Audit Fees	528,740	528,740
Third-party payments		
Other payables		
Total trade and other payables	3,787,103	26,840,305

35. REFUNDABLE DEPOSITS FROM CUSTOMERS/STUDENTS

Description	2020-2021	2019-2020
	Kshs	Ksh
Consumer deposits	-	-
Caution money b/d	514,000	514,000
Caution money	675,500	
Students' welfare	1,022,400	1,022,400
Other refundable deposits	-	-
Total deposits	2,211,900	1,536,400

36. CURRENT PROVISIONS

Description	2020-2021	2019-2020
	Ksh	
Balance at the beginning of the year	-	
Additional provisions	-	
Provision utilized	-	
Change due to discount and time value for money	-	
Transfer from non-current provisions	-	
Total provisions	-	

37. FINANCE LEASE OBLIGATION

Description	Minimum lease payments	Future finance charges	Present value of minimum lease payments	2020-2021
	KShs	KShs	KShs	KShs
Within current year	-	-	-	-
Long term portion of lease payments	-	-	-	-
Total provisions	-	-	-	-

38. DEFERRED INCOME

Description	2020-2021
	KShs
National government	-
International funders	-
Public contributions and donations	-
Total deferred income	-

The deferred income movement

	National government	International funders/donors	Public contributions and donations	Total
Balance brought forward	-	-	-	-
Additions during the year	-	-	-	-
Transfers to Capital fund	(-)	(-)	(-)	(-)
Transfers to income statement	(-)	(-)	(-)	(-)
Other transfers	(-)	(-)	(-)	(-)
Balance carried forward	-	-	-	-

39. EMPLOYEE BENEFIT OBLIGATIONS

Description	Defined benefit plan	Post-employment medical benefits	Other provisions	2020-2021
	Kshs	Kshs	Kshs	kshs
Current benefit obligation	-	-	-	-
Non-current benefit obligation	-	-	-	-
Total employee benefits obligation	-	-	-	-

The company only contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The company's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs.200.00 per employee per month.

40. NON-CURRENT PROVISIONS

Description	Long service leave	Gratuity	Other Provisions	Total
	KShs	KShs	KShs	KShs
Balance at the beginning of the year	-	-	-	-
Additional Provisions	-	-	-	-
Provision utilised	-	-	-	-
Change due to discount and time value for money	-	-	-	-
Less: Current portion	-	-	-	-
Total deferred income	-	-	-	-

41. BORROWINGS

Description	2020-2021
	KShs
Balance at beginning of the period	-
External borrowings during the year	-
Domestic borrowings during the year	-
Repayments of external borrowings during the year	-
Repayments of domestics' borrowings during the year	-
Balance at end of the period	-

41 a) ANALYSIS OF EXTERNAL AND DOMESTIC BORROWINGS

	2020-2021
	KShs
External Borrowings	
Dollar denominated loan from '- 'organization'	-
Sterling Pound denominated loan from organization'	-
Euro denominated loan from '- 'organization'	-
Domestic Borrowings	
Kenya Shilling loan from KCB	-
Kenya Shilling loan from Barclays Bank	-
Kenya Shilling loan from Consolidated Bank	-
Total balance at end of the year	-

41 b) BREAKDOWN OF LONG- AND SHORT-TERM BORROWINGS

Description	2020-2021
	KShs
Short term borrowings (current portion)	-
Long term borrowings	-
Total	-

42 SERVICE CONCESSION ARRANGEMENTS

Description	2020-2021
	KShs
Fair value of service concession assets recognized under PPE	-
Accumulated depreciation to date	-
Net carrying amount	=
Service concession liability at beginning of the year	-
Service concession revenue recognized	-
Service concession liability at end of the year	=

43. CASH GENERATED FROM OPERATIONS

Description	2020-2021	2019-2020
	Kshs	Kshs
Surplus for the year before tax	4,290,238	40,823,258
Adjusted for:		
Depreciation		
Non-cash grants received		
Contributed assets		
Impairment		
Gains and losses on disposal of assets		
Contribution to provisions		
Contribution to impairment allowance		
Finance income		
Finance cost		
Working Capital adjustments		
Increase in inventory		
Increase in receivables		
Increase in deferred income		
Increase in payables		
Increase in payments received in advance		
Net cash flow from operating activities	4,290,238	40,823,258

44. 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	Fully performing	Past due	Impaired
	kshs	Ksh	Ksh	Ksh
At 30 June 2021				
Receivable from exchange transactions	70,672,773	-	-	-
Receivables from non-exchange transactions	5,752,500			
Bank balances	6,063,860	-	-	-
Total	82,489,133	-	-	-

FINANCIAL RISK MANAGEMENT (Continued)

(i) Credit risk (continued)

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

The entity has significant concentration of credit risk on amounts due from 2020

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.

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2021				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2020				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-

(iii) Market risk

The board 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 company'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.

a) Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

The carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Ksh	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2021			
Financial assets (investments, cash, debtors)	-	-	-
Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

The entity manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

	Ksh	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2021			
Financial assets (investments, 749,586 cash, debtors)	-	-	-
Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

Foreign currency sensitivity analysis

The following table demonstrates the effect on the company's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
2020			
Euro	10%	-	-
USD	10%	-	-
2020			
Euro	10%	-	-
USD	10%	-	-

a) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs 0 (2016: KShs 0). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of KShs 0 (2012 – KShs 0)

iv) Capital Risk Management

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

Description	2020-2021	2019-2020
	Ksh	
Revaluation reserve		
Retained earnings		55,545,792
Capital reserve		-
Total funds		55,545,792
Total borrowings		-
Less: Cash and bank balances	6,063,860	(45,069,048)
Net/(excess cash and cash equivalent)		9,616,802
Gearing		

45. 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 Mitunguu Technical Training Institute, holding 100% of Mitunguu technical training Institute's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

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

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

	2020-2021	2019-2020
	Kshs	
Transactions with related parties		
a) Sales to related parties		
Sales of goods	33,450	360,000
Sales of services	-	
Total	33,450	360,000
b) Grants from the Government		
Grants from National Govt	18,187,500	11,407,500
Grants from County Government	-	
Donations in kind	-	
Total	18,187,500	11,407,500
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for employees	7,792,180	
Payments for goods and services	37,771,394	
Total	45,563,574	
d) Key management compensation		
Directors' emoluments	1,361,000	641,000
Compensation to the CEO		-
Compensation to key management		-
Total	1,361,000	641,000

47. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent liabilities	2020-2021	2019-2020
	Kshs	
Court case against the company	-	
Bank guarantees in favour of subsidiary	-	
Total	-	

48. CAPITAL COMMITMENTS

Capital commitments	2020-2021	2019-2020
	Kshs	
Authorised for		
Authorised and contracted for		
Total	-	

50. EVENTS AFTER THE REPORTING PERIOD

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

51. 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.

52. Currency

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

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.1	Cash and cash equivalent	Corrected	Finance officer	resolved	April 2021
1.2	Statement of cashflows	Corrected and format followed	Finance officer	resolved	April 2021
1.3	Capital and reserves	In progress	B.O.G	Not resolved	April 2021
1.4	Statement of inter entity transfers	Well reconciled	Finance officer	resolved	April 2021
2.0	Ownership of property, plant and equipment	In progress	B.O.G	Not resolved	April 2021
3.0	Use of goods-local travel and transport	Proper documentations done	principal	resolved	April 2021
	Other matter				
1.0	Budget and budgetary control	In progress	B.O.G	Not resolved	April 2021
	Report on lawfulness and effectiveness in use of public resources				

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	Submission of financial statements	Submission done within stipulated timelines	Finance officer	resolved	April 2021
2.0	Format and presentation of financial statements	Proper format followed	Finance officer	resolved	April 2021
3.0	Security services	done	B.O.G	resolved	April 2021
4.1	Procurement of learning materials	Documentation done	Principal	resolved	April 2021
4.2	Irregular procurement of robotics and automation	All attachments and supportive documents attached	principal	resolved	April 2021
4.3	Irregular procurement of school equipment and stores	Proper process followed	principal	resolved	April 2021
5.0	Fixed assets	In progress	B.O.G	Not resolved	April 2021
	Report on effectiveness of internal controls, risk management and governance				
1.0	Lack of internal audit deptment	In progress	B.O.G	Not resolved	April 2021

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2.0	Non establishment of audit committee	In progress	B.O.G	Not resolved	April 2021
3.0	Information communication and technology (ICT) Environment	In progress	B.O.G	Not resolved	April 2021

Chairman of the Board



Date 20/8/2021

APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY

Projects

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

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

STATUS OF PROJECTS COMPLETION

Project	Total project cost	Total expended to date	Completion % to date	Budget	Actual	Source of funds
Admin Block	16,265,915	27,541,216	25%			GoK
Masonry workshop, External toilet and fencing round underground water tank	4,794,102	5,000,000	100%			Gok

APPENDIX III: INTER-ENTITY TRANSFERS

MITUNGUU TECHNICAL TRAINING INSTITUTE			
Breakdown of transfers from the state department of vocational and technical training			
	Fy 2020/2021		
	Recurrent grants		
		Bank statement date	Amount (Shs)
		06/11/2020	4,215,000
		16/02/2021	4,215,000
		31/03/2021	4,005,000
		02/07/2021	5,752,500
		Total	18,187,500
	Development grants		
		Bank statement date	Amount (Kshs)
		Total	

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

Finance Officer

Head of Accounting Unit

Mitunguu Technical Training Institute

Ministry of Education

Sign

Sign

