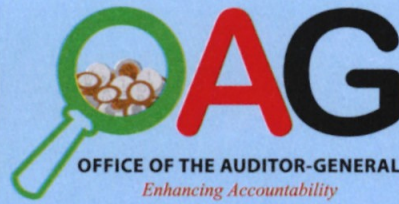


REPUBLIC OF KENYA



 <b>THE NATIONAL ASSEMBLY PAPERS LAID</b>	
DATE: 26 FEB 2026	DAY. THUR
TABLED BY:	DEPUTY MAJORITY WHIP
CLERK-AT-THE-TABLE:	Y. WAMBUL

PARLIAMENT  
OF KENYA  
LIBRARY

REPORT

OF

**THE AUDITOR GENERAL**

**ON**

**SIALA TECHNICAL TRAINING INSTITUTE**

**FOR THE YEAR ENDED  
30 JUNE, 2025**



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**SIALA TECHNICAL TRAINING INSTITUTE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30<sup>TH</sup> JUNE 2025**

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



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## 1. ACRONYMS AND DEFINITION OF KEY TERMS

### A. Acronyms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College
TVET	Technical Vocational Education and Training
GOK	Government of Kenya
AfDB	African Development Bank
NG-CDF	National Government Constituency Development Fund
OSHA	Occupational Health and Safety Authority
KUCCPS	Kenya Universities and Colleges Central Placement Service.
KUDHEIHA	Kenya Union of Domestic Hotels Educational Institutions Hospitals & Allied workers
HELB	Higher Education Loans Board.
NYS	National Youth Service

### B. Definition of Key Terms

<b>Budget</b>	Estimates of income and expenditure for a financial year
<b>Comparative Year</b>	Means the prior period
<b>Fiduciary Management</b>	Members of Management directly entrusted with the entity's financial resources.
<b>Jitume Laboratories</b>	Programme providing digital connectivity, services, products, skills training and digital jobs linkages while unlocking access to jobs for Kenyans.
<b>Mwongozo Code of Governance</b>	Set of guidelines and principles established to govern operations, management and oversight of state corporations
<b>Strategic Plan</b>	Document used to communicate with the organization the organizations goals, the actions needed to achieve those goals
<b>Strategies</b>	Broad abstractions which are descriptive of the means for achieving strategic objectives.
<b>Strategic Issues</b>	These are problems or opportunities emanating from situational analysis that Siala TTI must manage'
<b>Strategic Goals</b>	General qualitative statements on what is expected to be achieved in the long term.
<b>Strategic Objectives</b>	This is what Siala TTI commits itself to accomplish to achieve strategic goals.



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## 2. KEY ENTITY INFORMATION AND MANAGEMENT

### (a) Background information

Siala Technical Training Institute was established under the TVET Act, 2013 in the year 2016.

The Institute is domiciled in Kenya and operates within the mandate of Ministry of Education which provides the general policy and strategic direction on Kenya's higher Education.

### (b) Principal Activities

The core business of the Institute as provided by the TVET Act 2013 section 26 (1) (a) and (d) includes;

- i. Promotion of skills training in (TVET) through, research, science, technology and innovation in commensurate with industry and community demands.
- ii. Promotion of gender balance and equality of opportunity among students and employees.
- iii. Promotion of equalization for persons with disability, minorities and other marginalized groups.

#### **Vision**

A centre of excellence in research and skills training commensurate with industry and community demand.

#### **Mission**

To be a national skills training centre in TVET, research, science, technology and innovation to meet community demands.

#### **Our slogan**

Making excellence a habit

#### **Core values**

- i. Integrity
- ii. Transparency and Accountability
- iii. Team work
- iv. Fairness
- v. Creativity and Sustainability.



**(c) Key Management Key Management**

Siala Technical Training Institute day-to-day management is under the following organs:

- i. Board of Governors
- ii. Principal (Accounting Officer)
- iii. Management Team

**(d) Fiduciary Management**

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

No.	Designation	Name
1.	Principal	Asha Bakari
2.	Deputy Principal Administration	Davis Nyangeri
3	Deputy Principal Academics	Leah Gor
4	Registrar	Jacob Oloo
5	Dean of Students	Antony Angira
6	Head of Finance	Peter Aduda

**(e) Fiduciary Oversight Arrangements**

Board Committees	Members	
Finance, Infrastructure and Resource Mobilization (FIRM) Committee	Elizabeth Kwalanda	Chairperson
	Damaris Mutheke	Member
	Nelson Kiprono	Member
	Handson Gichana	Member
	Asha Bakari	Secretary
Education, Research and Training (ERT) Committee	Paul Aol	Chairperson
	Isaiah Okombo	Member
	Jackline Mumbi	Member
	Handson Gichana	Member
	Asha Bakari	Secretary
Audit Risk and Compliance (ARC) Committee	Jackline Mumbi	Chairperson
	Paul Aol	Member
	Isaiah Okombo	Member
	Josephine Ogalo	Secretary



---

**Key Entity Information and Management (Continued)**

**(f) Siala Technical Training Institute**  
P.O. Box 164-40404 RONGO,  
Rongo, Homa-Bay Road,  
RONGO, KENYA

**(g) Siala TTI Contacts**  
  
Telephone :( 254) 706 633 334  
E-mail: sialainstitute @gmail.com  
Website: www.sialatech.ac.ke

**(h) Siala TTI Bankers**  
  
Kenya Commercial Bank Ltd.  
Rongo Branch,  
P.O. Box 266-40404  
RONGO, KENYA.

**(i) Independent Auditors**  
  
Auditor-General  
Office of Auditor General  
Anniversary Towers, Institute Way  
P.O. Box 30084  
GPO 00100  
Nairobi, Kenya

**(j) Principal Legal Adviser**  
  
The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya



### 3. THE BOARD OF GOVERNORS



George Philip Ogutu  
Chairman

Date of Birth: 11<sup>th</sup> December 1963  
George holds a BA degree from the University of Nairobi.. He has a wealth of experience in strategic leadership and governance.. He has held various Public Administrative positions also participated in various activities involving change development with NGOs and CBOs.



Damaris Mutheke  
Member

Date of Birth: 16<sup>th</sup> October 1972  
Damaris holds a BA and Diploma in Social work Community development. She has been involved in various activities of children welfare and community developments.



CPA Elizabeth Kwalanda  
Member

Date of Birth: 2<sup>nd</sup> November 1976  
Elizabeth is a holder of BCom finance option and CPAK . She has over 10 years' working experience in the Accounting Sector .



Nelson Kiprono  
Member

Date of Birth: 24<sup>th</sup> August 1991  
Nelson holds a BSc in Information Technology. He also holds a Cisco Certification on data information



Isaiah O Kayallo  
Member

Date of Birth: 20<sup>th</sup> February 1970  
Mr Isaiah is a holder of BSc Survey and MBA Strategic management.  
Isaiah is a senior surveyor with over 20 years experience in Surveying and Digital Mapping ..



Paul O AOL  
Member

Date of Birth: 20<sup>th</sup> December 1985.  
Paul holds a Bachelor of Laws, Paul has a wealth of experience of practicing as Legal assistant ,Nairobi city county and Office of the Legal Advisor Secretariat Nairobi.  
He has also served as the Legal affairs secretary for various organizations.



Jackline mumbi  
Member

Date of Birth: 27<sup>th</sup> August 1983  
Jackline holds a BA and MSc marketing.  
Jackline has a wealth of experience of over 20 years in marketing sector.



Handson Gichana  
Regional Director TVET  
Date of birth



Asha Bakari  
Principal/Secretary to Board  
Date of birth: 29<sup>th</sup> September 1972  
Asha is a holder of M.Ed. and BSc  
She has held several administrative positions  
and has over 30 years' experience in the TVET  
sector.



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#### 4. MANAGEMENT TEAM



Ms. Asha Bakari  
M.Ed  
**Principal**



Davis Nyangeri  
**B E D**  
**Deputy Principal (Administration)**



Leah Gor  
BSc.  
**Deputy Principal(Academics)**



Jacob Oloo  
Higher National Diploma  
**Registrar.**



Peter Aduda  
CPAK  
**Finance Officer**



Antony Angira  
B.E.D Technology  
**Dean of Trainees**



## 5. CHAIRMAN'S STATEMENT



On behalf of Siala Technical Training Institute, I'm pleased to present the Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2025. These statements are prepared in conformity with the International Public Sector Accounting Standards (IPSAS) and International Accounting Standards (IASs). Further, the statements incorporate the requirements of Article 81 of the Public Finance Management Act, 2012 and the National treasury guidelines with regards to adoption of IPSAS. Siala Technical Training Institute is committed to its mission of offering quality training within an environment of prudent financial management.

The Institute has kept on course the implementation of 2023-2027 Strategic plan. However in view of the existing economic realities , new developments in the country and within the Institute ,the Board has taken into consideration new developments and the current MoE strategic Plan. This enabled prioritization of projects and activities that are central to growth of the Institute and the attainment of vision 2030 and Bottom up Economic Transformation Agenda.

This is the ninth year since the establishment of Siala TTI. During the financial year 2024/2025 the Institute saw an increase in trainees enrolment. This was attributed to government fee scholarship and capitation. The Institute also got green energy Liquefied Petroleum Gas ( LPG) from the Ministry of Energy and Petroleum among others, and also managed to conduct its 2<sup>nd</sup> graduation ceremony.

We are confident that, with prudent management of available resources and an increase in Government Grants and through our engagement with other partners (NG-CDF ,NYS, Ministry of Petroleum and County Government), the Institute will develop into one of the modern TVET Institutions in the region.

I wish to thank the Government for its financial support so far that has so far made it possible to implement the Institution's mandate and programs, more so the upcoming GoK/AfDB Phase III project. However, I would like to appeal for more funding for capital development. This will enable the Institution build new infrastructure (Library and Hostel) to support the growing Trainees population and realize its vision to become a National Polytechnic/Technical University.

Finally, I would also wish to thank the Board of Governors, Staff, NG-CDF Rongo, Parents, Guardians and Trainees for their continued support and dedication, as we together strive to achieve greater heights of excellence.

Thank you.

**Mr. George Philip Ogutu**  
**Chairman, Board of Governors ,Siala TTI**



## 6. REPORT OF THE PRINCIPAL



Presented here is the annual report and financial statements of Siala Technical Training Institute for the year ended 30<sup>th</sup> June 2025 as required by the Public Finance Management Act, 2012.

Siala TTI's performance during the year under review was impressive despite financial constraints faced during the year. The government scholarship and capitation still remained as the Institute's main source of income at 53.2% of tuition fee charged, followed by Parents fee obligation.

The Government recurrent expenditure grants received by the Institute was Ksh.40,092,647 (Capitation and Scholarship grants), While the Institute generated Ksh.98,871,118 from college fee and other income, which was used to finance operations of the Institute and procurement of capital projects.

The Institute faces financial challenges in view of expansion in trainee population and the personnel to manage trainees.

The Institute has continued with its core mandate of disseminating knowledge and skills through training, research and innovation. The current trainee population is 2,200 and is expected to increase to 3000 by the end of financial year 2025/2026. Staff population stood at One Hundred and Forty one (141) at the close of financial year 2024/2025 and is expected to increase with the increase in trainees enrolment in the next financial year.

The expenditure control strategies implemented by the Institute have resulted to savings in expenditure on non-priority activities and realization of surplus funds which were then reallocated to development of fixed assets (Purchase of Institute Bus and building of Kitchen). These savings shall also be mobilized in the coming financial year to finance Development projects and any other expenditure.

### **Development partner's projects**

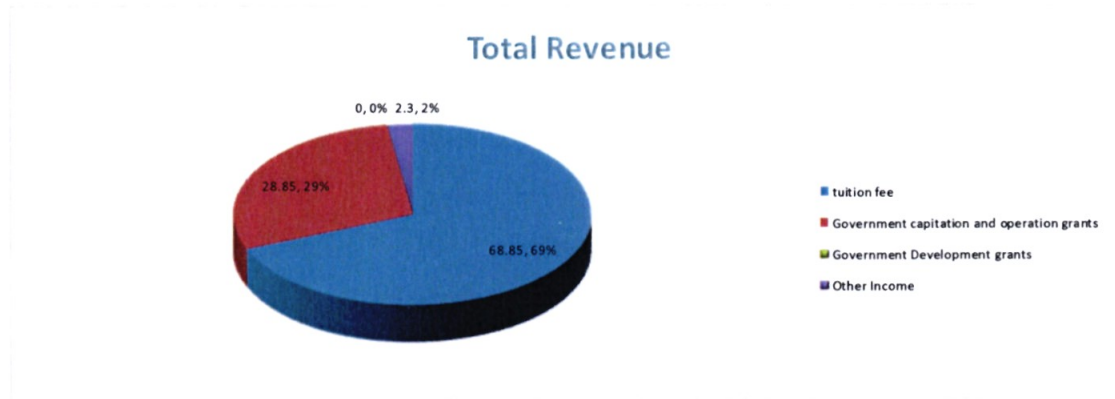
This financial year, the Institute received a boost when GOK|AfDB Phase III project Hospitality Complex was on going. This is expected to ease the never ending need for trainee training space.



### Financial performance summary.

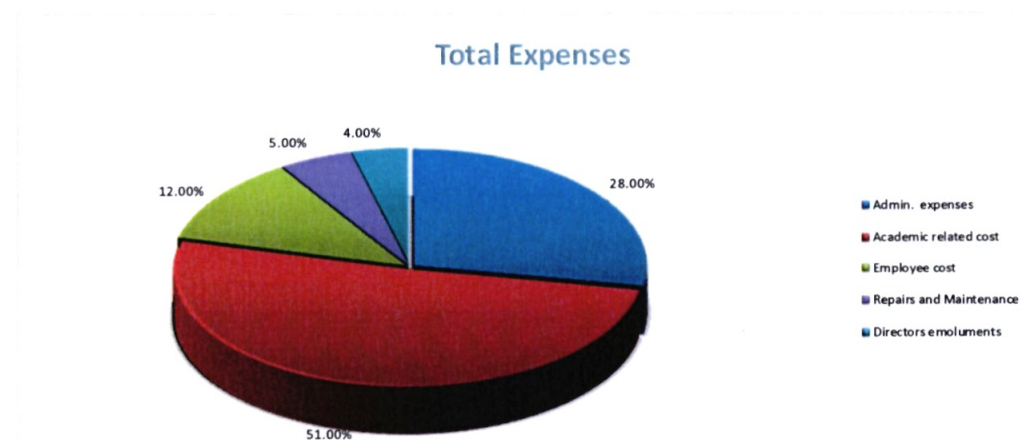
#### Revenue

During the year 2024/2025, the Institute received a total of Ksh.40,092,647 as Capitation grants, Ksh.95,672,718 as Tuition fee from parents, and Ksh.3,198,400 as other income.



#### Expenses

The Institute incurred Ksh.135,828,277 in Recurrent expenditure for the financial year 2024/2025. The biggest expenditure was shared between Academic Expenses and Admin. Cost, General expenses at 51% and 28% respectively followed by Employee Cost. at 12%, Directors Emoluments at 4%, Repairs and Maintenance at 5%.

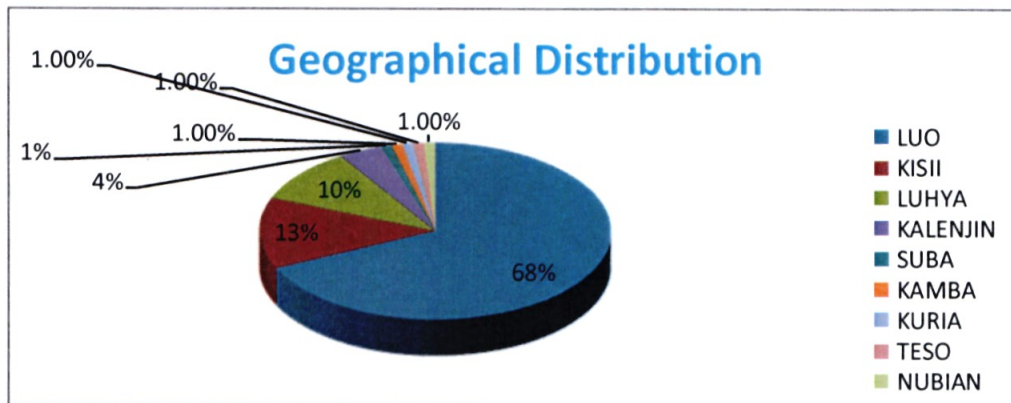


#### Staff Members

Staff establishment was at One hundred and forty one ( Male 75 and Female 66.) at the close of Financial year 2024/2025 and is expected to rise for both Academic and Administrative in the next financial year.



Geographical Distribution by ethnicity; Luo 96, Kisii 19, Luhya 14, Kalenjin 6,Suba 2,Kamba 1, Kuria 1, Teso 1. and Nubian 1



### Staff Gender Distribution



### Conclusion

To address revenue shortfall, the Institution has put measures in place to improve revenue realization by making HELB application mandatory and developed finance and debt management policy which is undergoing implementation. The Institution has also put in place measures to improve resource utilization. This is by ensuring efficiency and economic probity in order to get value out of resources available.

On behalf of Siala TTI management and staff, I wish to take this opportunity to thank the Government, our Development partners and all Stakeholders for their continued support.

Finally, I would like to express my sincere gratitude to the Institute Board of Governors for providing policy and strategic guidance, and to the entire Institute staff and trainees who worked tirelessly to ensure smooth and successful operations of the institute.

Thank you.

**Ms. Asha Bakari**  
 Principal Siala TTI



## 7. GOK PERFORMANCE REPORT

### SIALA TTI'S PERFORMANCE FOR FY 2024/2025

Siala TTI has five (5) strategic pillars and objectives within its Strategic Plan for the FY 2023-2027.

These strategic pillars are as follows:

#### The Strategic Objectives / Pillars

- 1.To produce competent and skilled manpower for the industry
- 2,To increase access to training and increase trainee enrolment
- 3.To enhance Institutional Corporate Governance and Management based on principles of best practice
- 4.To improve institutional infrastructure and facility
- 5.To diversify sources of income

#### Performance Contract

Siala TTI had a performance contract agreement with the Government of Kenya as a demonstration of its commitment to;

- i.Ensure that public services were delivered in accordance with the constitution.
- ii.Ensure modernization of public service by introduction of modern technologies and innovative service delivery.
- iii.Ensure that public officers demonstrated professionalism, transparency and accountability in performing their duties and that they showed courtesy, integrity and neutrality in provision of services.

#### Statement of Strategic Intent by the Board of Governors

In carrying out its duties, the Board intended to put all their efforts towards contributing effectively and efficiently to the achievement of the national development agenda as espoused in the Kenya Vision 2030 MTPIV, Bottom-up Economic Transformation Agenda (BETA), keeping in mind the specific priorities of Siala Technical Training Institute.

Bearing in mind the imperative of inclusivity, the Board implemented the following Strategic Intentions during the Financial Year:

- 1.Produced qualified and holistic graduates for local and global markets
2. Increased enrolment of trainees
3. Improved infrastructure to accommodate more trainees
4. Established partnerships with institutions and industry.

#### Reporting Requirements.

The Board submitted its Quarterly and Annual performance reports online in the prescribed format to the designated agencies as specified in the Performance Contracting Guidelines for the purpose of monitoring progress and annual performance evaluation

### 1. Financial Stewardship & Discipline

#### a).Absorption of Allocated Funds

In the reporting period, Siala TTI absorbed and utilized Ksh.135,828,277 of its approved budget for both recurrent and development grants for project.

#### b). Appropriation in Aid (A-in-A)

During the financial year, Siala TTI raised a total of Kshs 138,963,765 against a target of kshs. 204,708,710.

#### c). Pending Bills

Siala TTI had no pending bills as at 30 June 2025.



## 2. Service Delivery

### a). Implementation of Citizens' Service Delivery Charter

Siala TTI ensured the effective service delivery to all stakeholders through;

- i. Reviewing and Displaying the Citizens' Service Delivery Charter prominently at the gate of the Institute in both English and Kiswahili three feet in width and four feet in height, (3'x4'), with clearly visible font size of the contents.
- ii. Customizing the charter to unique needs and convenient access of the customers by translating Citizens' Service Delivery Charter to audio in both English and Kiswahili and uploading to the institution's website.
- iii. Sensitizing all new employees and trainees on the Citizens' Service Delivery Charter and cascading to all departments of the institutes' by customizing the Citizens' Service Delivery Charter to the departmental functions
- iv. Ensuring conformity with the commitments and standards in the Citizens' Service Delivery Charter by establishing compliance mechanism and maintaining records on service delivery

### b). Digitalization of Government Services

SialaTTI undertook the following to accelerate the adoption of ICT solutions for ease of access, fast, cost effective, convenient and improved efficiency and effectiveness to enhance competitiveness in service delivery.

- i. Identified and prioritized core services for BPR;
- ii Re-engineered end-to-end at least two of the identified core services
- iii Re-engineered service process digitalized.
- iv On-boarded where applicable all digitalized customer facing services onto the e- citizens platform.

### c)Resolution of Public Complaints

Siala TTI ensured prompt resolution of public complaints referred directly or channeled through other complaint reporting channels by:

- i. Resolving all complaints received
- ii. Processing all received request on access to information.

## 3. Core Mandate

### a).Science, Technology and Innovation Mainstreaming

During the reporting period, Siala TTI was committed to implementation of Science, Technology and Innovation in order to Increase productivity, enhance efficiency levels, and create comparative advantage and competitiveness of the institution.

### b)Examination Performance Improved

In the FY2024/2025,Siala TTI undertook the following to improve on external examination performance of the institute by 1.10% from 60.90% to 62.00%:

- i. Adhered to the training procedures ii). Availed adequate training materials

### c).New Courses Mounted

In the FY 2024/2025 Siala TTI was committed to introduce new courses by:

- i. Acquiring the syllabi/occupation standards.
- ii. Advertising the courses on the online platforms and including them in the brochures
- iii. Application for accreditation or the courses.



---

#### **d)Industrial Liaisons Office (ILO)/ Industrial Linkages Enhanced**

In the FY 2024/2025 the Board was committed to enhance Linkages and Partnership for industrial attachment opportunities and hands on activities to equip trainees with skills, hence facilitate the implementation of the National Priorities on Agriculture, Micro Small and Medium Enterprise (MSME) and Housing and Settlement

#### **e).Office of Career Services (OCS) Enhanced**

In the FY 2024/2025 Siala TTI was committed to enhance the OCS Office to: i) Assist, fast track and facilitate students in acquiring information, knowledge and competencies that enhance individual career development, academic success and employability; and ii) To develop relationships with employers for the purpose of exploring the possibilities of internships and professional employment opportunities for trainees and graduates .

#### **f).Enrolment in Science, Technology, Engineering and Mathematics (STEM) Increased**

In FY 2024/2025, Siala TTI was committed to increase enrolment in STEM courses by 900 trainees from 2191 to 3091 trainees by doing the following;

i. Inviting Fifteen (10) High school and/or Primary school heads to sensitize them on STEM training programs in the institute.

#### **g).Enrolment of Females in Science, Technology, Engineering and Mathematics (STEM) Increased**

In the FY 2024/2025, Siala TTI was committed to increase enrolment of female in STEM courses by 350 trainees from 731 to 1081 female trainees through;

i. Advertising in print media and website to encourage female trainees to apply for the courses available in the Institute.

ii. Undertaking an outreach to four(4) girls school to sensitize the students on STEM training programs offered in the institute.

#### **h).Gross Enrolment Increased**

In the FY 2024/2025, Siala TTI was committed to increase enrolment of trainees by 1000 from 2697 to 3697 by doing the following:

i. Advertising the Institute's programs in two(2) local radio stations and institution website.

ii. Updating the Institution's capacity with Kenya Universities and Colleges Central Placement Services (KUCCPS)

iii. Sensitizing the Community on the institute's training programs during the chiefs Baraza's quarterly.

#### **i)Universal Health Care Strategies and Plans Implemented**

In the FY 2024/2025 the Board was committed to implementation of universal health care as a National Agenda by sustaining the hygiene practice campaigns aimed at raising awareness about health and hygiene practices and mitigating against the spread and effects of water, sanitation and hygiene-related diseases.

#### **j).Tracer Studies Carried Out**

In the FY 2024/2025 Siala TTI carried out a tracer study to track its graduates to find out whether or how they use the training, and how their lives progressed over time, as well as create a pull of alumni for networking of the trainees .

#### **k).Internal Quality Assurance Audits Conducted**

In the FY 2024/2025, Siala TTI conducted two (2) Internal Quality Assurance audits aimed at improving and maintaining quality and efficiency in service delivery and monitor processes, procedures and achievements..



## **l)Productivity Mainstreaming**

In the FY 2024/2025, the Board was committed to measuring of efficiency and effectiveness of its resource utilization in converting inputs into quality outputs and developed a workplace productivity improvement strategy to enhance the productivity index from the baseline of 2.11 to 2.50. The Board developed work place productivity improvement strategy, implement workplace productivity improvement strategy, validate and compute productivity index and submit quarterly performance report to NPCC using the prescribed format.

### **4.Implementation of Presidential Directives**

In the FY 2024/2025, Siala TTI implemented the relevant Presidential Directives, circulars and executive orders (100%).

### **5.a)Access to Government Procurement Opportunities**

During the FY 2024/2025, the Board allocated and awarded at least 30% ( Kshs. 41,037,663.00) of the total value of the procurement budget (Kshs.136,792,210.00) for goods and services as was provided in the annual procurement plan to youth, women and PWDs.

At least 2% of the 30% of the budget (Kshs. 820,753.26) for procurement of goods and services was reserved for PWDs. The Board also commits to:

- i Build the capacity of the three target groups through training on government procurement procedures, requirements for accessing government procurement Opportunities and on the specific opportunities available in the institute.
- ii Pre-qualify the registered groups as (an affirmative action) and submit to PPRA a summary of the procurement opportunities allocated to the target groups in the format provided in the PPRA website.
- iii Submit a summary of the procurement opportunities allocated to PWDs to NCPWD.

### **b)Promotion of Local Content in Procurement**

During the FY 2024/2025, the Board allocated and awarded at least 40% (Kshs. 54,716,884.00) of the total value of the procurement budget (Kshs.136,792,210.00) for goods and services produced locally as per the annual procurement plan. This was aimed at promoting consumption of locally produced goods and services that to contribute to among other things, employment creation and growth of local industries. In addition, the Board also prepared and submitted quarterly progress reports on the implementation of this indicator to the Ministry of Investment, Trade and Industry in the prescribed format .

## **6.Cross – Cutting**

### **a).Asset Management**

During the FY 2024/2025, the Board ensured adequate asset management structures and systems were put in place to ensure prudent management of public assets for optimum economic and social benefits to the public. In addition, the Board also submitted quarterly and annual reports to The National Treasury & Economic Planning using the prescribed format.

### **b) Youth Internships/ Industrial Attachments/ Apprenticeships**

During the FY 2024/2025, the Board committed to offer 32 opportunities to youths on Internship, Industrial Attachment placements and Apprenticeship which translates to 22.5% of the total staff in-post of 141.



**c).Competence Development**

In the FY 2024/2025, the Board committed to enhance skills and proficiencies in order to address the career progression of individual employees and improve institutional performance.

**d) National Values and Principles of Governance**

During the FY 2024/25 the Board committed to making National Values and Principles of Governance a central rallying ingredient and theme in the planning and execution of policies, programs, projects and activities for improved service delivery.



## 8. CORPORATE GOVERNANCE STATEMENT

### Introduction

Siala Technical Training Institute is governed by the Board of Governors. The TVET Act 2013, gives the Board of Governors all the necessary powers for the proper performance of its functions under the Act and in particular, without prejudice to the generality of the forgoing, and that the Board of governors shall have powers to:

- i. Manage, supervise, and administer the assets of the Institute in such a manner as best promotes the purpose for which the Institute is established.
- ii. Receive any grants, donations or endowments on behalf of the Institution and make legitimate disbursements.
- iii. Approve the budgets, make policies and open bank accounts for the funds of the Institute.

### Corporate Governance Principles.

It is our view that *governance* is not just a matter for the Board of Governors but rather, a good governance culture must be percolated through the Institute system.

The current socio-economic, business and political environment in which the Institution operates, underscores the need for continued high standards of corporate governance and accountability.

This is the ninth year of the implementation of Mwongozo, the code of governance for state corporations. This code was issued by his Excellency, The President, Hon. Uhuru Kenyatta, CGH, in January 2015.

The Institute has strived to adhere to the corporate governance principles as contained in the Mwongozo Code. The Institute is happy to report that a number of activities have been undertaken geared towards compliance with Mwongozo Code.

### Size and composition of the Board of Governors

The Board of Governors consists of Eight (8) board members (and the Principal as their Secretary), who poses extensive experience in a variety of disciplines all of which are applied in the overall management of the Institute. The Board of Governors has the right balance of skills and experience appropriate for the requirements of the Institute. All members participate in the decision making and the Board operated effectively during the year and continues to do so. (The board has Four Organs; Education, Training and Research Committee and Finance and Development Committee, Audit and Risk Committee and Full Board.)

### Board Remuneration

The Board members do not receive a salary. Instead, they are paid a taxable sitting allowance whenever they attend meetings of the Board. The Chairman of the board is also paid a monthly honorarium. In the FY2024/2025 the institute spent ksh.5,256,326 on Board members expenses compared to the budget of ksh.7,222,500.

### Board committees and Responsibilities

The Board through its committees ensured effective, accurate, timely and transparent disclosure of information regarding Siala TTI operations and performance in line with the Constitution, various Acts, regulations and guidelines.

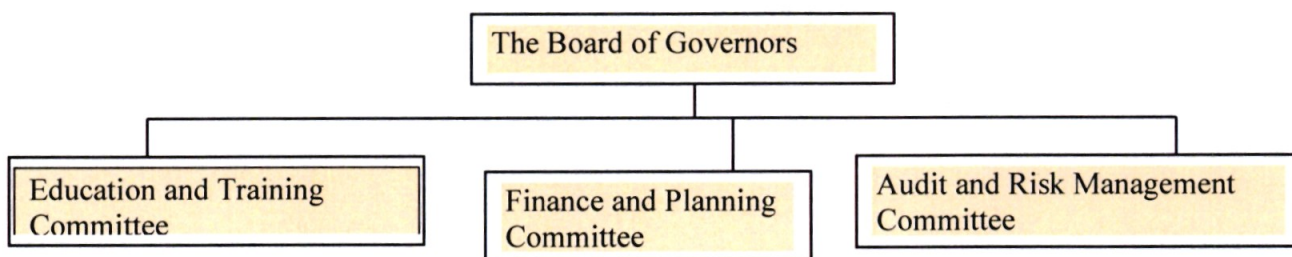
This is in addition to ensuring that the operations of the institute adhered to the existing laws and International best practice.



During the period under review, the full Board held meetings as follows:

No.	Name	26 <sup>th</sup> July 2024	25 <sup>th</sup> Oct 2024	20 <sup>th</sup> Dec 2024	10 <sup>st</sup> Jan 2025	27 <sup>th</sup> Feb 2025	11 <sup>th</sup> Aprill 2025
1	George Ogutu	✓	✓	✓	✓	✓	✓
2	Elizabeth Ominde	✓	✓	✓	✓	✓	✓
3	Damaris Mutheke	✓	✓	✓	✓	✓	✓
4	Paul Aol	✓	✓	✓	✓	✓	✓
5	Jackline Mumbi	✓	✓	✓	✓	✓	✓
6	Handson Gichana	X	X	X	X	✓	✓
7	Nelson Kiprono	✓	✓	✓	✓	✓	✓
8	Isaiah Okombo	✓	✓	✓	✓	✓	✓
9	Asha Bakari	✓	✓	✓	✓	✓	✓

The following are the committees of the Board of Governors.



### 1. Education and Training Committee

This committee has the following terms of reference:

- i) Deals with urgent and critical issues on behalf of the board as need arises and submit to the full board for ratification.
- ii) Receive, consider, discuss and recommend for approval regulations governing trainees and staff conduct and discipline and giving oversight on training research and innovation.
- iii) Receive and consider reports from the management and make recommendations to the board on academic matters.
- iv) Transact any other business as directed by the board.

During the period under review, the committee held meetings as follows:

No.	Name	16 <sup>th</sup> July 2024	10 <sup>th</sup> October 2024	9 <sup>th</sup> Jan 2025	10 <sup>th</sup> April 2025
1	Paul Aol	✓	✓	✓	✓
2	Jackline Mumbi	✓	✓	✓	✓
3	Handson Gichana	X	X	✓	✓
4	Isaiah Okombo	✓	✓	✓	✓
5	Asha Bakari	✓	✓	✓	✓

### 2. Finance, Infrastructure and Resource mobilization Committee

This committee has the following terms of reference:

- i. Receive, consider and recommend for board approval of annual estimates of revenue and expenditure and overseeing compliance of budgetary allocations as approved within its annual budget.



- ii. Receive and consider proposal on acquisition of fixed asset and recommend to the board for appropriate action.
- iii. Receive, consider and submit for board approval the annual procurement plan of the institute.
- iv. Consider and recommend for approval terms and conditions of service, criteria of recruitment, appointment and promotion of BOG staff.
- v. Conduct interviews for employment, appointment and promote members of the non-trainers staff.
- vi. Transact any other business as directed by the board

During the period under review, the committee held meetings as follows:

No.	Name	10 <sup>th</sup> July 2024	9 <sup>th</sup> October 2024	8 <sup>th</sup> Jan 2025	26 <sup>th</sup> Feb 2025	8 <sup>th</sup> April 2025
1	Elizabeth Ominde	✓	✓	✓	✓	✓
2	Damaris Mutheke	✓	✓	✓	✓	✓
3	Handson Gichana	X	X	X	✓	✓
4	Nelson Kiprono	✓	✓	✓	✓	✓
5	Asha Bakari	✓	✓	✓	✓	✓

### 3.Audit and Risk Management Committee

This committee has the following terms of reference:

- i. Receive, review and recommend internal control mechanisms towards improving efficiency, effectiveness, transparency and accountability.
- ii. Receive and discuss internal audit reports and make recommendations to the board.
- iii. Review management procedures and make proposals to the board for mainstreaming of Risk Management, controls and governance.
- iv. Review and submit proposal to the board on improvement of efficiency and effectiveness of management system, including high risk areas such as public finance, human resource, academic programs and general internal controls.
- v. Review and submit a report to the board on compliance with policies, laws, regulations, procedures, plans and ethics.
- vi. Transact any other business as directed by the board.

During the period under review, the committee held meetings as follows:

No.	Name	16 <sup>th</sup> July 2024	11 <sup>th</sup> October 2024	9 <sup>th</sup> Jan 2025	10 <sup>th</sup> April 2025
1	Paul Aol	✓	✓	✓	✓
2	Jackline Mumbi	✓	✓	✓	✓
3	Isaiah Okombo	✓	✓	✓	✓
4	Josphine Ogalo	✓	✓	✓	✓

### Internal Controls

#### Internal Audit

The internal audit function is strategically independent of management and reports to the Board through the Audit and Risk Management Committee (ARC). This function provides an assurance that the institution's financial and operational risks are being managed appropriately and that the internal control framework is operating effectively.

Currently, Siala TTI has not employed an internal auditor and has outsourced the services of the internal auditor from Mawego National Polytechnic who has been in office for this year under review.



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### Code of conduct and ethics

Ethical behaviour is derived from the values, beliefs, attitudes and knowledge that guide Board members, management and employees in all circumstances.

Siala TTI core values of professionalism, integrity, teamwork and safety culture are embodied within the ethical standard which are guided by Chapter six of the Constitution, the Leadership and Integrity Act, 2012, Anticorruption and Economic Act 2003 and the Public Officers Ethics Act 2003 among other legislations.

We are therefore mandated to exhibit high standards of Leadership and Integrity envisaged in our Constitution not only for the sake of compliance but also as part of our mandate as responsible citizens.

### Going concern

The Institute expects to operate as a going concern into the foreseeable future. This assumption is based on the accumulated surplus recorded of **Ksh.14,837,065** in FY 2024/2025 as compared to **Ksh.29,003,467** for the FY2023/2024.

The current FY2024/2025 positive current ratio of **25.23** as compared to **12.34** for FY 2023/2024.

The current FY2024/2025 quick ratio was **24.19** against **12.16** for FY2023/2024. The Institute focuses on investing significantly in trainees population and infrastructure and is not expected to curtail in its operations in the coming year



## 9. MANAGEMENT DISCUSSION AND ANALYSIS

### INTRODUCTION

This discussion and analysis provide an overview of the results of activities and financial position of Siala Technical Training Institute. This overview has been prepared by management and should be read in conjunction with the financial statements and the notes that follow.

### OPERATIONAL HIGHLIGHTS

Siala Technical Training Institute enters its ninth year of operations with evidence of continual growth. It is committed to be a world class Technical Institution in the provision of technical, training and applied research. To achieve this, the Institute has put into place various strategic goals with clear key result areas, objectives, outcomes, objectives and various activities to achieve its mission and vision.

Since inception of the Institute in February 2016, the trainee gross enrolment has steadily risen to currently stand at 2,200. SET courses have continued to record commendable growth rates as compared to non-SET courses.

Of the 2,200 trainees, the female trainees comprise of 1,081 trainees as compared to male trainees at 1,119 trainees giving a ratio of about 2.46:2.54. The female trainees have dominated the Hospitality, Fashion & Design and Institutional Management Department whereas the male trainees have dominated the Engineering departments.

In September 2023, the Ministry of Education gave a directive in the implementation of CBET/CDACC courses with the systematic phasing out of KNEC courses. Currently the enrolment for CBET courses stands at 1200 trainees.

The Institute has continued to expand its internet connectivity through Wi-Fi and the hotspots within the institute compound. This was accomplished by the signing of a contract with KENET. It will be recalled that in the year 2022, the Institute started the implementation of the Enterprise Resource Planning from APKINGS but did not fully utilize it due to internet challenges. It is now envisaged that with the enhanced internet, there will be increased efficiency and effectiveness in service delivery in financial management, records management, timetabling, production of progress reports among other items.

Training of skills required in the labour market had continued earnestly and is evidenced by the signing of two MoU's with industry. Numerous benchmarking trips have been undertaken and trainees have been engaged in more practical work and lesson (Dual training). Trainees have participated in various economic activities within the Institute, e.g. making of blocks and bricks, making of computer desks for the Jitume Labs among others.

The result of these sustained efforts has been resulted in improved performance in the national examinations with the institution scoring an all-time high percentage pass of 62.2% in KNEC March 2025 series.



Siala TTI recognises that our trainees education goes beyond coursework and practical's. The Institute has facilitated extracurricular activities as a way of promoting holistic growth of the trainees. Our trainees participated in both regional football and music competitions despite the serious financial difficulties faced by the institution.

Staff numbers have also continued to increase to reflect the increasing number of trainees. The current staff strength stands at 141 with 66 female and 75 male staff. The Institute is managed by a management team referred to as the Management Committee comprising of 6 members.

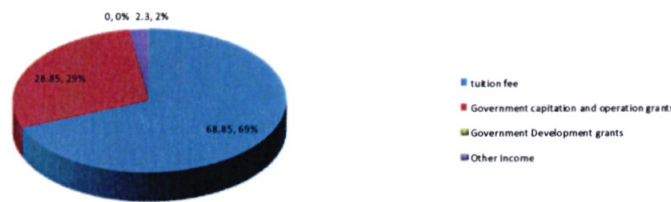
The expenditure control strategies implemented by the Institute have resulted to savings in expenditure on non-priority activities and realization of surplus funds which were then reallocated to development of fixed assets (Purchase of Institute Bus and building of Kitchen). These savings shall also be mobilized in the coming financial year to finance Development projects and any other expenditure.

**Development partner's projects**

This financial year, the Institute received a boost when GOK|AfDB Phase III project Hospitality Complex was on going. This is expected to ease the never ending need for trainee training space.

During the year 2024/2025, the Institute received a total of Ksh.40,092,647 as Capitation grants, Ksh.95,672,718 as Tuition fee from parents, and Ksh.3,198,400 as other income.

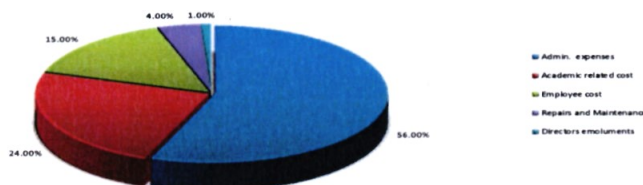
Total Revenue



**Expenses**

The Institute incurred Ksh.135,828,277 in Recurrent expenditure for the financial year 2024/2025. The biggest expenditure was shared between Academic Expenses and Admin. Cost, General expenses at 51% and 28% respectively followed by Employee Cost. at 12%, Directors Emoluments at 4%,Repairs and Maintenance at 5%.

Total Expenses

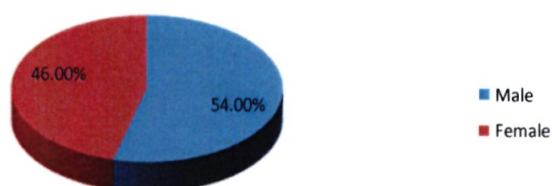




### Staff Members

Staff establishment was at One hundred and forty one ( Male 75 and Female 66.) at the close of Financial year 2024/2025 and is expected to rise for both Academic and Administrative in the next financial year.

#### Staff Gender Distribution



### Compliance with Statutory Requirements

The Institute is operating under legal frame works necessary under public sector requirement such as.

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

The Institute has also internal policies it uses in its operation. These policies are in line with all the relevant laws stated above and only direct the specific operations on how tasks are handled. The Board has already approved the Academic Policy, Financial Management Policy and Procurement Policy.

### Risk Analysis

#### Operational Risks

The Board has overall responsibility for the oversight of the Institute risk management framework. The Institute has developing risk management policies to identify and analyse the risks faced by the Institute, set appropriate risk limits and controls and monitor risks and adherence to limits. These risk management policies and systems will be reviewed regularly to reflect the changes in economic conditions and the Institute activities. The Principal oversees how management monitors compliance with the Institute risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Institute.

The Institute faces a high level of competing interests for resources. There is a high level of competition for trainees in the Institute catchment area from other public and private TVET Institutions within the region.

The Institute financial assets comprise of receivables, cash and short-term deposits which arise directly from its operations. The financial liabilities comprise of payables. The Institute is therefore exposed to both liquidity risks and credit risks.



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### **Liquidity Risk**

This is the risk that the Institute will not meet its financial obligations as they fall due. There is therefore needed to increase the number of trainees to cover the fixed costs. The Institute's approach managing liquidity is to ensure as far as possible, that there is always sufficient liquidity to meet liabilities as and when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damaging the Institute's reputation. Typically, the Institute ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 30 days including the servicing of financial obligations. This however does not include the potential impact of extreme circumstances that cannot be reasonably predicted such as political violence. All liquidity policies and procedures are subject to review and approval by the Board. It is very important to note that the Institute faces a liquidity risk of non-receipt of capitation grants from GoK which may prevent it from meeting its financial obligations as and when they fall due.

### **Credit Risk**

Credit risk is the risk of financial loss to the Institute if a customer or counter party to a financial instrument fails to meet its current obligations. The receipt of fees from students minimizes the credit risk exposure. The Institute has a Finance policy on fee payment which defines how and when fees are supposed to be paid. This minimizes the credit risk exposure. Currently 60.% of the Institute's receivables are performing.



.Tuition block under construction( above)



**B**  
The Hospitality Complex GoK/ AfDB funded Phase III nearing completion A and B ( above)



A



B



C Siala TTI Trainees attending to their practical classes which is the Institute's Core Mandate  
Above( a,b and c) **XXX**



A



B

Trainees attending to their practical lessons and ASK show above( A and B )



## 10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

### ECONOMIC SUSTAINABILITY

Siala TTI principal activity of skills training is an essential service that impacts on people's lives. It's what guides the Institute to deliver its strategy, putting the customer/ Citizen first, delivering relevant services and improving operational excellence.

This implies that we must respect the special status of our position and be financially sustainable to continue providing services overtime to our customers and the community.

Financial sustainability is the ability to sustain enough cash flows to maintain our core operational capacity, implement strategic plan and invest in diversifying our operations as we continue to train and create value for the stakeholders.

Siala TTI presents its financial condition using among other financial measures, financial ratios and operating cash flow.

Siala TTI relies on the society to allow it operate successfully. During the year under review Siala TTI continued to make significant contributions to the society by carrying out its operations responsibly and implementing corporate social programs.

The ongoing process of digital transformation (ERP Installation) to the Institution shall involve integration of digital technology into all areas of its operations.

This shall lead to fundamental changes on how Siala TTI operates and how ICT delivers value to all stake holders.

The stake holders have also benefited as the Jitume program ICT lab which has been used to train computer literacy for free to school leavers from local community around the Institute.

### Environmental issues

#### Social Sustainability

##### Corporate Social Responsibility Statement

Siala TTI is a responsible partner and continues to upscale its social programs and mainly focusing on the local community from around the Institute.

The programs focused majorly on Training, Environment and Water & Sanitation which complement the Sustainable Development Goals.(SDGs)

##### Education/Training

The core objective of Siala TTI training program is to enable trainees realize their dream and life goals. This is achieved through training, while at the same time enabling them to become major contributors to the realization of the country's social and economic goals.

##### Water and Sanitation

Siala TTI managed to address water and sanitation challenges faced by the local community around the institute. This was achieved through provision of clean accessible rain water as a major Corporate Social Responsibility activity.

Unsafe drinking water causes water borne diseases and other health related problems besides affecting the socio-economic well-being of the local community.

To alleviate water related problems, the Institute installed a water collection point to the locals around to make clean water accessible.

This was achieved by connecting water pipe from the Institute water storage tank to water fetching point situated near the Institute Green house.



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### **Health Care**

Health care has remained a crucial part of the country and community. The institute has put in place measures to deal with outbreaks such as waterborne diseases and other contagious diseases.

This was achieved by installation of rain water tanks at the playing field ,construction of toilets at the playing field to help the local community using the field. The institute dispensary is adequately stocked to deal with any eventuality that may arise.

The institute also has a partnership with a local health facility (Lwala Hospital) that biannually hold trainings and check ups on trainees and staff.

### **Environmental conservation and awareness**

The Institute recognizes the need to enhance and protect the environment.

Siala TTI recognizes the fact that environmental degradation is a leading threat to sustainable development and is therefore committed to the protection, improvement and restoration of the environment through the promotion of sustainable use of natural resources.

To enhance sustainability of the ecosystem, Siala TTI in collaboration with Ministry of Interior and National Coordination Rongo Sub County, Kenya Forest Service and the surrounding community teamed up and participated in tree planting. This exercise was Presided over by the Cabinet Secretary for Education.

As result, over 3,000 trees both indigenous and commercial have been planted.

As part of ecosystem restoration, more than 100 indigenous trees were planted along river Misadhi to help in improving the vegetation cover.

Energy efficiency refers to using less energy to provide the same level of service.

To achieve this, Siala TTI has put in place measures which comprises energy saving devises, rational saving methods including switching off devises when not in use, changing the lighting system to LED lighting tubes and using alternative sources like solar. In an effort to manage energy consumption, Siala TTI has installed solar panels which are now used to power the security lights of the institute. This has significantly reduced electricity and other related expenses hence result in saving for the Institution

The institute in collaboration with the Ministry of Energy and Petroleum have installed LPG gas unit for use during cooking for the boarding trainees.

This has contributed to the betterment of live kitchen staff and contributed to environmental conservation reducing wood fuel.

### **Waste Management**

Siala TTI has an Incinerator/ Burning chamber which has helped in waste management (disposal of garbage). The incinerator has helped to solve garbage problem which had existed for some time.

### **Employee welfare**

Human resource is the most critical assets of an organization .

Siala TTI is an equal opportunity employer and is committed to attracting, recruiting and retaining skilled employees to fulfil the Institute goals and objectives.

Siala TTI continues to ensure that all employees continue to operate in a conducive work environment for maximum service delivery.

The Institute developed and approved human resource policy, this promotes equal opportunity in employment at all levels.

Casual workers as a matter of policy, are sourced from the local community around the Institution.

Within the financial year employees attended capacity building trainings both internal and external which not only helped to improve their skills and productivity but also impacted on their personal lives.



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The return on this investment has been seen in both staff performance and motivation.

For the financial year ended 30<sup>th</sup> June 2025, staff statistics was 141. This number has helped the Institute to sustain current operations. The staff turnover was low at 2% due to the various retention strategies that the Institute has put in place.

The aggregated staff statistics reflect the number of male employees at 75(53%) and female employees at 66 which is 47% of total employees. A total of 4(3%) out of 141 employees are persons living with disability.

The Institute is compliance to the constitutional requirement of minority gender employees being at least 30% of the staff establishment.

The Institute staff comprises a great diversity of ethnicity and religious orientation.

During the year under review, Siala TTI engaged four (4) youths for internship program. Developing our skills enhances productivity and is a motivational aspect in terms of career growth. Skills development programs are aimed at target groups as well as individual employees. These are based on needs assessment and gap analysis as skills development has a direct correlation to performance.

#### **Occupational safety and health**

Siala TTI is committed to the culture and safety of protecting the staff and the society. The institute has embarked on an integrated program which places primary responsibility of safety on the individual. Our approach is to strengthen our internal controls and mitigate hazards that cause harm.

To enhance safe working environment, Siala TTI has put in place a robust organizational structure at all work places which promote general safety culture.

The Institution has a health and safety committee which ensures that, safety culture is enhanced and legal and regulatory requirements are complied with. The committee is competent in matters of occupational safety by OSHA 2007. The committee is mandated to coordinate, implement, monitor and evaluate the occupational health safety and welfare of staff and trainees.

Siala TTI implemented a robust fire safety program with a fire risk assessment (fire drill) conducted during the year and the implementation of the recommendations is on going..

Siala TTI has performance management appraisal guidelines that guide the performance of its employees, their productivity and output.

The process entails annual performance assessment which creates and communicates clear direction of the Institute to employees by defining the performance requirements, standards and expectations that are aligned to the Institute strategic goals.

This appraisal promotes continuous improvement and learning through the process of self-assessment and reflection. To demonstrate the Institute's appreciation of employees or committees with exceptional contribution, the management rewards by giving honoraria which are fair, equitable and performance driven.

Staff relation at Siala TTI is founded on the principles of freedom of association, workplace democracy and collective bargaining.

The Institute is committed to upholding these fundamental principles and rights at work including, but not limited to, freedom of association, rights to organize and collectively bargain for terms and conditions of service.

As a result of this, KUDHEIHA workers union has registered non-training staff and nominated the focal persons amongst them.



The Institute has structures for succession plan in place. This is aimed at increasing employee motivation for equal opportunity whenever vacancies arise since recruitment starts with promotions from within. The succession plan strategy and program has also saved costs associated with recruiting and hiring from outside .e.g Electrical Technician and Registry Clerk II among others.

As a result the learning curve necessary to get new employees up-to-speed on Institute procedures is shorter, resulting in quick transition.

The Institute acknowledges that it cannot only focus on job related skills but also has to look at the employee as a whole person. When an employee is functioning optimally, the Institute can expect them to achieve full productivity.

Therefore various support programs covering personal health are being developed.

#### **Market place practises (Supply value chain)**

The main objective for the supply function is to improve process, increase wealth creation and delivery of value to stakeholders for sustained economic development. Supply chain plays a pivotal role in timely procurement of quality goods, works and services.

The procurement process is guided by the Public Procurement and Asset Disposal Act 2015, relevant regulations, Institutional procedures and best industry practises.

Procurement for goods, works and services for the Institute is anchored on the legal framework and best practice. The Institute's procurement needs are compliant to regulatory requirements necessary for sustainable growth.

Siala TTI recognizes procurement opportunities emerging from its operating activities as great economic empowerment avenue for suppliers and contractors.

Siala TTI ensures local content (locally obtained products and services) requirements are embedded in the contracts. We continue to create an enabling environment for local enterprises to play an active role in the Institute's supply chain to strengthen the local supply base.

Youths, women and persons living with disability are accorded a special portion of the procurement budget.

These vulnerable groups, as defined by the constitution of Kenya and covered in the procurement law, are entitled to procurement related business opportunities.

The operations realize the cogs of the economy and are kept in motion by the participation of every citizen.

Efforts are made to minimize the chances of giving many orders/contracts to one service provider at the same time.

This will ensure that more companies remain active and jobs are created and saved. The special groups were awarded ksh.41,037,663 worth of business in the period under review.

#### **Compliance**

The supply chain function is guided by the Public Procurement and Asset Disposal Act 2015 and relevant regulations as established. Siala TTI continue to process all procurement in compliance to these statutory requirements.

During the year, SialaTTI submitted statutory reports as required and this demonstrates commitment to compliance requirements that enhances transparency, fairness and value for money for sustainable growth.

Procurement is anchored on the legal framework and best practises where the acquisition of goods, works and services embraces Total Cost of Ownership (TCO) approach. Assets and other procurements are compliant to safety, health and environmental requirements for sustainable growth. These initiatives build a sustainable supply chain function for the future.



### Value for money

The Institution maximizes return on money spent through the procurement of goods, works and services throughout the entire chain.

### Procurement planning

The Institute prepares its procurement plan on annual basis, which guide all procurements as per the approved budgets. The procurement plan is approved by the Board of Governors and executed by the management to support the Institution's strategic objectives.

The plans are implemented in accordance with the Public Procurement and Asset Disposal Act 2015, by ensuring that all requirements (e.g. reservation for special groups to access public procurement opportunities) are met.

### Access to Government Procurement Opportunities (AGPO)

CATEGORY	AWARDS	AWARDS
	FY 2024-2025	FY 2024-2025
	%	KShs
Women	60%	24,622,597.80
Youth	38%	15,594,311.94
PWD	2%	820,753.26
<b>Total</b>	<b>100%</b>	<b>41,037,663</b>

To achieve this, the following initiatives were taken;

- i. Sensitization of the public on procurement opportunities available to the youth and PWDs.
- ii. Prequalification of youth, women and persons with disability.
- iii. Effective planning and monitoring of the implementation teams.

### Empowering local Firms

The 40% local content requirement in the international tendering process has enabled local Firms to benefit from apportionment of money spent on procurement.

Promotion of local content in procurement (Buy Kenya, Build Kenya) initiative continues to be supported where by 40% of the Institution's non specialized budget, is spent on local products and services supplied by citizens.

During the year, procurement of locally manufactured goods and services (local content) allocation was Ksh. 54,716,884.

This was to support the growth of local industry for sustainable development.



**CORPORATE SOCIAL RESPONSIBILITY.**



Institute incinerator above



The Education Cabinet Secretary Dr.Jullius Migos Ogamba participating in tree planting during National tree planting day above



The CS Education and members of other TVET Institutions participating in planting trees (above)



The PS SDTVET Dr. Esther Thaara Muoria planting a tree during Siala TTI 2<sup>nd</sup> Graduation Ceremony



Siala TTI participating in CSR by constructing the murrum road bordering the Institute and the local community above.



The CS Education being shown around at Siala TTI by the Principal. (above)



The PS SDTVET Dr.Esther Thaara Muoria being received at Siala TTI during 2<sup>nd</sup> Graduation Ceremony above (B&C)



*The PS signing the visitors book on arrival and later being taken to the Graduation arena as witnessed by Madam Principal and Other visitors During Siala TTI 2<sup>nd</sup> Graduation Ceremony above*



A



B



C

*The PS SDTVET Delivering her speech and awarding the best Grandaunts During Siala TTI 2<sup>nd</sup> Graduation Ceremony above (A,B and C)*



The PS SDTVET cutting the cake after the ceremony and later being awarded a gift by the Chairman of the Board of Governors of Siala TTI as witnessed by Madam Principal and other Guests (above a and b)



## 11. REPORT OF THE BOARD OF GOVERNORS

The Institute's Board of Governors hereby submit its financial statements for the year ended June 30, 2025 which shows the state of affairs of Siala Technical Training Institute.

### Principal activities

The Core business of the Institute as provided for in the TVET Act 2013 section 26 (1) (a) and (d) includes;

- i. Promotion of Skills Training in (TVET) through, Research, Science, Technology and Innovation in commensurate with Industry and community demands.
- ii. Promotion of gender balance and equality of opportunity among students and employees.
- iii. Promotion of equalization for persons with disability, minorities and other marginalized groups.

### Results

The results of Siala TTI for the year ended June 30, 2025 are set out on page 1 to 36

## BOARD OF GOVERNORS

The members of the Board who served during the year are shown on page VII, VIII and IX

### Auditors

The Auditor General is responsible for the statutory audit of Siala TTI financial statements FY2024/2025 in accordance with Article 229 of the Constitution of Kenya and 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

Asha Bakari  
BOG Secretary  
Date:26/8/2025



## 12. STATEMENT OF BOARD OF GOVERNORS 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, requires the Board to prepare financial statements which give a true and fair view of the state of affairs of the Institution at the end of the financial year/period and the operating results of the Institution for that year/period. The Board are also required to ensure that the Institution keeps proper accounting records which disclose with reasonable accuracy of the financial position of the Institution. The Board is also responsible for safeguarding the assets of the Institution.

The Board is responsible for the preparation and presentation of the Institution financial statements, which give a true and fair view of the state of affairs of the Institution at the end of the financial year on 30 June, 2025. This responsibility includes: (i) Maintaining adequate financial management and ensuring that these are effective throughout the reporting period; (ii) Maintaining proper accounting records, which discloses with reasonable doubt accuracy at any time the financial position of the entity; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the Institution; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Board of Governors accept responsibility for the Institution financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act, 2013. The Board of Governors are of the opinion that the Institution's financial statements give a true and fair view of the state of Institution's transactions during the financial year ended June 30, 2025, and of the Institution financial position as at that date. The Board further confirm the completeness of the accounting records maintained by the Institution which have been relied upon in the preparation of the Institution's financial statements as well as the adequacy of the systems of internal financial controls.

Nothing has come to the attention of the Board to indicate that the Institution 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 Institution's financial statements were approved by the Board on 26/8/2025 and signed on its behalf by:

Mr. George P. Ogutu

**BOG Chairman**

Ms. Asha Bakari  
**Principal Siala tti**



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**13. REPORT OF THE INDEPENDENT AUDITOR ON THE ENTITY.**

The summarized audit report findings and response for the FY 2023|2024 are hereby submitted in page 36 as a guide to resolve of the prior year's findings.

SIALA TECHNICAL TRAINING INSTITUTE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30<sup>TH</sup> JUNE 2025

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# REPUBLIC OF KENYA



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Anniversary Towers  
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NAIROBI

## REPORT OF THE AUDITOR GENERAL ON SIALA TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2025

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Siala Technical Training Institute set out on pages 1 to 36 which comprise of the statement of financial position as at 30

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June, 2025, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Siala Technical Training Institute as at 30 June, 2025, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis and comply with Technical and Vocational Education and Training Act 2013 and the Public Finance Management Act, 2012.

## **Basis for Qualified Opinion**

### **1. Inaccuracies in the Financial Statements**

The statement of financial position reflects receivables from exchange transactions balance of Kshs.8,978,880 which differs with the re-computed balance of Kshs.10,183,134 (calculated as shown below), resulting in an unreconciled variance of negative Kshs.1,204,254:

<b>Particulars</b>	<b>Amount (Kshs.)</b>
<b>Receivables from exchange transactions balance as at 30 June, 2024</b>	<b>10,183,134</b>
<i>Add:</i> Rendering of services-fees from students earned in 2024/2025– Statement of financial performance	95,672,718
<i>Less:</i> Rendering of services-fees from students received in 2024/2025 - Statement of cash flows	(95,672,718)
<b>Re-Computed receivables from exchange transactions balance as at 30 June, 2025</b>	<b>10,183,134</b>

Further, the statement of cash flows reflects total operational payments amount of Kshs.135,828,277, while the cash book extract provided shows payments totaling Kshs.119,082,627, resulting in an unreconciled variance of Ksh.16,745,650. Further, the cash book extract is incomplete as essential general ledger details such as dates, descriptions and economic classification required by the reporting template are omitted.

In addition, the statement of comparison of budget and actual amounts reflects budget carryovers from the previous year amount of Kshs.52,031,507 which is reflected under actual on comparable basis and performance difference columns. However, according to the prescribed reporting template, the amount is supposed to be indicated under Adjustment, Final Budget and Actual on Comparable Basis columns, with zero

performance difference. As a result of this anomaly, the total income budget of Kshs.204,708,710 is understated by Kshs.52,031,507, while the performance difference of negative Kshs.13,713,438 is overstated by the same amount.

Moreover, Roman page numbers include Page XXXX instead of XL.

In the circumstances, the accuracy, completeness and fair presentation of the financial statements could not be confirmed.

## **2. Unconfirmed Transfer from Other Government Entities**

The statement of financial performance reflects transfers from other government entities amount of Kshs.40,092,647. However, there were no validated capitation beneficiaries' allocation lists and receipts issued to the beneficiaries, making it impossible to establish if the allocation was done within 14 days from the date of the disbursement letter. Further, the capitation grants were not posted in students' fees registers. In addition, there was no evidence to confirm that capitation returns were done within 14 days from the disbursement dates.

In the circumstances, the accuracy and completeness of transfer from other government entities of Kshs.40,092,647 could not be confirmed.

## **3. Unsupported Rendering of Services -Fees from students**

The statement of financial performance, and as disclosed in Note 7 to the financial statements, reflects rendering of services-fees from students amount of Kshs.95,672,718. However, audit review of fees from students identified major weakness in the institution's fee management and student enrollment records. Fee invoicing and receipting were done manually, making it difficult to verify transaction. Further, there were significant discrepancies between the student numbers reported in the principal's report and those in the data base, with an unreconciled variance of 1,440 students. In addition, the reported fee collections were not supported by essential records such as opening balances, invoices, payments and closing balances. Additionally, fees revenue was collected through the operations account, weakening internal controls. Also, the enrollment data base indicated 159 duplicate student registrations for two courses at the same time, raising concerns on whether the students were invoiced twice.

In the circumstances, the accuracy and completeness of the rendering of services-fees from students amount of Kshs.95,672,718 could not be confirmed.

## **4. Unsupported Cash and Cash Equivalents**

The statement of financial position shows cash and cash equivalents balance of Kshs.50,797,091 which, as disclosed in Note 15 to the financial statement, includes Kshs.50,589,397 held in a Kenya Commercial Bank Account. Audit review revealed the following issues:

- i. An amount of Kshs.3,553,903 listed as unrepresented cheque includes Kshs.841,500 paid to a company, yet this cheque had already been withdrawn by 30 June, 2025
- ii. The unrepresented cheque schedule did not show the dates the cheques were recorded in the cash book or the specific transactions they relate to. Additionally, the schedule includes direct bank deposits of Kshs.48,463 that is not reflected in the cash book.
- iii. Board of cash survey reports were not prepared to verify or support the reported cash balances
- iv. The cash books running balance were written in pencil, contrary to regulation 16 (1) of the Public Finance Management (National Government) Regulation, 2015 which requires financial documents to be written in permanent ink.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.50,797,091 could not be confirmed.

## **5. Unsupported Receivables from Exchange Transactions Balance**

The statement of financial position reflects receivables from exchange transactions balance of Kshs.8,978,880 as disclosed in note 16 (a) to the financial statements. However, the Institute did not have a debt recovery plan and did not maintain a receivables ledger outlining the opening balance, billings for the year, receipts and adjustments to arrive at the reported closing balance. In addition, the amount was not supported by an ageing analysis.

In the circumstances, the accuracy and completeness of receivables from exchange transaction balance of Kshs.8,978,880 could not be confirmed.

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

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

During the year under review, the College had total receipts budget of 256,740,217 and total actual receipts of Kshs.190,995,272, resulting in underfunding of Kshs.65,744,945 or 25% of the budget. Similarly, the Institute spent Kshs.135,828,277 out of the actual receipts of Kshs.190,995,272, resulting in underutilization of Kshs.55,166,995 or 28%.

The under-funding and underutilization affected the planned activities and may have negatively impacted the programs and activities of the Institute.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Matter**

### **Unresolved Prior Year Matters**

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in the Use of Public Resources and Effectiveness of Internal Controls, Risk Management and Governance sections respectively. Review of the status during audit of the Institute in 2024/2025 revealed that the following matters remained unresolved:

<b>S/No.</b>	<b>Financial Year</b>	<b>Audit Issue</b>
1	2023/2024	Long outstanding trade and other payables
2	2023/2024	Misstated, property, plant and equipment balance
3	2023/2024	Non-disclosure of land and engineering equipment
4	2023/2024	Incomplete fixed asset register
5	2023/2024	Irregular retention of retired staff member as a signatory
6	2023/2024	Irregular hiring of unlicensed trainers
7	2023/2024	Understaffing of the institution
8	2023/2024	Non-Compliance with affirmative action on ethnicity and regional distribution
9	2023/2024	Irregularities and delay in the implementation of enterprise recourse planning system (ERP)

### **Other Information**

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

In connection with my audit on the Institute's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I

conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Failure to Register Trainers**

Review of documents during the year ended 30 June, 2025 revealed that the Institute had thirty-three (33) trainers with no evidence provided that the trainers were registered by Technical and Vocational Education and Training Board, contrary to Section 23(1) of the Technical and Vocational Education and Training Act, 2013, which state that any person who intends to become a trainer in an institution shall apply for licensing and registration by the Board in accordance with the provisions of this Act.

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

#### **2. Non-Compliance with Law on Ethnic Diversity in Staffing**

Review of the personal records and payroll for the month of June, 2025 revealed that the Institute had a workforce of one hundred and nineteen (119) employees in its payroll out of which, eighty-four (84) employees were from one ethnic community. This represents seventy one percent (71%) of the total workforce, contrary to Sections 7(1) and (2) of the National Cohesion and Integration Act, which requires that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public establishment shall have more than one-third (1/3) of its staff from the same ethnic community

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

#### **3. Lack of an Internal Audit Function**

During the financial year under review, it was observed that the Institute did not have an Internal Audit department as required by Regulation 162(2)(a)(b)(c) and (d) of the Public Finance Management (National Government) Regulations, 2015, which provides

that an Accounting Officer shall ensure that the organizational structure of the internal audit unit facilitates the entity to accomplish its internal audit responsibilities, the internal auditor with sufficient authority to promote independence and to ensure broad audit coverage, adequate consideration of internal audit reports, appropriate action to be taken on internal audit recommendations; and the internal auditor to be independent of the programs, operations and activities he or she audits to ensure the impartiality and credibility of the internal audit work undertaken, the board had set up an audit committee.

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

#### **4. Under Payment of Staff**

The Regulation of Wages General Amendment Order of May 2022 sets the minimum monthly pay for employees working in Migori at Kshs.14,025.40. Review of the payroll for the month of June, 2025 for the institute revealed that eleven (11) employees were earning a monthly pay of less than Kshs.14,025.

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

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

### **REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

#### **Conclusion**

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

#### **Basis for Conclusion**

##### **Lack of Risk Management Policy and Framework**

The audit revealed that Siala Technical Training Institute had not developed or implemented a risk management policy or framework to guide on risk assessment and mitigation processes. The Institute had not carried out risk assessment and had not updated risk register. Further, it was noted that the Institute did not have a disaster recovery plan. This is contrary to regulation 165 (1)(a) and (b) of the Public Finance Management (National Government) Regulation, 2015 which states that the Accounting

Officer shall ensure that the national government entity develops risk management strategies, which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations.

In the circumstances, the effectiveness of risk management in the Institute could not be confirmed.

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

### **Responsibilities of Management and Board of Governors**

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

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

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

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

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

### **Auditor-General's Responsibilities for the Audit**


My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**02 December, 2025**



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

	Notes	FY 2024/2025 Kshs.	FY 2023/2024 Kshs.
<b>Revenue from non-exchange transactions</b>			
Transfers from the National Government—grants/ Capitation	6	40,092,647	41,398,075
		<b>40,092,647</b>	<b>41,398,075</b>
<b>Revenue from exchange transactions</b>			
Rendering of services- Fees from students	7	95,672,718	83,598,561
Other income	8	3,198,400	3,165,560
<b>Total Revenue from exchange Transaction</b>		<b>98,871,118</b>	<b>86,764,121</b>
<b>Total Revenue</b>		<b>138,963,765</b>	<b>128,162,196</b>
<b>Expenses</b>			
Use of Goods and Services	9	68,714,132	66,647,213
Employee costs	10	16,561,210	17,716,224
Remuneration of directors	11	5,256,326	4,075,900
Depreciation and amortization expense	12	17,301,890	9,156,059
Repairs and maintenance	13	6,357,540	1,377,735
Admin. Cost and General expenses	14	38,939,069	28,292,888
<b>Total expenses</b>		<b>153,130,167</b>	<b>127,266,019</b>
<b>Other gains/(losses)</b>			
Gain on sale of assets		0	0
Impairment loss		0	0
<b>Total other gains/(losses)</b>		<b>0</b>	<b>0</b>
<b>Net Deficit for the year</b>		<b>(14,166,402)</b>	<b>896,177</b>

The notes set out on page 6 to 36 form an integral part of the Financial Statements.  
The Financial Statements set out on pages 1 to 5 were signed by

**Chairman of Council/Board**

**Date 26/8/2025**

**Finance Officer**

ICPAK No.Assoc 1316

**Date 26/8/2025**

**Principal**

**Date 26/8/2025**



### 15. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2025

	Notes	FY 2024-2025 Kshs	FY 2023-2024 Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	15	50,797,091	52,031,507
Receivables from exchange transactions	16	8,978,880	10,183,134
Inventories	17	2,568,800	1,020,052
		<b>62,344,771</b>	<b>63,234,693</b>
<b>Non-current assets</b>			
Property, plant and equipment	18	414,746,615	290,501,178
Intangible assets	19	3,150	118,732
		<b>414,749,765</b>	<b>290,619,910</b>
<b>Total assets</b>		<b>477,094,536</b>	<b>353,854,603</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Refundable deposits from customers	20	276,500	276,500
Payments received in advance	21	2,194,220	5,969,630
		<b>2,470,720</b>	<b>6,246,130</b>
<b>Non-current liabilities</b>			
Borrowings		0	0
<b>Total liabilities</b>		<b>2,470,720</b>	<b>6,246,130</b>
<b>Net assets</b>		<b>474,623,816</b>	<b>347,608,473</b>
Capital Reserves		153,526,891	12,345,146
Accumulated surplus		14,837,065	29,003,467
Capital Fund		306,259,860	306,259,860
<b>Total Capital and Reserve</b>		<b>474,623,816</b>	<b>347,608,473</b>
<b>Total net assets and liabilities</b>		<b>477,094,536</b>	<b>353,854,603</b>

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

**Chairman of Council/Board**

**Finance Officer**

**Principal**

ICPAK No Assoc 1316

Date 26/8/2025

Date 26/8/2025

Date 26/8/2025



**16. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2025**

	Revaluation Reserves Ksh.	Retained earnings Ksh.	Capital/ Development Grants/Fund Ksh.	Total Ksh.
<b>At 1<sup>st</sup> July, 2023</b>	<b>12,345,146</b>	<b>28,107,290</b>	<b>306,259,860</b>	<b>346,712,296</b>
Revaluation gain	0	0	0	0
Fair value adjustment on quoted investments	0	0	0	0
Total comprehensive income	0	896,177	0	896,177
Capital/Development grants received during the year	0	0	0	0
Transfer of depreciation/amortisation from capital fund to retained earnings	0	0	0	0
<b>At June 30, 2024</b>	<b>12,345,146</b>	<b>29,003,467</b>	<b>306,259,860</b>	<b>347,608,473</b>
<b>At 1<sup>st</sup> July 2024</b>	<b>12,345,146</b>	<b>29,003,467</b>	<b>306,259,860</b>	<b>347,608,473</b>
Revaluation gain	141,181,745	0	0	141,181,745
Fair value adjustment on quoted investments	0	0	0	0
Total comprehensive income	0	(14,166,402)	0	(14,166,402)
Capital/Development grants received during the year	0	0	0	0
Transfer of depreciation/amortisation from capital fund to retained earnings	0	0	0	0
<b>At June 30, 2025</b>	<b>153,526,891</b>	<b>14,837,065</b>	<b>306,259,860</b>	<b>474,623,816</b>

26/8/2025

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26/8/2025



**17. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025**

	Note	FY 2024/2025 Kshs.	FY 2023/2024 Kshs.
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other Government entities/Govt. grants		40,092,647	41,398,075
Rendering of services- Fees from students		95,672,718	83,598,561
Other income		3,198,400	3,165,560
<b>Total Receipts</b>		<b>138,963,765</b>	<b>128,162,196</b>
<b>Payments</b>			
Use of Goods and Services		68,714,132	66,647,213
Compensation of Employees		16,561,210	17,716,224
Remuneration of directors		5,256,326	4,075,900
Repairs and Maintenance		6,357,540	1,377,735
Admin. cost and General expenses		38,939,069	28,292,888
<b>Total Payments</b>		<b>135,828,277</b>	<b>118,109,960</b>
<b>Net cash flows from operating activities</b>	22	<b>3,135,488</b>	<b>10,052,236</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets		(1,901,072)	2,105,019
Proceeds from sale of property, plant and Equipment		0	0
<b>Net cash flows used in investing activities</b>		<b>(1,901,072)</b>	<b>2,105,019</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		0.00	0.00
Repayment of borrowings		0.00	0.00
<b>Net cash flows used in financing activities</b>		<b>0.0</b>	<b>0.0</b>
<b>Net increase/(decrease)in cash and cash equivalents</b>		<b>(1,234,416)</b>	<b>12,157,255</b>
Cash and cash equivalents at Start	15	52,031,507	39,874,252
<b>Cash and cash equivalents at End</b>	15	<b>50,797,091</b>	<b>52,031,507</b>

Chairman of Council/Board

Date 26/8/2025

Finance Officer  
ICPAK No.Assoc 1316

Date 26/8/2025

Principal

Date 26/8/2025



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

	Original budget	Adjustment	Final budget	Actual on comparable basis	Performance difference	Performance Utilization
	2024-2025	2024/2025	2024-2025	2024/2025	2024-2025	2024-2025
	Kshs	Kshs	Kshs	Kshs.	Kshs	Kshs
Budget carry over from prev. year	0	0	0	52,031,507	52,031,507	0
<b>Receipts</b>						
Transfers from other Gov't. entities and Gov't grants	70,090,000	0	70,090,000	40,092,647	(29,997,353)	(75)%
Rendering of services- Fees from students	130,966,210	0	130,966,210	95,672,718	(35,293,492)	(37)%
Finance Income	0	0	0	0	0	0
Other income	3,652,500	0	3,652,500	3,198,400	(454,100)	(14)%
<b>Total income</b>	<b>204,708,710</b>	<b>0</b>	<b>204,708,710</b>	<b>190,995,272</b>	<b>(13,713,438)</b>	<b>47%</b>
<b>Expenses</b>						
Compensation of employees	24,030,499	0	24,030,499	16,561,210	7,469,289	45%
Use of Goods and Service	86,648,000	0	86,648,000	68,714,132	17,933,868	26%
Repairs and maintenance Expenses	34,800,000	0	34,800,000	6,357,540	28,442,460	47%
Remuneration of Directors	7,222,500	0	7,222,500	5,256,326	1,966,174	37%
Administration and General expenses	52,007,711	0	52,007,711	38,939,069	13,068,642	34%
<b>Total expenditure</b>	<b>204,708,710</b>	<b>0</b>	<b>204,708,710</b>	<b>135,828,277</b>	<b>68,880,433</b>	<b>51%</b>
<b>Surplus/Deficit for the period</b>				<b>55,166,995</b>	<b>55,166,995</b>	

**Explanation on variances**

- GOK capitation grants for the fourth quarter was never received by the Institute by 30<sup>th</sup> June 2025 as shown in the table below:

26/8/2025

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26/8/2025

SIALA TECHNICAL TRAINING INSTITUTE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30<sup>TH</sup> JUNE 2025



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### Explanation on variances

Fees collections from the self-sponsored students is also a challenge since most of our students come from a poor background and mostly rely on HELB Loans and other bursaries.

QUARTERS	EXPECTED CAPITATION			CAPITATION RECEIVED			VARIANCE
	NO. OF TRAINEES	RATE	TOTAL	No. OF TRAINEES	RATE	TOTAL	
1	2500	7,500	18,750,000	2500	0	0	18,750,000
2	2500	7,500	18,750,000	2500	9,818	24,544,647	(5,794,647)
3	2500	7,500	18,750,000	2500	6,219.2	15,548,000	3,202,000
4	2500	7,500	18,750,000	2500	0	0	18,750,000
		<b>30,000</b>	<b>75,000,000</b>		<b>16,037.2</b>	<b>40,092,647</b>	<b>34,907,353</b>

#### Grants

Grants were received for two quarters instead of the budgeted four quarters but not for all students.

#### Rendering of services

Cultural factors are affecting trainee's ability or willingness to pay, but the institute capitalized on trainees sponsored by NYS for fee collection.

#### Board expenses

The Board member meetings were scattered to cover many activities at minimum cost but not falling below minimum required number of sittings..

#### Development Expenditure

The institution has not been supplied with enough equipment for all departments hence have to hire or buy some.

#### Compensation of employees

Amount allocated to be collected for employees' vote was not realized due to non-payment of fees. This had a direct effect on the outflow from this vote.

#### Use of Goods and Services

The under spending of this vote has also been affected by the depressed collection for this particular vote.

#### RMI

As with other expense votes, amount collected for this vote was depressed hence the same for spending.



**Budget Reconciliation**

	<b>Description of Particulars</b>	<b>Amount in Kshs</b>
	Actual Surplus Amounts as per the statement of Budget	55,166,995
1	Opening cash and cash equivalent b/f	52,031,507
2	Actual amount collected	138,963,765
3	Performance difference	(4,369,904)
	Closing Cash and Cash Equivalent as per the statement of Cash flows	50,797,091



## 19. NOTES TO THE FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

Siala TTI was established by and derives its authority and accountability from TVET Act, 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is outlined on page 3.

### 2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the Institute's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements are disclosed in Note 18

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

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



## Notes to the Financial Statements (Continued)

### 3.ADOPTION OF NEW AND REVISED STANDARDS

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

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

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

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



	<p>they should be used.</p> <p>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48: Transfer Expenses	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49: Retirement Benefit Plans	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

**iii. Early adoption of standards**

Siala TTI did not early-adopt any new or amended standards in year 2025.



#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### a) Revenue recognition

##### i) Revenue from non-exchange transactions IPSAS 23

###### 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 IPSAS 9

###### Rendering of services

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

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

###### Sale of goods

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

###### Interest income

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

###### Rental income

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



### **b) Budget information IPSAS 24**

The original budget for FY 2024/2025 was approved by the Board on 23<sup>rd</sup> February 2024. Subsequent revisions or additional appropriations were not made to the approved budget. The Institution's budget is prepared using cash basis. IPSAS 24 requires disclosure of budget information through the Statement of Comparison of Budget.

The Institute Budget is prepared before the beginning of every financial year and is approved by the Board of Governors any variations to this Approved Budget are taken to the Institute Board of Governors for ratification.

The actual income and expenditure are disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis.

The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actual as per the statement of financial performance has been presented under page 5 of these financial statements.

### **c) Taxes**

#### ***Current income tax***

The Institute is exempt from paying taxes as per the Income Tax Act 2014

#### ***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 IPSAS 16**

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 *xxx* 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.

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



#### **e) Property, plant and equipment IPSAS 45**

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 Institution recognizes such parts as individual assets with specific useful lives and depreciates them accordingly (Reducing balance method). 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.

#### **Property, plant and equipment IPSAS 17 (continued)**

The annual rates used are:-

Building	2.5%
Machinery and Equipment	12.5%
Furniture and Fittings	12.5%
Motor Vehicle	25%
Library Books	30%
Computers and Appliances	30%
Software	30%
Work in Progress	0%

Biological Asset Amortized for 8 years

Land not depreciated as it is deemed to have an indefinite life.

#### **f) Leases IPSAS 13**

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 IPSAS 31**

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) Biological Assets**

The entity recognizes biological assets when it controls the assets due to past events, it is probable that future economic benefits associated with the asset will flow to the entity, and when the fair value or cost of the asset can be measured reliably. Biological assets are initially and subsequently measured at fair value less costs to sell, except where fair value cannot be reliably determined. In such cases, the asset is measured at its cost less accumulated depreciation and any accumulated impairment losses. Changes in fair value less costs to sell are recognized in surplus/deficit in the period in which they occur.

### **i) Research and development costs**

The Institution expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Institution 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.

### **j) Financial instruments IPSAS 29**

#### ***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:

#### ***Impairment of financial assets***

- 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.

### **k) Inventories IPSAS 12**

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

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

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

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

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.



### **l) Provisions IPSAS 19**

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 liability***

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.

### **m) Social Benefits**

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

### **n) Nature and purpose of reserves**

The Institution has a capital reserve which represents the government interest in net asset /equity of the Institute and is a combination of contributed capital (Asset )by the Government and the aggregate of the Institute accumulated Surpluses or deficits.

### **o) Changes in accounting policies and estimates IPSAS 3**

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

### **p) Employee benefits IPSAS 25**

#### **Retirement benefit plans**

The Institute provides retirement benefits for its employees. 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.

**q) Foreign currency transactions IPSAS 4**

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.

**r) Borrowing costs IPSAS 5**

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.

**s) Related parties IPSAS 20**

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

**t) Service concession arrangements**

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

**u) 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.

**v) Comparative figures**

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

**w) Subsequent events IPSAS 14**

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, 2025.



## 5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

### Estimates and assumptions

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

### Useful lives and residual values

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

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

### Provisions

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

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



### 6. Transfers from other National Government entities

Description	FY2024-2025	FY2023-2024
	Ksh.	Ksh.
<b>Unconditional grants</b>		
Capitation Grants	40,092,647	41,398,075
Operational grant	0	0
Development grants	0	0
<b>Conditional grants</b>		
Administration block grant	0	0
Learning Facilities Grant	0	0
Laboratory grant	0	0
<b>Total government grants and subsidies</b>	<b>40,092,647</b>	<b>41,398,075</b>

### 7. Rendering of Services

Description	FY2024-2025	FY2023-2024
	Ksh.	Ksh.
Tuition fees	77,047,945	68,930,112
Activity fees	1,862,790	2,779,269
Examination fees	15,617,875	10,304,330
Library fees	0.0	0.0
Facilities and materials	928,708	1,271,850
Registration fees	215,400	313,000
<b>Total revenue from the rendering of services</b>	<b>95,672,718</b>	<b>83,598,561</b>
<b>Absorbed transfers from Gok</b>	<b>0</b>	<b>0</b>
<b>Total Net Revenue from fee</b>	<b>95,672,718</b>	<b>83,598,561</b>

### 8. Other Income

Description	FY 2024-2025	FY 2023-2024
	Ksh.	Ksh.
Income from sale of tender	2,000	10,000
Centre fee/TVETA	213,500	133,100
Rent	0	181,100
S/Council	181,500	326,450
Application fee , Student ID and KUCCPS	1,346,700	934,270
Contingency /Admin. cost	1,454,700	1,580,640
<b>Total other income</b>	<b>3,198,400</b>	<b>3,165,560</b>



### 9. Use of Goods and Services

Description	FY 2024-2025	FY 2023-2024
	Kshs.	Ksh.
Tuition	44,457,533	48,433,870
Library and attachment	1,948,405	1,237,417
Examinations	16,643,654	12,292,378
Activity and Research	4,173,380	3,333,517
Medical, S/Council	1,491,160	1,350,031
<b>Total good and services</b>	<b>68,714,132</b>	<b>66,647,213</b>

### 10. Employee Cost

	FY 2024-2025	FY 2023-2024
	Kshs.	Kshs.
Salaries and wages (Non-Teaching)	7,300,329	6,726,884
Salaries and Wages Teaching Staff	9,260,881	10,989,340
Social contributions	0.0	0.0
<b>Employee costs</b>	<b>16,561,210</b>	<b>17,716,224</b>

### 11. Board Expenses

Description	FY 2024-2025	FY 2023-2024
	Ksh.	Ksh.
Chairman's Honoraria	240,000	120,000
Directors emoluments	5,016,326	3,955,900
Other allowances	0.0	0.0
<b>Total director emoluments</b>	<b>5,256,326</b>	<b>4,075,900</b>

### 12. Depreciation and Amortization expense

Description	FY2024-2025	FY2023-2024
	Ksh.	Ksh.
Property, plant and equipment	17,279,290	9,105,175
Intangible assets	1,350	50,884.00
Biological Asset	21,250	0.00
<b>Total depreciation and amortization</b>	<b>17,301,890</b>	<b>9,156,059</b>

### 13. Repairs and Maintenance

Description	FY 2024-2025	FY 2023-2024
	Ksh.	Ksh.
Property	70,000	0
Furniture and fittings	0	0
Computers and accessories	160,000	0
Other	6,127,540	1,377,735
<b>Total repairs and maintenance</b>	<b>6,357,540</b>	<b>1,377,735</b>



#### 14. Administration Cost And General Expenses

Description	FY 2024-2025	FY 2023-2024
	Ksh.	Ksh.
Admin. Expenses	25,384,803	15,846,845
Local Travels	10,269,400	8,105,938
Electricity	2,362,612	3,557,425
Performance Contract and ISO	922,254	782,680
Tender expenses	0.0	0.0
Production unit	0	0
Other	0	0
<b>Total Admin and general expenses</b>	<b>38,939,069</b>	<b>28,292,888</b>

#### 15. Cash and Cash Equivalents

Description	FY 2024-2025	FY 2023-2024
	Ksh.	Ksh.
Current account	50,624,572	51,875,218
On - call deposits	0.00	0.00
Fixed deposits account	0.00	0.00
Development A/C	159	159
Others (Cash and M-pesa)	172,360	156,130
<b>Total cash and cash equivalents</b>	<b>50,797,091</b>	<b>52,031,507</b>

#### 15a. Detailed Analysis of Cash and Cash equivalents

Financial institution	Account number	FY 2024-2025	2023-2024
		KShs	KShs
<b>a) Current account</b>			
Kenya Commercial bank	A/C 1198612371	50,589,397	51,837,241
Kenya Commercial bank	A/C 1224498747	35,175	37,977
Kenya Commercial bank	A/C 1224498879	159	159
<b>Sub- total</b>		<b>50,624,731</b>	<b>51,875,377</b>
<b>b) On - call deposits</b>			
Kenya Commercial bank		0.00	0.00
<b>Sub- total</b>		<b>0.00</b>	<b>0.00</b>
<b>c) Fixed deposits account</b>			
Kenya Commercial bank	A/C 1198612371	0.00	0.00
<b>Sub- total</b>		<b>0.00</b>	<b>0.00</b>
<b>d) Others(specify)</b>			
Imprest		160,000.00	155,000.00
Cash in hand		12,360.00	1,130.00
M pesa		0.00	0.00
<b>Sub- total</b>		<b>172,360</b>	<b>156,130</b>
<b>Grand total</b>		<b>50,797,091</b>	<b>52,031,507</b>



## 16.Receivables from Exchange transactions

### 16(a) Current Receivables from Exchange transactions

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
<b>Current Receivables</b>		
Student Debtors	8,978,880	10,183,134
Rent Debtors	0	0
Other Exchange Debtors	0	0
Less: Impairment Allowance	(0)	(0)
<b>Total Current Receivables</b>	<b>8,978,880</b>	<b>10,183,134</b>

### 16(b) Ageing Analysis of Receivables from Exchange transactions

Description	FY 2024/2025		FY 2023/2024	
	Kshs		Kshs	
	FY2024/2025	% of the total	FY2023/2024	% of the total
Less than 1 year	4,208,000	47%	6,500,500	64%
Between 1- 2 years	3,720,000	41%	2,030,100	20%
Between 2-3 years	1,050,880	12%	1,652,534	16%
Over 3 years	0	0%	0.00	0%
<b>Total (a+b)</b>	<b>8,978,880</b>	<b>100%</b>	<b>10,183,134</b>	<b>100%</b>

## 17.Inventories

Description	FY 2024-2025	FY 2023-2024
	Kshs.	Kshs.
Consumable stores and Exams	398,780	211,437
Maintenance stores	870,200	500,360
Health Unit stores	89,070	124,905
Electrical stores	570,450	115,500
I&M Store	640,300	67,850
<b>Total inventories at the lower of cost and net realizable value</b>	<b>2,568,800</b>	<b>1,020,052</b>



### 18. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Other Assets (Appliance)	Plant and Machinery	Capital Work in progress	Total
<b>Depriation Rate</b>	<b>0</b>	<b>2.5%</b>	<b>25%</b>	<b>12.5%</b>	<b>30%</b>	<b>30%</b>	<b>12.5%</b>		
<b>Cost</b>		<b>Shs</b>	<b>Shs</b>	<b>Shs</b>	<b>Shs</b>	<b>Shs</b>	<b>Shs</b>	<b>Shs</b>	<b>Shs</b>
<b>At 30th June 2022</b>	<b>0</b>	<b>102,850,020</b>	<b>4,559,999</b>	<b>2,849,112</b>	<b>810,082</b>	<b>1,162,485</b>	<b>0</b>	<b>1,067,443</b>	<b>113,299,141</b>
Additions	0	204,023,321	0	873,215	750,000	182,125	0	814,918	206,643,579
Disposals	0	0	0	0	0	0	0	0	0
Transfer/adjustments	0	0	0	0	0	0	0	(1,067,443)	(1,067,443)
<b>At 30<sup>th</sup> June 2023</b>	<b>0</b>	<b>306,873,341</b>	<b>4,559,999</b>	<b>3,722,327</b>	<b>1,560,082</b>	<b>1,344,610</b>	<b>0</b>	<b>814,918</b>	<b>318,875,277</b>
Additions	0	0	1,810,929	0	294,090	0	0	1,576,000	3,681,019
Disposals	0	0	0	0	0	0	0	0	0
Transfer/adjustments	0	0	0	0	0	0	0	(814,918)	(814,918)
<b>At 30th June 2024</b>	<b>0</b>	<b>306,873,341</b>	<b>6,370,928</b>	<b>3,722,327</b>	<b>1,854,172</b>	<b>1,344,610</b>	<b>0</b>	<b>1,576,000</b>	<b>321,741,378</b>
<b>At 1<sup>st</sup> July 2024</b>	<b>0</b>	<b>306,873,341</b>	<b>6,370,928</b>	<b>3,722,327</b>	<b>1,854,172</b>	<b>1,344,610</b>	<b>0</b>	<b>1,576,000</b>	<b>321,741,378</b>
Accumulated Depreciation	0	(24,412,621)	(3,088,981)	(1,638,690)	(1,078,076)	(1,021,832)	0	0	(31,240,200)
<b>NBV Cost</b>	<b>0</b>	<b>282,460,720</b>	<b>3,281,947</b>	<b>2,083,637</b>	<b>776,096</b>	<b>322,778</b>	<b>0</b>	<b>1,576,000</b>	<b>290,501,178</b>
Transfer/Adjustment	35,000,000	6,171,280	1,633,053	388,958	6,608,679	1,835,707	34,122,300	0	141,305,977
<b>Revaluation</b>	<b>35,000,000</b>	<b>344,178,000</b>	<b>4,915,000</b>	<b>2,472,595</b>	<b>7,384,775</b>	<b>2,158,485</b>	<b>34,122,300</b>	<b>0</b>	<b>430,231,155</b>
Additions	0	0	0	0	0	0	70,000	0	70,000
Disposals	0	0	0	0	0	0	0	0	0
<b>At 30th June 2025</b>	<b>35,000,000</b>	<b>344,178,000</b>	<b>4,915,000</b>	<b>2,472,595</b>	<b>7,384,775</b>	<b>2,158,485</b>	<b>34,192,300</b>	<b>1,576,000</b>	<b>431,877,155</b>
<b>Depreciation And Impairment</b>									
<b>Accumulated Depreciation as At 30th June 2022</b>	<b>0</b>	<b>9,741,748</b>	<b>1,139,999</b>	<b>1,000,841</b>	<b>396,341</b>	<b>685,878</b>	<b>0</b>	<b>0</b>	<b>12,964,807</b>
Depreciation	0	7,428,290	855,000	340,186	349,122	197,620	0	0	9,170,218
Disposals	0	0	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0	0	0
Transfer/adjustment	0	0	0	0	0	0	0	0	0
<b>Accumulated Depreciation as At 30th June 2023</b>	<b>0</b>	<b>17,170,038</b>	<b>1,994,999</b>	<b>1,341,027</b>	<b>745,463</b>	<b>883,498</b>	<b>0</b>	<b>0</b>	<b>22,135,025</b>
Depreciation	0	7,242,583	1,093,982	297,663	332,613	138,334	0	0	9,105,175
Disposals		0	0	0	0	0	0	0	0
Impairment		0	0	0	0	0	0	0	0
Transfer/adjustment		0	0	0	0	0	0	0	0

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<b>Accumulated Depreciation as At 30<sup>th</sup> June 2024</b>	<b>0</b>	<b>24,412,621</b>	<b>3,088,981</b>	<b>1,638,690</b>	<b>1,078,076</b>	<b>1,021,832</b>	<b>0</b>	<b>0</b>	<b>31,240,200</b>
Depreciation	0	8,604,450	1,228,750	309,074	2,215,433	647,545	4,274,038	0	17,279,290
Disposals		0	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0	0	0
Transfer/adjustment(Accumulated Dep)		(24,412,621)	(3,088,981)	(1,638,690)	(1,078,076)	(1,021,832)	0	0	(31,240,200)
<b>Accumulated Depreciation as At 30<sup>th</sup> June 2025</b>	<b>0</b>	<b>8,604,450</b>	<b>1,228,750</b>	<b>309,074</b>	<b>2,215,433</b>	<b>647,545</b>	<b>4,274,038</b>	<b>0</b>	<b>17,279,290</b>
<b>Net book values</b>									
<b>At 30<sup>th</sup> June 2025</b>	<b>35,000,000</b>	<b>335,573,550</b>	<b>3,686,250</b>	<b>2,163,521</b>	<b>5,169,342</b>	<b>1,510,940</b>	<b>29,918,262</b>	<b>1,576,000</b>	<b>414,597,865</b>
<b>At 30<sup>th</sup> June 2024</b>		<b>282,460,720</b>	<b>3,281,947</b>	<b>2,083,637</b>	<b>776,096</b>	<b>322,778</b>	<b>0</b>	<b>1,576,000</b>	<b>290,501,178</b>
<b>At 30<sup>th</sup> June 2023</b>		<b>289,703,303</b>	<b>2,565,000</b>	<b>2,381,300</b>	<b>814,619</b>	<b>461,112</b>	<b>0</b>	<b>814,918</b>	<b>296,740,252</b>



### Notes to the Financial Statements (Continued)

#### Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were revalued by SEC& M professional valuers on 27/6/2025. These amounts were adopted in the financial statements on 30/6/2025.

#### 18 (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:

Description	Cost	REVALUATION	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs	Kshs
Land	0.00	35,000,000.00	0.00	35,000,000.00
Buildings	306,873,341	344,178,000	8,604,450	335,573,550
Plant And Machinery	0	34,192,300	4,274,038	29,918,262
Motor Vehicles including Motorcycles	6,370,928	4,915,000	1,228,750	3,686,250
Computers and Related Equipment	1,854,172	7,384,775	2,215,433	5,169,342
Office Equipment, Furniture, And Fittings	3,722,327	2,472,595	309,074	2,163,521
Other Assets	1,344,610	2,158,485	647,545	1,510,940
<b>Total</b>	<b>320,165,378</b>	<b>430,301,155</b>	<b>17,279,290</b>	<b>413,021,865</b>

Note: WIP figure of ksh.1,576,000.00 has not been added to Cost and NBV.

#### 19. Intangible Assets

1. Description	FY 2023-2024	FY 2022-2023
	Kshs.	Kshs.
At 1st July 2023	169,616	169,616
Additions–internal development	0,00	0,00
At 30 <sup>th</sup> June 2024	169,616	169,616
Amortization	50,884	50,884
NBV	118,732	118,732
At 30 <sup>th</sup> June 2023	169,616	169,616
At 30 <sup>th</sup> June 2024	118,732	118,732
At 1 <sup>st</sup> July 2024	118,732	118,732
	0,00	0,00
Revaluation	4,500	4,500
At 30 <sup>th</sup> June 2025	<b>4,500</b>	<b>4,500</b>
Amortization	1,350	1,350
NBV	3,150	3,150



### 18b)Capital and Reserve

	Re-evaluation Reserve	Accumulated Surplus	Capital Development	Total
	Kshs.	Kshs.	Kshs.	Kshs.
<b>At 1<sup>st</sup> July 2024</b>	<b>12,345,146</b>	<b>29,003,467</b>	<b>306,259,860</b>	<b>347,608,473</b>
Increase /Decrease in Valuation of Biological Asset	(10,000)	0.00	0.00	(10,000.00)
Transfer of Deferred income to Capital fund	0.00	0.00	0.00	0.00
Valuation of PPE Adjustments	141,191,745	0.00	0.00	141,191,745
Additional Acquisition of Asset	0.00	0.00	0.00	0.00
Surplus/ Deficit FY 2024/2025	0.00	(14,166,402)	0.00	(14,166,402)
<b>At 30 June 2025</b>	<b>153,526,891</b>	<b>14,837,065</b>	<b>306,259,860</b>	<b>474,623,816</b>

### 18c)Biological Assets

	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Animals: Dairy Cattle	0.00	0.00
Addition	180,000	0.00
Loss /gain on Revaluation	(10,000)	0.00
Revaluation	170,000	0.00
Amortization	21,250	0.00
<b>NBV</b>	<b>148,750</b>	<b>0.00</b>

### 20 Refundable Deposits from Customers/Students

Description	FY 2024-2025		FY 2023-2024	
	Kshs.		Kshs.	
Consumer deposits	0.00		0.00	
Caution money	276,500		276,500	
Other refundable deposits	0.00		0.00	
<b>Total Deposits</b>	<b>276,500</b>		<b>276,500</b>	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	0.00	%	0	%
1-2 years	0.00	%	0	%
2-3 years	276,500	%	100	%
Over 3 years	0.00	%	0	%
<b>Total (to tie to totals deposits above)</b>	<b>100</b>	<b>%</b>	<b>100</b>	<b>%</b>



## 21. Payments received in advance.

Description	FY 2024-2025		FY 2023-2024	
	Kshs.		Kshs.	
Fees received in advance	2,194,220		5,969,630	
Others (Specify)	0.00		0.00	
<b>Total</b>	<b>2,194,220</b>		<b>5,969,630</b>	
<b>Ageing analysis:</b>	<b>Current FY</b>	<b>% of the Total</b>	<b>Comparative FY</b>	<b>% of the Total</b>
Under one year	2,194,220	100%	5,969,630	100%
1-2 years	0.00	0%	0.00	0%
2-3 years	0.00	0%	0.00	0%
Over 3 years	0.00	0%	0.00	0%
<b>Total</b>	<b>2,194,220</b>	<b>100%</b>	<b>5,969,630</b>	<b>100%</b>

## 22. Cash generated from operations

Surplus for the year before tax	FY2024/2025	FY2023/2024
	Kshs	Kshs
<b>Adjusted for:</b>		
Depreciation	17,279,290	9,105,175
Non-Cash grants received	(0)	(0)
Contributed assets	(0)	(0)
Impairment	22,600	50,884
Gains and Losses on Disposal of Assets	(0)	(0)
Contribution to provisions	0	0
Contribution to impairment allowance	0	0
Finance Income	(0)	(0)
Finance Cost	0	0
<b>Working Capital Adjustments</b>		
Increase in Inventory	(1,548,748)	830,183
Increase in Receivables	1,204,254	594,236
Increase in Deferred Income	0	0
Increase in Payables	(3,775,410)	3,529,436
Increase in Payments received in advance	0	0
<b>Net Cash Flow from Operating Activities</b>	<b>3,135,488</b>	<b>10,052,236</b>



## 22. 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

	<b>Total amount Kshs</b>	<b>Fully performing Kshs</b>	<b>Past due Kshs</b>	<b>Impaired Kshs</b>
<b>At 30 June 2023</b>				
Receivables from exchange transactions	10,777,370.00	10,777,370.00	0.00	0.00
Receivables from non-exchange transactions	0.00	0.00	0.00	0.00
Bank balances	0.00	0.00	0.00	0.00
<b>Total</b>	<b>10,777,370</b>	<b>10,777,370</b>	<b>0.00</b>	<b>0.00</b>
<b>At 30 June 2024</b>				
Receivables from exchange transactions	10,183,134.00	10,183,134.00	0.00	0.00
Receivables from non-exchange transactions	0.00	0.00	0.00	0.00
Bank balances	0.00	0.00	0.00	0.00
<b>Total</b>	<b>10,183,134</b>	<b>10,183,134</b>	<b>0.00</b>	<b>0.00</b>
<b>At 30 June 2025</b>				
Receivables from exchange transactions	8,978,880	8,978,880	0.00	0.00
Receivables from non-exchange transactions	0.00	0.00	0.00	0.00
Bank balances	0.00	0.00	0.00	0.00
<b>Total</b>	<b>8,978,880</b>	<b>8,978,880</b>	<b>0.00</b>	<b>0.00</b>



**(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 Kshs	Between 1-3 months Kshs	Over 5 months Kshs	Total Kshs
<b>At 30 th June 2023</b>				
Trade payables	0.00	2,422,929.00	0.00	2,854,692
Deferred income b/f	0.00	0.00	0.00	0.00
Refundable Deposits	0.00	0.00	276,500.00	276,500
<b>Total</b>	<b>0.00</b>	<b>2,422,929</b>	<b>276,500</b>	<b>2,699,429</b>
<b>At 30 th June 2024</b>				
Trade payables	0.00	5,969,630.00	0.00	5,969,630
Deferred income b/f	0.00	0.00	0.00	0.00
Refundable Deposits	0.00	0.00	276,500.00	276,500
<b>Total</b>	<b>0.00</b>	<b>5,969,630</b>	<b>276,500</b>	<b>6,246,130</b>
<b>At June 2025</b>				
Trade payables	0.00	2,194,220.00	0.00	2,194,220
Deferred income b/f	0.00	0.00	0.00	0.00
Refundable Deposits	0.00	0.00	276,500.00	276,500
<b>Total</b>	<b>0.00</b>	<b>2,194,220</b>	<b>276,500</b>	<b>2,470,720</b>

**(iii) Market risk**

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

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



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

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

**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:

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
<b>At 30 June 2025</b>			
Financial Assets (Investments, Cash, Debtors)	0	0	0
<b>Liabilities</b>			
Trade and Other Payables	0	0	0
Borrowings	0	0	0
<b>Net Foreign Currency Asset/(Liability)</b>	<b>0</b>	<b>0</b>	<b>0</b>

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.

**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
<b>2024</b>			
Euro	10%	0	0
Usd	10%	0	0
<b>2025</b>			
Euro	10%	0	0
Usd	10%	0	0



### b) Interest rate risk

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

#### **Management of interest rate risk**

To manage the interest rate risk, management has 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.

#### **iv) Capital Risk Management**

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

Description	2024-2025	2023-2024
	Kshs	Kshs
Revaluation Reserve	153,526,891	12,345,146
Retained Earnings	15,214,779	29,003,467
Capital Reserve	306,259,860	306,259,860
	0	0
<b>Total Funds</b>	<b>475,001,530</b>	<b>347,608,473</b>
Total Borrowings	0	0
Less: Cash and Bank Balances	(0)	(0)
Net Debt/(Excess Cash and Cash Equivalents)	0	0
<b>Gearing</b>	<b>0%</b>	<b>0%</b>

### 23. Related Party Balances

#### **Nature of related party relationships**

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

#### **Government of Kenya**

The Government of Kenya is the principal shareholder of the *entity*, holding 100% of the *entity's* equity interest. The Government of Kenya has provided full guarantees to all 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

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
<b>Transactions with Related Parties</b>		
<b>a) Sales to related parties</b>		
<b>Total</b>	<b>0.00</b>	<b>0.00</b>
<b>B) Purchases from related parties</b>		
<b>Total</b>	<b>0.00</b>	<b>0.00</b>
<b>b) Grants /Transfers from the Government</b>		
Grants from National Govt	40,092,647	41,398,075
Grants from County Government	0.00	0.00
Donations in Kind	0.00	0.00
<b>Total</b>	<b>40,092,647</b>	<b>41,398,075</b>
<b>c) Expenses incurred on behalf of related parties</b>		
Payments of Salaries and Wages for Employees	16,561,210	17,716,224
<b>Total</b>		
<b>d) Key Management Compensation</b>		
Directors' emoluments	5,256,326	4,075,900
Compensation to Key Management	0.00	0.00
<b>Total</b>	<b>5,256,326</b>	<b>4,075,900</b>

#### 24.Capital Commitments

Capital Commitments	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Authorised and Contracted for	32,300,000	5,000,000
<b>Total</b>	<b>32,300,000</b>	<b>5,000,000</b>

#### 25.Events After The Reporting Period

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

#### 26.Ultimate And Holding Entity

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

#### 27.Currency

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



Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
SNY/SIALA TTI/2021/2022/(26)	<p><b>Non-Disclosure of Land in the Property, Plant, and Equipment Schedule</b></p> <p>The statement of financial position reflects property, plant and equipment balance of Kshs.290,501,178 and as disclosed in Note 18 to the financial statements. Review of the ownership documents revealed that the Institution holds twenty (20) hectares of land. However, the land was not disclosed as part of the assets in the financial statements, in contravention of the requirements under International Public Sector Accounting Standards 17 on Property, Plant, and Equipment. In the circumstances, the accuracy and completeness of property, plant and equipment balance of Kshs.290,501,178 could not be confirmed</p>	<p>For the Institute Land the process of Land valuation had started , the survey report forwarded to the county land valuers in Kisii County , but the results haven't been received by the institute hence the management couldn't include the value of land as it was yet to be established.</p> <p>Attached find a copy of the letters to the County land surveyors Migori County requesting for survey of institute land and a copy of the title deed for audit review'</p>	Partially resolved.	FY2024/2025.
SNY/SIALA TTI/2021/2022/(26)	<p><b>Budgetary Control and Performance</b></p> <p>The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.141,547,500 and Kshs.128,162,196 respectively, resulting to an under funding of Kshs.13,385,304 or 9% of the budget. Similarly, the Institute spent Kshs.118,109,960 against an approved budget of Kshs.141,547,500, resulting to an under-expenditure of Kshs.23,437,540 or 17% of the budget.</p> <p>The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public</p>	<p>The Institute failed on budgeted revenue realization because of students enrolment which slightly never met the projected annual enrolment.The Institute Budget is a revenue based budget, when revenue is not realized or received late the expenditure may fail or delay to take place at 100% hence resulting in un absorption in full of the approved budget.</p> <p>The Capitation grants from the Ministry of Education for the first and fourth quarter were never received by the Institution at the closure of the financial year.</p> <p>This resulted in under realization of budgeted revenue and un absorption of the budgeted amounts.</p>	Partially Resolved	N/A



Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
SNY/SIALA TTI/2021/2022/(26)	<p><b>Long Outstanding Trade and Other Receivables</b></p> <p>The statement of financial position reflects receivables from exchange transactions of Kshs.10,183,134 as disclosed in Note 15 to the financial statements. The balance of Kshs. 10,183,134 is attributable to student debtors. However, no reconciliation of the student debtors was provided to confirm the student debtors' movement during the year and no explanation was given as to how the management intends to collect the outstanding balances. Further, the Institute did not prepare debtors' aging analysis to indicate the period the fees have remained outstanding. In the circumstances, the accuracy and full recoverability of the balance of Kshs.10,183,134 could not be confirmed.</p>	<p>The development of finance policy is at the draft level as it was approved by the Board and implantation was immediate in the current financial year 22024/2025 .This policy is expected to streamline both revenue collection and all financial operations for the institute In addition effort has been made towards the recovery of the balance and amount of over ksh.2,000,000 so far in the financial year 2024/2025 but the figure has continued to increase due to delay in disbursement of Capitation and Scholarship grants by the National government. Debtors aging analysis is hereby attached for audit review</p>	Partially Resolved	2025/2026
SNY/SIALA TTI/2021/2022/(26)	<p><b>Non-Compliance with Affirmative Action on Ethnicity and Regional Distribution</b></p> <p>Review of human resource records revealed that the Institute had one hundred and forty-one (141) employees as at 30 June, 2024, out of which one hundred employees (100) or 71% were from one dominant community in the region. This was contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that 'all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and no public establishment shall have more than one third of its staff from the same ethnic community'. In the circumstances, Management was in breach of law</p>	<p>The Management openly advertises for various positions in the local dailies with national circulation. However ,interest in the advertised positions are always limited to applicants from the local community due to the non-competitive remuneration packages the institute is able to offer.</p> <p>The management shall adhere to National Cohesion and Integration Act 2008 in all its next recruitments so as to remedy the problem.</p>	Not Resolved	2025 2026

Accounting Officer  
Asha Bakari  
Principal Siala TTI

Date.26/8/2025



## 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.Phase 1 GOK/AFDB Mechanical Engineering Workshop Block	1	GOK/AFDB	2014-2016	Fully Committed	Yes	Partly.
2.Civil Engineering Complex	1	GOK/AFDB	2018-2019	Fully Committed	Yes	No.
3.Electrical Engineering Workshop	1	GOK/MOE	2020	Fully Committed	No	Yes
4.Burning Chamber (Incinerator)	1	SIALA TTI	2021	Fully Committed	No	Yes
5. Tuition Rooms	1	SIALA TTI	2022	Fully Committed	No	No.
6.Institutional Management Complex	1	GOK/AFDB	2023-2025	Fully Committed	Yes	No.

### Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Mechanical workshop.	219,207,984.67	-	90%	219,207,984.67	-	GOK/afDB
2	Civil Engineering Workshop.	254,641,621.00	-	85%	254,641,621.00	-	GOK/afDB
3	Electrical Engineering Workshop	3,040,151.00	3,056,700	100%	3,056,700	3,040,151	MOE
4	Burning Chamber (incinerator)	423,865.00	423,865	100%	500,000.00	423,865	SialaTTI Internal Funding
5	Tuition Rooms	1,650,000.00	1,650,000	85%	1,650,000.00	1,650,000	SialaTTI Internal Funding
6	Institutional Management Complex.	XXX	Xxx	70%	0.00	0.00	GOK/afDB



**Appendix III- Inter-Entity Confirmation Letter**

Name of transferring entity: Ministry of Education

Name of beneficiary entity: Siala Technical Training Institute

**Confirmation of amounts received by Siala Technical Training Institute as at 30<sup>th</sup> June 2025**

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
	31 December.2024	24,544,647	0	24,544,647	
	31 February2025	15,548,000	0	15,548,000	
<b>Total</b>		<b>40,092,647</b>	<b>0</b>	<b>40,092,647</b>	

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

**Head of Accounts Department - Disbursing Entity:**

Name PETER ABUDA ..... Sign [Signature] ..... Date 28/6/2025 -

**Head of Accounts Department - Beneficiary Entity:**

Name ..... Sign ..... Date.....



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