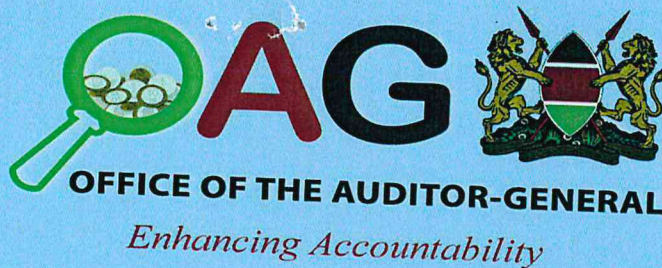


REPUBLIC OF KENYA



**REPORT**


**OF**

**THE AUDITOR-GENERAL**

**ON**

**MUKURWEINI TECHNICAL  
TRAINING INSTITUTE**

**FOR THE YEAR ENDED  
30 JUNE, 2019**

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 02 FEB 2022	DAY: Wed
TABLED BY:	LOM
CLERK-AT THE-TABLE:	P. Karanu





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**MUKURWEINI TECHNICAL TRAINING INSTITUTE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30 JUNE 2019**

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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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**KEY ENTITY INFORMATION AND MANAGEMENT**

**(a) Background information**

Mukurweini TTI was formed on 2014 under the Ministry of education department of vocational training; the Institution is represented by the Cabinet Secretary for education who is responsible for the general policy and strategic direction of the Institution.

**(b) Principal Activities**

Mukurweini Technical Training Institute is under the Ministry of Education in the State Department of Technical and Vocational Training and has the mandate to provide quality Technical Vocational Training and Entrepreneurship training for effective and sustainable nation building.

**(a) Entity Contacts**

Telephone :(+254) 710440944

E-mail: [mukurweinitti@gmail.com](mailto:mukurweinitti@gmail.com)

Box: 23-10103

Website: [www.mukurweinitechnical.ac.ke](http://www.mukurweinitechnical.ac.ke)

**(b) Entity Bankers**

1. Equity Bank  
Mukurweini Branch  
P.O. Box 233-10103  
Mukurweini, Kenya
2. Kenya Commercial Bank  
Mukurweini Branch  
P.O. Box 450-10103  
Mukurweini, Kenya

**(c) Independent Auditors**

Auditor General  
Kenya National Audit Office  
Anniversary Towers, University Way  
P.O. Box 30084  
GOP 00100  
Nairobi, Kenya



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### **Our Vision**

The **vision** of the institute 'To be a global leader in technical and vocational training, research, innovation and enterprise development'

### **Our Mission**

The **mission** 'To provide quality education and training; undertake research, innovation and enterprise development for sustainable national development.

### **Our Values**



- Integrity
- Innovation
- Competency
- Accountability
- Transparency
- Social Responsibility
- Team Work
- Equity

### **(d) Key Management**



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

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

### **THE BOARD OF GOVERNORS**

 Peter Kiama Maina	<b>Date of Birth:</b> 9 August 1960  <b>Qualifications:</b> Executive Master of Business and Administration (EMBA), Higher Diploma Mechanic Engineering-Plant option  <b>Work Experience:</b> 39 years
 Fr. Peter Githinji	<b>Date of birth:</b> 13/10/1972 <b>Qualification;</b> B.A philosophy and theology. He is a Catholic Priest.



	<p><b>Date of Birth:</b> 20th April 1965</p> <p><b>Qualifications:</b> PhD: Social and mobile Media, MSc Computer Based Information Systems, Post Graduate Diploma in Project Planning and Management, BA in Business Studies and English Language</p> <p><b>Work Experience:</b> 30 years</p>
DR Rebecca Hugiru Karanja	<p><b>Date of Birth:</b> 18th November 1972</p> <p><b>Qualifications:</b> PhD. Plant Science (Ecosystem Functions) Jomo Kenyatta University of Agriculture and Technology, 2007 to 2010 Msc. Botany (Plant Ecology: Conservation of Rare Endemic Plant Species), Kenyatta University, 1998 to 2001 Bsc. Botany, Zoology, Chemistry and Education, Kenyatta University, 1992 to 1996</p> <p><b>Work Experience:</b> He has got experience as Ecology/Environment/Natural Resources Management Expert</p>
	<p><b>Date of Birth:</b> 1969</p> <p><b>Qualifications:</b> Msc Building Construction</p> <p><b>Work Experience:</b> 23 years</p>
Patrick W Muchemi Principal/Secretary BOG	<p><b>Date of Birth:</b> 1983</p> <p><b>Qualifications:</b> Masters of Science in Finance and Investment, Kenya Methodist University, July 2011 Bachelor of Arts, (Economics and Business Administration), 1 st Class honours, Kenyatta University, 2007 o Certified Public Accountant, CPA (K), Pinnacle School of Business o Certified Information Systems Auditor, (CISA) o Certified in Intelligence, Forensic and Criminal Investigation, Distinction, Egerton University o Certificate in Senior Management Course, Distinction, Kenya School of Government o Certified Integrity Assurance Officer, Ethics</p>
Rephah Mumbua Kitavi	



**MUKURWEINI TECHNICAL TRAINING INSTITUTE**  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	and Anti-Corruption Commission o Quality Management Systems, Internal Quality Auditor, Integrated Quality Consultants, March 2009 o Quality Management Systems, Internal Quality Auditor, Alpex Consulting Africa Ltd, May 2013  <b>Work experience:</b> He has 9 years' experience. Currently he is the Ag. Manager Finance & Accounts; The Anti-Counterfeit Agency.
Geoffrey Ngatu	BOG Member
Adelina Mugure	County Director

**(e) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Patrick W Muchemi
2.	Deputy Principal	Peter Rubia
3.	Dean of Students	Catherine Gikonyo
4.	Accountant	Benard Nganga
5.	Head of Procurement	Francis Ngure



**(f) Fiduciary Oversight Arrangements**

Name of the Committee	Members
Finance Committee	1. Nancy Macharia - Chairperson 2. Rephah Mumbua -Member 3. Patrick Muchem I -Member 4. Benard Ng'ang' -Accountant
Infrastructure Committee	1. Peter Kiama- Chairperson 2. Peter Githinji -Member 3. Rebecca Karanja-Member
Academic and HR Committee	1. Rebecca Karanja- Chairperson 2. Adelina Mugure -Member 3. Geoffrey Ngatu-Member 4. Patrick Muchemi-Member



**CHAIRMAN'S STATEMENT**

I am pleased to report that Mukurweini Technical Training Institute (MTTI) has continued to perform well in returning exemplary examination results of the Kenya National Examinations Board (KNEC). I take this opportunity to share with you my views on the key initiatives and achievements we have had over the year on economic performance, Education sector changes, financial performance and operations and risks associated with the Institution, and our future outlook.

**Economic Focus**

In order to ensure efficient and effective provision of Technical Vocational Training, we have developed necessary policies and institutional framework to direct the running of the Institution in line with vision 2030, the Big 4 Agenda and Sustainable Development Goals. In the recent past, the institute has experienced tremendous growth in student enrolment from which we have projected an average of 30% annual growth. In the current year the number grew from 840 students in 2017/2018 to 1094 in year 2018/2019.

We thank the Government of Kenya for providing state-of-the-art training equipment, capitation and employment of Trainers through the devolved system by the Public Service Commission that has greatly contributed towards increased student enrolment and improved quality of training to enable the institute align her graduates with regional and global trends and innovation.

**Review of the Sector and Changes**

During the year, we have witnessed a positive growth in student enrolment owing to reduction in fees payable as a result of Government Capitation approach to ensure affordable technical vocational training to every high school graduate who has not met the required threshold to join university education. This initiative of transition by the government has so far been successful, and the future looks quite bright indeed.

**Risk Management**

The technical training sector presents plenty of opportunities as well as risks, both of which need to be analysed in order to deliver sustainable long-term returns, without compromising training outcomes. MTTI has developed an enterprise risk management policy and framework to ensure that our activities are aligned with our strategic plan objectives. The Board of Governors regularly reviews risks identified - such as competition, information & communications technology and credit and operations; and how the risks involved can be mitigated by various risk owners.



## **Outlook**

I am indeed deeply indebted to the members of the Board of Governors for their unwavering support, commitment and futuristic outlook towards realising the institute's objectives in line with its strategic plan and core mandate of training market-driven technical manpower. Noteworthy is the Board's diverse qualifications and experience. I unreservedly assure all our Stakeholders we at MTTI, shall remain focussed, committed and consistent in the delivery of opportunities and accountably availing of resources to both trainers and trainees within the Government framework of accountability, corporate governance and ethical sustainability. Going forward Mukurweini TTI is committed to working closely in collaboration with other like-minded entities, institutions, agencies and any other bi-lateral & multi-lateral agencies involved in technical and vocational training to ensure that our trainees continue to receive Competency Based Training.

Lastly, I would like to whole-heartedly thank my fellow members of the Board of Governors, Management, Trainers, Trainees – and all other stake-holders for their co-operation, collaboration, continued support and commitment during this period under review.



**CHAIRMAN, BOARD OF GOVERNORS**

30<sup>th</sup> September, 2020.



## **REPORT OF THE PRINCIPAL**

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

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

## **HIGHLIGHTS OF FY 2018/2019 PERFORMANCE**

The Financial Year 2018/2019 started on a high note with the Government keen to ensure TVET Institutions absorb as many Form 4 leavers as possible.

Previously, in a move to boost student enrolment the Government had introduced Capitation to the tune of Ksh. 30,000/= p.a to all joining and current students in all Technical Training Institutions. Annual students fee nationally is capped at Ksh. 56,420/= with the Government pledging the above Ksh. 30,000/= capitation, while encouraging the needy students to apply through HELB for the balance of Ksh. 26,420/=

### **Students Enrolment;**

During the year 2018/2019, there was increase in student enrolment 695 making the student number to 1094.

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

Technical Training Institute being a Tertiary institution desires to enhance its visibility, performance, and competitiveness in the tertiary education sector in the face of stiff competition. To do so, however the Institute requires a lot of support from the Government and other stakeholders in this crucial transitional stage to a National Institute in terms of funding, material support and other contributions. We shall continue to appeal for such support for several years to come.

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

I also appreciate the financial, material and moral support of our collaborators, partners and friends during the year. It is because of the understanding and guidance of the Chairman of the Board as well as



**MUKURWEINI TECHNICAL TRAINING INSTITUTE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

the cooperation of the Management team, all staff and our students that we ended the year within an environment of peace and stability. I wish to register my sincere gratitude to them all.

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

**PATRICK W. MUCHEMI**

**PRINCIPAL/SECRETARY TO THE BOARD OF GOVERNORS**

Date: 30<sup>th</sup> September 2019



## **CORPORATE GOVERNANCE STATEMENT**

Technical Training Institute is committed to good corporate governance, which promotes the long-term interests of the Government of Kenya and any other stakeholder, strengthens Board and management accountability and helps build public trust in the Institute.

The Board is appointed by the Government of Kenya through the Cabinet Secretary, Ministry of Education, science and technology to oversee their interest in the long-term health and the overall success of the business and its financial strength in order to discharge its mandate in training. The Board serves as the ultimate decision making body of the Institute, except for those matters reserved to or shared with the Government of Kenya. The Board selects and oversees the members of senior management, who are charged by the Board with conducting the business of the Institute in line with the Technical, Vocational, Education & Training Act of 2013 and the constitution of the Republic of Kenya.

The board of governors held Seven Full board meetings in the financial 2018/2019.

Under the TVET act of 2013, the functions of Board of Governors as set out under section 28 (1) shall include -

- (a) Overseeing the conduct of education and training in the institutions in accordance with the provisions of this Act and any other written law;
- (b) Promoting and maintaining standards, quality and relevance in education and training in the institutions in accordance with this Act and any other written law;
- (c) Administering and managing the property of the institutions;
- (d) Developing and implementing the institutions' strategic plan;
- (e) Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institutions; (1) receiving, on behalf of the institution, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institution or other bodies or persons;
- (g) determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of this Act;
- (i) Developing and reviewing programmes for training and to make representations thereon to the Board;
- (j) Regulating the admission and exclusion of students from the institutions, subject to a qualifications framework and the provisions of this Act;
- (k) Approving collaboration or association with other institutions and industries in and outside Kenya subject to prior approval by the Board;
- (1) Recruiting and appointing trainers from among qualified professionals and practising trades persons in relevant sectors of industry;



- (m) Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institutions, in consultation with the Authority;
- (n) Making regulations governing organization, conduct and discipline of the staff and students;
- (o) Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submits the same to the Board;
- (p) Providing for the welfare of the students and staff of the institutions;
- (q) Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institutions; and
- (r) Discharging all other functions conferred upon it by this Act or any other written law.

The board in the period it has been in existence has endeavoured to discharge its functions independently with vigour and passion. Their diligence and prudent management of resources has been result oriented and much has been achieved during their term in office. They have been able to interpret government policies and TVET Act as well as other relevant laws in existence making the institution to move forward as we actualize the strategic plan. Moving forward, the Board is aligning its discharging of duties by improving on its operations while surpassing the set targets where possible. In the interest of quality service delivery, the board is able to read from the same script as the render their duties above board. This will be attained with the incorporation of team spirit and self-sacrifice that is deep within them.

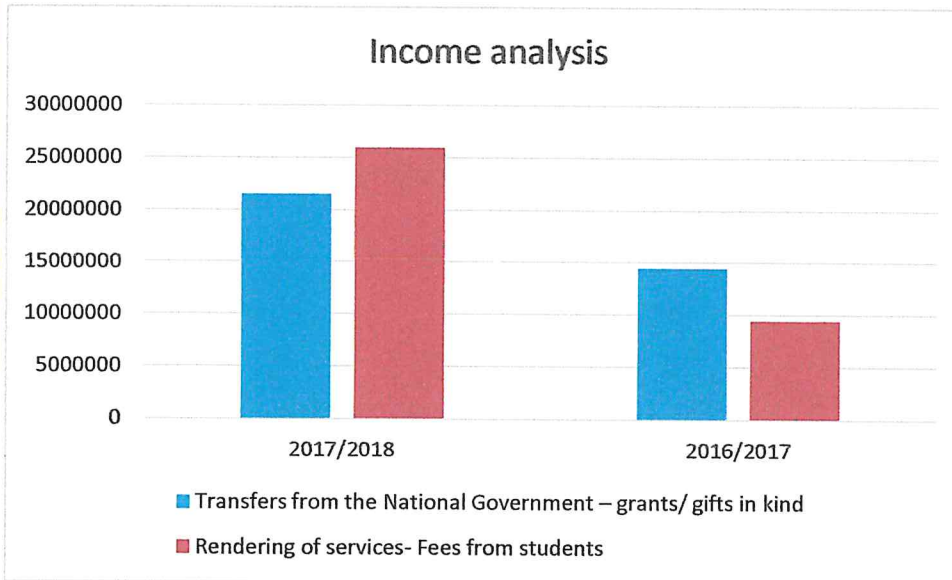


## MANAGEMENT DISCUSSION AND ANALYSIS

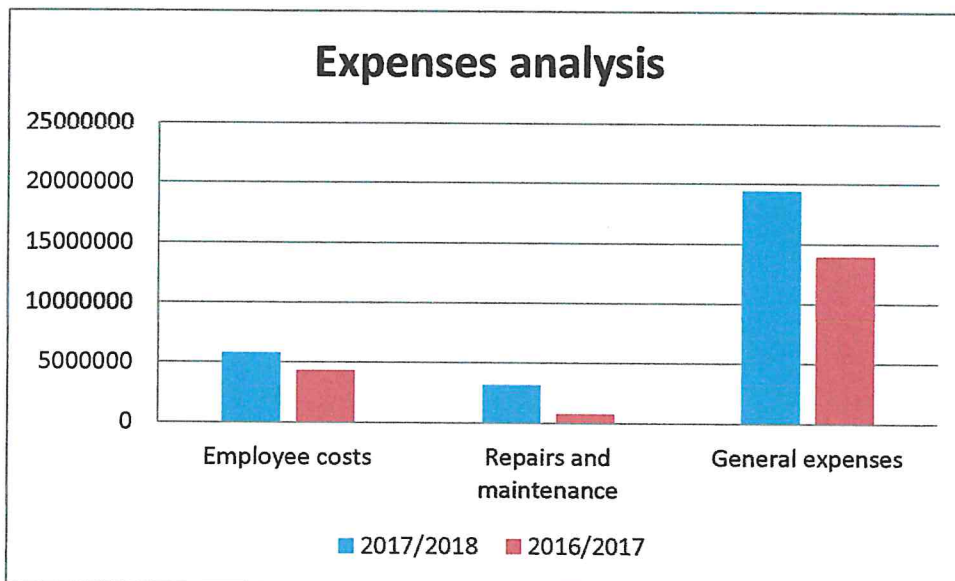
### Mukurweini Technical Training Institute operational and financial performance

During the year ended June 2019 the Institution had 1094 students compared to 840 in year 2017/2018. The increase in the number of students attributed to increase in revenues and operational expenses as demonstrated using graphs below:

Below are the graphs and pie charts analysing the revenues and expenses of the institution.



The above graph shows that rendering of services income increased by over 100% due to increased number of students.

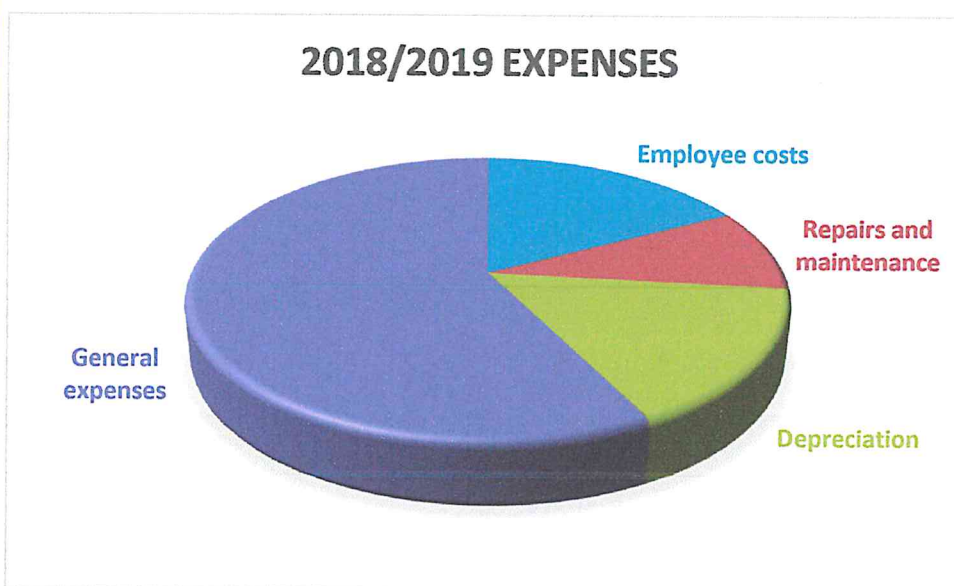


The above analysis reviews that all expenses increased drastically due to increased number of



students.

The contribution of each expense as a percentage of total expenses is as shown below.



### Risks and Opportunities facing MTTI

Opportunities	Threats
Potential for collaboration & Linkages	Competition from other TVCS
High demand for Technical skills	Rapid Technological changes
Centralized placement of new students by KUCCPS	Rapid changes of policy
Positive perception of TVET by the Public	Rigid KICD Curriculum
Demand for short term courses	High cost of training in practical skills
Access to student loans & bursaries from H.E.L.B, county & NGCDF	Unpredictable job market
Government support	Formal employment culture in the society
Enabling legal & policy framework	Unfavourable economic changes
	cybercrime
	Political interference
	HIV/ AIDS drugs and substance abuse

Other institutes' major risks are mainly related to its core business which is training and human resource development. Some of the identified risks include;



## **REPORT OF THE BOARD OF GOVERNORS**

The Board members submit their report together with the audited financial statements for the year ended June 30, 2019 which show the state of the Mukurweini Technical Training Institute affairs.

### **Principal activities**

The principal activities of Mukurweini Technical Training Institute is to provide quality Technical Vocational Training and Entrepreneurship training for effective and sustainable nation building.

### **Results**

The results of the entity for the year ended June 30 2019 are set out on page 1 to 19

## **BOARD OF GOVERNORS**

The members of the Board who served during the year are shown on page iii - v.

### **Auditors**

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

By Order of the Board



**PRINCIPAL /BOG SECRETARY**



### **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*) require the board members to prepare financial statements in respect of Mukurweini TTI, which give a true and fair view of the state of affairs of Mukurweini TTI at the end of the financial year and the operating results of Mukurweini TTI for that year. The board members are also required to ensure Mukurweini TTI keeps proper accounting records which disclose with reasonable accuracy the financial position of Mukurweini TTI. The board members are also responsible for safeguarding the assets of Mukurweini TTI. The board members are responsible for the preparation and presentation of Mukurweini TTI financial statements, which give a true and fair view of the state of affairs of Mukurweini TTI for and as at the end of the financial year (period) ended on June 30, 2019. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of Mukurweini TTI; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for Mukurweini TTI financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (*the State Corporations Act, and the TVET Act of 2013*). The board of governors are of the opinion that Mukurweini TTI financial statements give a true and fair view of the state of Mukurweini TTI transactions during the financial year ended June 30, 2019, and of Mukurweini TTI financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for Mukurweini TTI, which have been relied upon in the preparation of Mukurweini TTI financial statements as well as the adequacy of the systems of internal financial control.

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

### **Approval of the financial statements**

Mukurweini Technical Training Institute financial statements were approved by the Board on 30<sup>th</sup> November 2020 and signed on its behalf by:



Chairperson of the Board



Accounting Officer/Principal



# REPUBLIC OF KENYA

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

## REPORT OF THE AUDITOR-GENERAL ON MUKURWEINI TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2019

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### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Mukurweini Technical Training Institute set out on pages 1 to 17, which comprise the statement of financial position as at 30 June, 2019, 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 Mukurweini Technical Training Institute as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical Training Education and Training Act, 2013.

#### Basis for Qualified Opinion

##### 1.0 Property, Plant and Equipment

The statement of financial position as at 30 June, 2019 reflects property, plant and equipment balance of Kshs.255,198,212 and as disclosed in Note 18 to the financial statements. Included in this amount is a parcel of land reflected at Kshs.25,500,000 measuring approximately 61.3 acres. However, valuation report showing how the value was determined was not presented for audit review.

Consequently, the accuracy and completeness of the property, plant and equipment balance of Kshs.255,198,212 as at 30 June, 2019 could not be ascertained.

##### 2.0 Receivables from Exchange Transactions

The statement of financial position reflects receivables from exchange transactions balance of Kshs.39,066,849 as at 30 June, 2019 which is an increase of Kshs.20,073,594

from a balance of Kshs.18,993,255 as at 30 June, 2018, an indication that the debtors may not be fully recovered. However, the Management had not formulated a policy on management and provision for bad and doubtful debts.

Although the recoverability of these debts is uncertain, no provision for bad and doubtful debts has been made in these financial statements.

Consequently, the accuracy and recoverability of receivables from exchange transactions balance of Kshs.39,066,849 reflected in the statement of financial position as at 30 June, 2019 could not be ascertained.

### 3.0 General Expenses

The statement of financial performance for the year ended 30 June, 2019 reflects general expenses balance of Kshs.30,759,949. However, the balance was in respect of six (6) expenditure items reflected disclosed under Note 12 to the financial statements, do not tally with the ledger balances as summarized below:

Account Details	Balance as Financial Statement Kshs.	Amount as per Ledger Kshs.	Variance Kshs.
Administration Fees	3,876,830	4,960,710	1,083,880
Teaching Materials	3,186,703	3,345,466	158,763
Industrial Attachment	100,000	110,800	10,800
ICT Integration	1,038,652	1,012,807	-25,845
Medication	234,400	221,600	-12,800
School Equipment and Stores	89,635	3,452,065	3,362,430
Repairs and Maintenance	1,425,956	3,515,871	2,089,915
<b>Total</b>	<b>9,952,176</b>	<b>16,619,319</b>	<b>6,667,143</b>

The net difference of Kshs.6,667,143 have not been reconciled or explained.

As a result, the accuracy and completeness of the general expenses of Kshs.30,759,949 for the year ended 30 June, 2019 could not be confirmed.

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

### Key Audit Matters

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

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

### Conclusion

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

### Basis for Conclusion

#### 1.0 Late Submission of Financial Statements to the Auditor-General

The Institute's financial statements for the year ended 30 June, 2019 were submitted to the Office of the Auditor-General on 14 January, 2021, fourteen months after the statutory deadline of 30 September, 2019. This is contrary to provisions of Section 47(1) of Public Audit Act, 2015 which requires the Board of Governors to submit the financial statements to the Auditor-General within three months after the end of the financial year to which the respective accounts relate.

The Management was, therefore, in breach of the law during that period

#### 2.0 Non-Compliance with Ethnic Diversity

As previously reported, the Institute had twenty-five permanent employees, out of which twenty-one or 88% were from the dominant ethnic Community.

The above contravenes the provisions of Section 7(2) of the National Cohesion and Integration Act, 2008 and Section 65(e) which requires the Institute to ensure that not more than one third of its staff are from the same ethnic community.

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

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

### Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my

report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

## **Basis for Conclusion**

### **Lack of Internal Audit Function and Audit Committee**

As previously reported in 2017/2018 financial year, Management of Mukurweini Technical Training Institute has not established an internal audit function and audit committee contrary to Section 155 of the Public Finance Management Act, 2012. As a result, the Institute lacks internal structures which could provide advice and assurance to the Management regarding systems of internal control and risk management.

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

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

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

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

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

Those charged with governance are responsible for overseeing the Institute's financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance

and risk management, and ensuring the adequacy and effectiveness of the control environment.

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

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a

basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Mukurweini Technical Training Institute to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Institute to cease sustaining its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Mukurweini Technical Training Institute to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

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

**Nairobi**

**14 January, 2022**

**IV. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019**

	Notes	2018/2019	2017/2018
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the National Government – grants/ gifts in kind	6 (a)	26,903,300	17,000,000
Transfers from other levels of government agencies	6 (b)	13,838,500	4,380,000
Revenue from AFDB sponsored trainees	6 (c)	1,569,000	
<b>Total Revenue from non-exchange transactions</b>		<b>42,310,800</b>	<b>21,380,000</b>
<b>Revenue from exchange transactions</b>			
Rendering of services- Fees from students	7	27,429,465	37,013,634
<b>Revenue from exchange transactions</b>		<b>27,429,465</b>	<b>37,013,634</b>
<b>Income Generating Activities</b>	8	<b>713,650</b>	
<b>Total revenue</b>		<b>70,453,915</b>	<b>58,393,634</b>
<b>Expenses</b>			
Employee costs	9	7,637,502	5,422,321
Repairs and maintenance	10	1,425,956	5,543,979
Depreciation	11	14,009,469	10,642,507
General expenses	12	30,759,949	23,186,033
<b>Total expenses</b>		<b>53,832,876</b>	<b>44,794,840</b>
<b>Net Surplus for the year</b>		<b>16,621,039</b>	<b>13,598,794</b>


The notes set out on pages 6 to 20 form an integral part of the Annual Financial Statements.



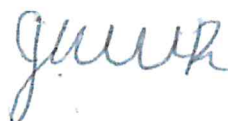
**V. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019**

	Notes	2018/2019	2017/2018
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	13	6,083,240	12,289,606
Receivables from exchange transactions	14	39,066,849	18,993,255
<b>Total Current Assets</b>		<b>45,150,089</b>	<b>31,282,861</b>
<b>Non-current assets</b>			
Property, plant and equipment	18	255,198,212	203,472,663
<b>Total Non-current Assets</b>		<b>255,198,212</b>	<b>203,472,663</b>
<b>Total assets</b>		<b>300,348,301</b>	<b>234,755,524</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	15	878,880	363,898
Refundable deposits from customers	16	547,000	420,000
<b>Total Current Liabilities</b>		<b>1,425,880</b>	<b>783,898</b>
<b>Total liabilities</b>		<b>1,425,880</b>	<b>783,898</b>
<b>Capital and Reserves</b>			
Reserves (Capital Reserve)		251,802,419	203,472,663
Accumulated surplus		47,120,002	30,498,963
<b>Total Reserves</b>		<b>298,922,421</b>	<b>233,971,626</b>
<b>Total Liabilities and Reserves</b>		<b>300,348,301</b>	<b>234,755,524</b>

The Financial Statements set out on pages 1 to 20 were signed on behalf of the Institute Board of Governors by:



**Chairman of Board of Governors**



**Finance Officer**  
ICPAK No. 16834



**Principal**



**VI. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2019**

	Note	Accumulated surplus	Capital reserves	Total
Balance brought forward as at 1 July 2018		30,498,963	203,472,663	233,971,626
Surplus for the year		16,621,039		16,621,039
Capital grants			48,329,756	48,329,756
Balance carried forward as at June 30, 2019		47,120,002	251,802,419	298,922,421
		Accumulated surplus	Capital reserves	Total
Balance brought forward as at 1 July 2017		16,900,169	203,472,663	16,900,169
Surplus for the year		13,598,794		13,598,794
Balance carried forward as at June 30, 2018		30,498,963	203,472,663	233,971,626



**VII. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019**

		FY 208-2019	FY 2017-2018
	Note	Kshs	Kshs
<b>Cash flows from operating activities</b>			
Surplus for the year		16,621,039.00	13,598,794
Adjusted for:			
Depreciation and amortization		14,009,469.00	10,642,507
Working Capital adjustments			
(Increase) in receivables		(20,073,594)	(6,713,079)
Increase in payables		641,982.00	783,898
<b>Net cash flow from operating activities</b>		<b>11,198,896.00</b>	<b>18,312,120</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets	18	(17,405,262)	(25,153,834)
Proceeds from sale of property, plant and Equipment			-
Decrease in non-current receivables			-
Increase in non- current payables			-
<b>Net cash flows used in investing activities</b>		<b>(17,405,262)</b>	<b>(25,153,834)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings			-
Repayment of borrowings		-	-
Interbank transfers		-	-
<b>Net cash flows used in financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(6,206,366)</b>	<b>(6,841,714)</b>
Cash and cash equivalents at start of year		12,289,606	19,131,320
<b>Cash and cash equivalents at end of year</b>	12	<b>6,083,240</b>	<b>12,289,606</b>



**VIII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2019**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference
	2018-2019	2018-2019	2018-2019	2018-2019	2018-2019
<b>Revenue</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Transfers from other Government entities and Government grants	19,489,494		19,489,494	42,310,800	22,821,306
Rendering of services- Fees from students	32,898,500		32,898,500	27,429,465	(5,469,035)
<b>Total income</b>	<b>52,387,994</b>	<b>-</b>	<b>52,387,994</b>	<b>69,740,265</b>	<b>17,352,271</b>
<b>Expenses</b>					
Compensation of employees	9,350,064		9,350,064	7,637,502	1,712,562
Use of Goods and services	31,323,436		31,323,436	30,759,949	563,487
Repairs and maintenance	2,175,000		2,175,000	1,425,956	749,044
<b>Total expenditure</b>	<b>42,848,500</b>	<b>-</b>	<b>42,848,500</b>	<b>39,823,407</b>	<b>3,025,093</b>
<b>Surplus for the period</b>	<b>9,539,494</b>	<b>-</b>	<b>9,539,494</b>	<b>29,916,858</b>	<b>(20,377,364)</b>
Non-cash expenses:					
Depreciation	-	-	-	14,009,469	(14,009,469)
<b>Surplus for the year after depreciation charge</b>	<b>9,539,494</b>	<b>-</b>	<b>9,539,494</b>	<b>15,907,389</b>	<b>(6,367,895)</b>
<b>Capital expenditure</b>	<b>9,539,494</b>		<b>9,539,494</b>	<b>17,405,262</b>	<b>(7,865,768)</b>



## **IX. NOTES TO THE FINANCIAL STATEMENTS**

### **1. GENERAL INFORMATION**

Mukurweini Technical Training Institute is established by and derives its authority from the TVET Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The institute is established under the Ministry of Education, via certificate number TVETA/PUBLIC/RC/0008/2014

Mukurweini Technical Training Institute principal activity is to provide quality training in technical, industrial, vocational and entrepreneurship. It is guided through its operations by other Acts of Parliament like KNEC Act, KICD Act, KASNEB Act and others.

### **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. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5.

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

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

### **3. ADOPTION OF NEW AND REVISED STANDARDS**

#### **i. Early adoption of standards**

Mukurweini Technical Training did not early – adopt any new or amended standards in year 2018/19.

### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **a) Revenue recognition**

##### **i) Revenue from non-exchange transactions**

##### **Fees**

Mukurweini TTI recognizes capitation from government when the transfer of funds is done.

Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.



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**Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

Recurrent grants are recognized in the statement of comprehensive income.

Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

**ii) Revenue from exchange transactions**

**Rendering of services**

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

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

**b) Budget information**

The original budget for FY 2018-2019 was approved by the Board of Governors on 23<sup>rd</sup> June 2018. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by Mukurweini TTI upon receiving the respective approvals in order to conclude the final budget.

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

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**b) Budget information (continued)**

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 13 of Financial Provisions of TVET ACT No. 29 OF 2013 of these financial statements.



**f) Changes in accounting policies and estimates**

Mukurweini TTI recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical. The changes in accounting policy that took place during the year is adoption of accrual basis of accounting from the cash basis. This policy will help the institution to report its financial performance and position more accurate and fairly state the position and performance than the cash basis.

**g) Employee benefits**

**Retirement benefit plans**

The institution and its employees contribute to the National Social Security Fund (NSSF), a statutory defined contribution scheme registered under the NSSF Act. The institution's contributions to the defined contribution scheme are charged to profit or loss in the year to which they relate.

**h) Related parties**

Mukurweini TTI 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 Institution, or vice versa. Members of key management are regarded as related parties and comprise the Board of Governors, the Principal, Head of Finance and Head of Procurement. The government of Kenya through the ministry of education is also related party to the Mukurweini TTI.

**i) Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with banks.

**j) Comparative figures**

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

**k) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June, 2019.

**5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of the Mukurweini TTI'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.

The board of Governance made only one significant judgement in preparing these financial statements.



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**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



**6(a) TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES**

<b>Transfers from National Government Ministries</b>		
<b>Unconditional grants</b>		
Grants and Capitation	26,903,300	17,000,000
<b>Total Government grants and subsidies</b>	<b>26,903,300</b>	<b>17,000,000</b>

**6b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES**

<b>Transfers from other level of government agencies</b>		
NYS	13,838,500	4,380,000
<b>Total transfers from other levels of government agencies</b>	<b>13,838,500</b>	<b>4,380,000</b>

**6 (c) OTHER INCOMES**

<b>Other income</b>		
AFDB sponsored fees	1,569,000	

**7. RENDERING OF SERVICES**

<b>Rendering of Services</b>		
Tuition fees	22,952,535	34,871,920
Examination fees	4,476,930	2,141,714
<b>Total Rendering of Services</b>	<b>27,429,465</b>	<b>37,013,634</b>

**8. INCOME FROM IGA**

<b>Income Generating Activities</b>	<b>713,650</b>	<b>-</b>
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**9. EMPLOYEE COSTS**

<b>Employment Cost</b>		
Salaries and wages	7,637,502	5,422,321
<b>Total Employee costs</b>	<b>7,637,502</b>	<b>5,422,321</b>

**10. REPAIRS AND MAINTENANCE**

<b>Property repairs and maintenance</b>	<b>1,425,956</b>	<b>5,543,979</b>
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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**11. DEPRECIATION**

Depreciation		
Property and equipment	14,009,469	10,642,507
	14,009,469	10,642,507

**12. GENERAL EXPENSES**

<b>General Expenses</b>		
Admin fees	3,876,830	3,548,047
Activities	4,142,650	4,474,155
Electricity and water	1,496,115	560,350
Student welfare	287,205	230,000
Teaching materials	3,186,703	2,153,690
Industrial attachment	100,000	47,216
Insurance	39,892	279,517
Exams	3,883,980	2,318,400
ICT integration	1,038,652	2,071,803
Medication	234,400	122,741
IGA - Income Generating Activities	6,568,562	2,298,754
School Equipment and Stores(SES)	89,635	2,077,308
Registration	48,500	70,400
HELB	-	417,286
Local travel	5,624,049	2,380,336
Arrear	-	89,750
Student ID	79,170	46,280
Bank charges	63,606	
<b>Total general expenses</b>	<b>30,759,949</b>	<b>23,186,033</b>



### 13. CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents		
Current account	5,949,552	12,251,956
Cash on hand	133,688	37,650
<b>Total cash and cash equivalents</b>	<b>6,083,240</b>	<b>12,289,606</b>

#### (a). DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

Financial institution	Account number	2018-2019 KShs
<b>a) Current account</b>		
Kenya Commercial bank - Operations		1,358,405
Equity bank - Tuition	0830263740353	3,805,840
Equity bank - exam	0830268993601	-
<b>Sub- total</b>		<b>3,805,840</b>
<b>b) Development account</b>		
Kenya Commercial bank		785307
<b>Sub- total</b>		<b>5,949,552</b>
<b>c) Others</b>		
cash in hand		133,688
<b>Sub- total</b>		
<b>Grand total</b>		<b>6,083,240</b>

### 14. RECEIVABLES FROM EXCHANGE AND NON-EXCHANGE TRANSACTIONS

Receivables from Exchange Transactions		
Current receivables		
Student debtors	30,681,849	18,993,255
Non exchange receivables	8,385,000	
<b>Total current receivables</b>	<b>39,066,849</b>	<b>18,993,255</b>



**15. TRADE AND OTHER PAYABLES**

<b>Trade and other Payables from Exchange Transactions</b>		
Trade payables	878,880	363,898
<b>Total trade and other payables</b>	<b>878,880</b>	<b>363,898</b>

**16. REFUNDABLE DEPOSITS FROM CUSTOMERS/STUDENTD**

<b>Refundable deposits from customers/students</b>		
Balance as at start of year	420,000	355,074
<b>Add; collections.</b>	127,000	64,926
Balance at end of year	<b>547,000</b>	<b>420,000</b>

**17. ACCUMULATED SURPLUSES**

<b>Accumulated surpluses</b>		
Balance as at start of year	30,498,963	16,900,169
Surplus for the year	16,621,039	13,598,794
Balance at end of year	<b>47,120,002</b>	<b>30,498,963</b>



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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**18. PROPERTY, PLANT AND EQUIPMENT**

	Land	Buildings	Motor vehicles	WIP ICT Complex	WIP Gate	Abolition block	Furniture and fittings and other office equipment	Computers	Machinery and generators	Other equipment	Total
<b>Cost</b>	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
At 30 June 2017	-	2%	25%	-	0%	2%	12.5%	30%	10.0%	12.5%	-
Transfers/adjustments	25,500,000	90,000,000	-	5,342,913	-	4,505,624	4,097,500	163,280	68,553,670	120,000	198,282,987
Balance b/d	25,500,000	90,000,000	-	5,342,913	-	4,505,624	4,097,500	163,280	68,553,670	120,000	198,282,987
Additions	-	2,053,086	6,360,000	11,246,063	1,497,698	501,118	1,627,200	292,399	178,000	1,398,270	25,153,834
At 30 <sup>th</sup> June 2018	25,500,000	92,053,086	6,360,000	16,588,976	1,497,698	5,006,742	5,724,700	455,679	68,731,670	1,518,270	223,436,821
Additions	-	2,014,315	-	6,736,976	741,991	-	4,627,240	2,913,240	48,329,756	371,500	65,735,018
At 30 <sup>th</sup> June 2019	25,500,000	94,067,401	6,360,000	23,325,952	2,239,689	5,006,742	10,351,940	3,368,919	117,061,426	1,889,770	289,171,839
Depreciation and impairment	-	-	-	-	-	-	-	-	-	-	-
At 1 July 2017	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-	-
Transfers/adjustments	-	1,800,000	-	-	-	90,112	512,188	48,984	6,855,367	15,000	9,321,651
Charge for the year	-	1,805,062	1,590,000	-	-	98,333	651,564	122,009	6,187,630	187,909	10,642,507
At 30 June 2018	-	-	-	-	-	-	-	-	-	-	-



**MUKURWEINI TECHNICAL TRAINING INSTITUTE**  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

**APPENDIX II: INTER-ENTITY TRANSFERS**

	ENTITY NAME:			
	Break down of Transfers from the State Department of Mukurweini Technical Institute			
	FY 2018/2019			
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	Operation Grants	8 <sup>th</sup> October 2018	3,000,000.00	
	Capitation	18 <sup>th</sup> February 2019	8,385,000.00	
			<u>11,385,000.00</u>	
		<b>Total</b>		
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	Development Grants	8 <sup>th</sup> October 2018	1,783,075.00	2018/2019
		11 <sup>th</sup> March 2019	1,783,075.00	2018/2019
		<b>Total</b>	<u>3,566,150.00</u>	

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

Accountant  
Mukurweini Technical Training Institute

Head of Accounting Unit  
Ministry of Education

Sign



Sign .....

