

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY	
DATE:	16 NOV 2022
	Wednesday
TABLED BY:	Lam
CLERK AT THE TABLE:	Mairah Wanjiku

OF

THE AUDITOR-GENERAL

ON

**MASAI TECHNICAL TRAINING
INSTITUTE**

**FOR THE YEAR ENDED
30 JUNE, 2021**

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
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29 JUN 2022
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OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI

MASAI TECHNICAL TRAINING INSTITUTE

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2021**

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

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I. KEY INSTITUTE INFORMATION AND MANAGEMENT

a) Background information

Masai Technical Training Institute is a Government institution under Technical, Vocational Education & Training Authority (TVETA), under the Ministry of Education. It is situated in Kajiado Town (Along Nairobi – Namanga Road) 70 Kms from Nairobi. It has a huge staff of fully qualified Trainers in their respective fields.

The institute started offering Technical courses in 1986. Since then, the institute has registered more than twelve thousand (12,000) trainees.

A Board of Governors appointed by the Ministry of Education manages the institute. The day-to-day management of the institute is vested in the principal.

b) Principal Activities

The principal activity of the institute is to impart technical and vocational skills to youths in Kenya. The institute offers a wide range of technical courses under the following academic departments;-

- i. Building and Civil Engineering
- ii. Hospitality and Institutional Management
- iii. Mechanical Engineering
- iv. Electrical and Electronics Engineering
- v. Liberal Studies
- vi. Business
- vii. E-Learning -Open and distance Learning
- viii. Information Communication Technology

Vision: A leader in providing quality technical and business education.

Mission: To excel in producing competent manpower in technical and business fields for self-Sustainability and responsible citizenship.

Core values

- i. Professionalism
- ii. Integrity
- iii. Customer focus
- iv. Teamwork
- v. Innovation & creativity

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Strategic Objectives:

- i. The specific strategic objectives of Masai Technical Training Institute are to;
- ii. To provide training in business and technical education.
- iii. To embrace science, technology and innovation in everyday life.
- iv. To produce market-oriented manpower.
- v. To implement the training objectives of the Ministry of Education.
- vi. To provide an environment for creativity and innovation.

c) Institute Headquarters

P.O. Box 125-011000
Kajiado
Kajiado, Namanga Road
Kenya

d) Institute Contacts

Telephone: 020 2064581
Mobile (254) 0727738161
E-mail: Info@masaitech.ac.ke
Website: www.masaitech.ac.ke

e) Institute Bankers

1. Kenya Commercial Bank
Kajiado Branch
P.O. Box 43-0100
Kajiado, Kenya
2. Equity Bank
Kajiado Branch
P.O. Box 536-0100
Kajiado, Kenya
3. Cooperative Bank
Kajiado Branch
P.O. Box 454-01100
Kajiado, Kenya

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f) Independent Auditors

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

g) Principal Legal Advisor

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

h) Independent Auditors






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

i) Principal Legal Adviser





The Attorney General
State Law Office
Harambee Avenue
P.O.Box 40112-00200
Nairobi, Kenya.

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II. BOARD OF GOVERNORS

NAME	BIRTH AND QUALIFICATIONS
 Dr. Issac Mapenay CHAIRMAN BOARD OF GOVERNORS	Date of birth: 1966 PHD in Pharmacology and Toxicology from The University of Nairobi
 Mr. Wesley Yegon PRINCIPAL /SECRETARY BOG	Born in 1969 MBA in Financial Accounting Strategic Management from Moi University
 Irene Mati MEMBER	Date of birth: 1963 Master of arts in Economic policy Management from Makerere University
 Geoffrey Malakwen Langat MEMBER	Date of birth: 1974 MBA Finance from Kenyatta University; (C.P.A) K
 Dr. Wilfrida Itolondo MEMBER	Date of birth: 1957 PHD in Education from Kenyatta University

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 <p>Mrs. Olivia A. Odongo County Director TVET</p>	<p>Date of birth: 1962 MBA in Education Planning</p>
 <p>Eng. Joel Musembi Kiilu MEMBER</p>	<p>Date of birth: 1962 MBA from the University of Nairobi</p>
 <p>Nixon Mageka MEMBER</p>	<p>Date of birth: 1976 Masters in Communication Management from Kigali Institute of Science and Technology</p>
 <p>Antony G. Gatheca MEMBER</p>	<p>Date of birth: 1972 Bachelor of Science in Agriculture from Egerton University</p>

BOARD COMMITTEES

Name of the Committee	Members
The Audit & Risk Management	<ol style="list-style-type: none"> 1. Irene Mati 2. Eng. Joel Musembi 3. Internal Auditor
Education, Training & Research Committee	<ol style="list-style-type: none"> 1. Dr. Wilfreda Itolondo 2. Mr. Wesley Yegon 3. Mr. Nixon Mageka
The Finance, Resource Mobilization & Infrastructure Committee	<ol style="list-style-type: none"> 1. Geoffrey Malakwen Langat 2. Mr. Wesley Yegon 3. Mrs. Olivia A. Odongo 4. Mr. Nixon Mageka

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III. MANAGEMENT TEAM

NAME	QUALIFICATION
 Mr. Wesley Yegon PRINCIPAL	MBA Financial Accounting; Strategic Management
 Ms. Teresa Njue DEPUTY PRINCIPAL ADMINISTRATION	Communication
 Mr. Livingstone Mwaura DEPUTY PRINCIPAL ACADEMIC AFFAIRS	Mechanical Engineering; Project Management
 George Ileve Kimotho REGISTRAR	Financial Accounting
 Ms.Emily Nashipae FINANCE OFFICER	Finance
 Mr Dominic Sang PROCUREMENT OFFICER	Purchasing and Supplies Management

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j) Fiduciary Management

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

No.	Designation	Name
1.	Principal/Sec BOG	Mr. Wesley Yegon
2.	Deputy Principal Administration	Ms. Teresa Njue
3.	Deputy Principal Academics Affairs	Mr. Livingstone Mwaura
4.	Registrar	Mr. George Kimotho
5.	Finance Officer	Ms. Emily Nashipae
6.	Procurement Officer	Mr. Dominic Sang
7.	Dean Of Trainees	Ms. Lydia Gwendo
8.	Management Representative (QMR)	Mr. Raphael Kagwanja
9.	PC Coordinator	Mr. Francis Wambua
10.	Industrial Liaison Officer	Ms. Millicent Onyango
11.	Human Resource Officer	Ms. Peris Kamanga
12.	Internal Auditor	Ms. Keziah Mantina

Fiduciary Oversight Arrangements

Audit, Finance & General Purposes committee activities

The Committee shall exercise all the powers of BOG in financial matters except in relation to the items, which are reserved, to BOG in these Standing Orders, on which the Committee shall advise BOG. Terms of Reference The role of the Committee shall be to monitor the financial status of the Institute on behalf of BOG. In addition to advising BOG on those matters referred to above, the Committee's responsibilities shall include:

- i. To monitor and facilitate the implementation of the Institute s strategy with regard to financial matters
- ii. To receive reports from the Principal and the Finance Officer
- iii. To monitor implementation of the strategy for the Institute
- iv. To receive reports of the extent and condition of the Institute estate including the efficiency of space utilization, the consumption of energy and the adequacy of property insurance arrangements
- v. To consider the adequacy of the Institute estate and proposals for its maintenance and development, including opportunities to dispose of and acquire new properties.

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- vi. To determine the fees and charges made for Institute services and facilities.
- vii. To supervise the financial administration of the Institute and make recommendations to BOG where appropriate.
- viii. To supervise the arrangements for safeguarding the Institute's assets
- ix. To ensure the proper financial evaluation and control of projects
- x. To supervise the arrangements for investing the Institute's funds, including monitoring the performance of investments
- xi. To make recommendations to BOG on the financing of projects

Senior Management Activities

The main purpose of the Senior Management Team is to:

- i. Ensure that MTTI's BOG is able to take strategic decisions relating to MTTI's activities.
- ii. Provide leadership in communicating MTTI's mission, values, plans and achievements effectively and consistently to BOG Members, staff, Government, the voluntary and community sector, the general public and other stakeholders;
- iii. Be accountable for the development and implementation of MTTI's strategic, corporate and business plans in line with the mission and values.
- iv. Take a strategic overview of performance in all areas of MTTI's activities.
- v. Makes recommendations to the BOG on the implementation and achievement of the BOG's Strategic Framework;
- vi. Agrees MTTI's Corporate Plan, and monitor delivery through appropriate key management and performance information reporting to the Board of Governors as appropriate.
- vii. In the light of income projections and forecasts, considers the annual grants and operational expenditure and monitors such expenditure;
- viii. Develops, agrees, monitors and reviews strategies relevant to the effective and efficient operation of MTTI, making recommendations as appropriate to the Board of Governors and/or its relevant Committees;
- ix. Determines strategic issues arising from the introduction of new policies or process, including actively managing risk across the organization and regularly reviewing the corporate risk register;
- x. Oversees and monitors MTTI's joint work with the other stakeholders
- xi. Considers the impact of external factors and developments, including specific political initiatives and the response to key consultation documents and where appropriate make recommendations to the BOG and/or its relevant Committees.
- xii. Leads all senior managers in motivating and developing MTTI staff to deliver the highest standards of performance and customer service

Government oversight activities

The Government of Kenya's oversight role includes provision of Grants for both Capitation and Development as well as provision of the regulatory framework. The Office of the Auditor General undertakes the audit of the Institutional activities.

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IV. CHAIRMAN'S STATEMENT

Introduction

On behalf of the Board of Governors, I am pleased to present the institute annual Report statement for the year ended 30th June, 2021. I wish to point out an impressive performance characterized by remarkable improvements in operational performance as well as expansion of the Institute Infrastructure.

Institute Mandate

As a public TVET Institution, MTTI recognizes its pivotal role in helping Kenya to achieve development goals through training, research and innovation. In this respect Masai Technical Training Institute provides skills, knowledge and technology required to steer the country towards achieving the economic, social and political goals as enshrined in National development instruments.

The institute will continue to reposition its main brands within the context of the markets requirements, customer satisfaction and cost rationalization.

The need to meet this objective over the years has remained the central focus of the institute.

The Board of Governance is confident that the institute performance of its mandate is at high level to address the requirement for human resource for TVET's in the country

Achievements

The Board has developed a cordial working relationship with devolved units of Government resulting to attraction of support in which the institute has had students sponsored by National Government Constituency devolvement fund (NG-CDF) and also from non-profit making organizations like Compassion and National Council for Persons with disability which has boosted the number of special needs students to undertake TVET courses. The resultant is a boost on innovation and research of which students were equipped with skills in various technical courses that would lead to self-employability.

Also, during the year the institute participated in the Regional Ball games at Thika Technical Training Institute amidst strict covid-19 guidelines. This was the first co-curricular activity after Covid-19 pandemic struck the nation.

This will go a long way in nurturing talents and creating all rounded students for self-employability.

The Board has reviewed 2019-2023 strategic plans for the Institute. It provides a clear direction of the institute specific targets that we seek to achieve in the next five years. Specifically the strategic plan sets out strategic issues for achievement in the planned period.

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Future Outlook


The Board is spearheading the revision of policies to ensure they are properly aligned to the emerging governance issues. This will ensure that the institute Competitive edge is sharpened and it continues to offer training services in a more broadened perspective.

Challenges

The institute has grappled with an increased demand for technical education against constrained institute resources. Due to an increase in student's numbers, the Library, classes and workshops and equipment have been overstretched and this has been a major challenge due to inadequate funding thus the need to enhance development grants. In addition, the Covid-19 pandemic has resulted to increased expenditure in institution of mitigation measures.

Appreciation

Finally, I wish to thank the Government and other organizations for the support they have continued to give the on behalf of the Board of governors, I thank the institute staff for their exemplary dedication and commitment in institution.


.....

Dr. Isaac Mapenay

BOG Chairman

20th June, 2022.

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V. REPORT OF THE PRINCIPAL

Masai 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 2020/2021 PERFORMANCE

The Financial Year 2020/2021 started on a low note due to the emergency of Covid-19 pandemic that grounded learning.

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 trainees' 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 2020/2021, there was an increase of leaners from 1744 to 1898 by end of June, 2021. This increase can be attributed to the government efforts of ensuring 100% transition from secondary schools to tertiary education.

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

Masai 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.

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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 enhancement of Income Generating Activities to reinforce external support.

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

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



Isaac Bwambok(Mr.)

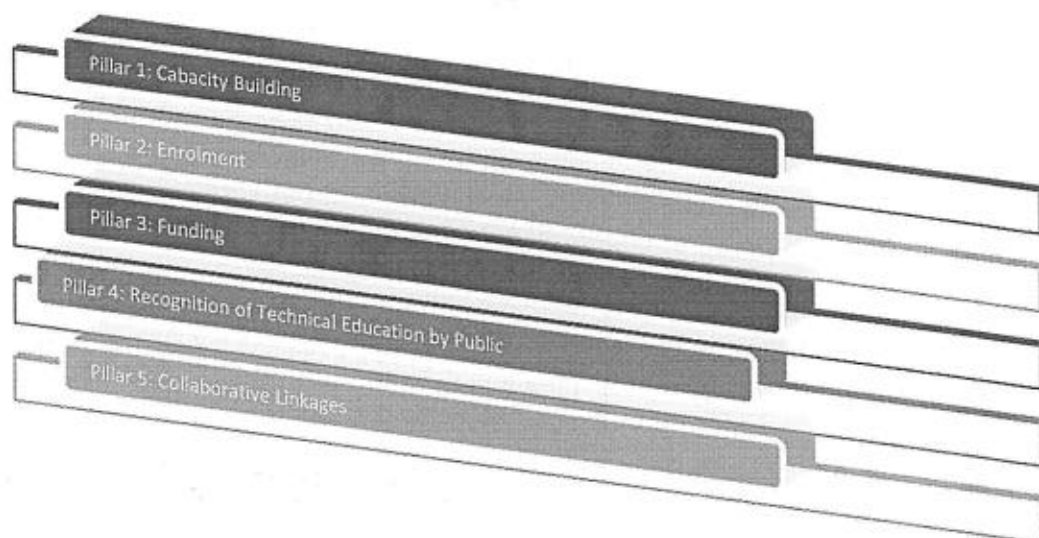
PRINCIPAL/SECRETARY BOG.

Date: 20th June 2022

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VI. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

Masai Technical Training Institute has 5 strategic pillars and objectives within its Strategic Plan for the FY 2017/2018- 2021/2022. These strategic pillars are as follows:



Masai Technical Training Institute develops its annual work plans based on the above 5 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Institute achieved its performance targets set for the FY 2020/2021 period for its 5 strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
PILLAR 1: CAPACITY BUILDING	- Upgrade and modernize.	-Installation of Management Information Systems.	-Institutionalized Management Information System (MIS)	-Management Information system being implemented
	- Enhance human resources across departments.	Increased number of teaching and non-teaching staff	-Advertisement and promotions	-ICT courses are being offered in the institution
	- Increase financial resources to support Institute programs.	-Increased student population -Increased demand for IGA products and services -Complete ICT infrastructures		

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PILLAR 2: ENROLMENT	Increase trainee enrolment in STEM course	Increased number of trainees enrolled in STEM courses	-Advertisement in Print, mainstream, and social media.	Increased number of trainees enrolled in STEM courses
			-Community sensitization campaigns	
PILLAR 3: FUNDING	-To establish adequate source of funding for the Institutes projects	-Increased enrollment to increase fee collection - Increased demand for IGA products and services	-Marketing, advertising and outreach	-Increased student population
PILLAR 4: RECOGNITION OF TECHNICAL EDUCATION BY THE PUBLIC	-Exploit existing good will to enhance awareness, appreciation and Positioning of Technical Education	-Increase trainee enrolment. -Increased student sponsorships by the public.	-Involvement in Corporate Social Responsibility initiatives	-Increased participation in community activities
PILLAR 5: COLLABORATIVE LINKAGES	-Strengthening collaboration linkages	Development partners on board Mentorship	-Establish collaborations and linkages - Strengthen existing collaboration and linkages -Establish benchmarks and joint cooperation networks with international TVET institutions	Collaboration with NYS and KCB Bank in sponsoring students.

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VII. CORPORATE GOVERNANCE STATEMENT

Corporate governance comprises rules, procedures, regulations and processes through which the Institute is directed. It involves balancing the interests of the Institute in order to achieve long-term strategic objectives of the Institute.

The roles and functions of the Board members are clearly defined and include giving the overall oversight of management and giving the strategic direction of the Institute. The Board members defines the Institute's strategies, objectives, values and ensures that procedures and practices are put in place to ensure effective control over strategic, financial, operational and compliance issues. The Board members develops short and long-term goals of the Institute, develops strategies to achieve those goals and monitors the performance of the Institute against the set goals. The Board members also spearheads the preparation of financial statements and reports of the Institute, approves and reviews annual budgets and ensures that the Institute has adequate systems of internal controls together with appropriate monitoring of compliance activities to ensure business continuity.

The Board members provides oversight to the Institute's top management and has unrestricted access to timely and relevant information as well as advice and services of the Corporation Secretary to discharge its duties effectively.

Masai Technical Training Institute Board members operates in compliance with the Mwongozo code that offers corporate governance framework for all state corporations. The members of Board have duly undergone training under this code.

The Board members prepares an annual almanac showing the schedule of meetings planned for each year. During the year, the Institute Board members held regular quarterly meetings, while special meetings were called when necessary.

The Board is headed by the Chairman and is composed of nine members inclusive of the Principal who is the only executive member. The constitution of the Board members takes into consideration requirements of the sector, diversity of skills, academic qualifications, gender, age and experience necessary to add value to the operations of the Institute. The Board members are appointed to various Board Members' Committees mandated to carry out specified functions. The Board members therefore bring their diverse experiences in deliberations during Board meetings.

The Board members' committees have well defined terms of reference. The committees are intended to facilitate efficient decision making by the Board members in them discharging their duties and responsibilities.

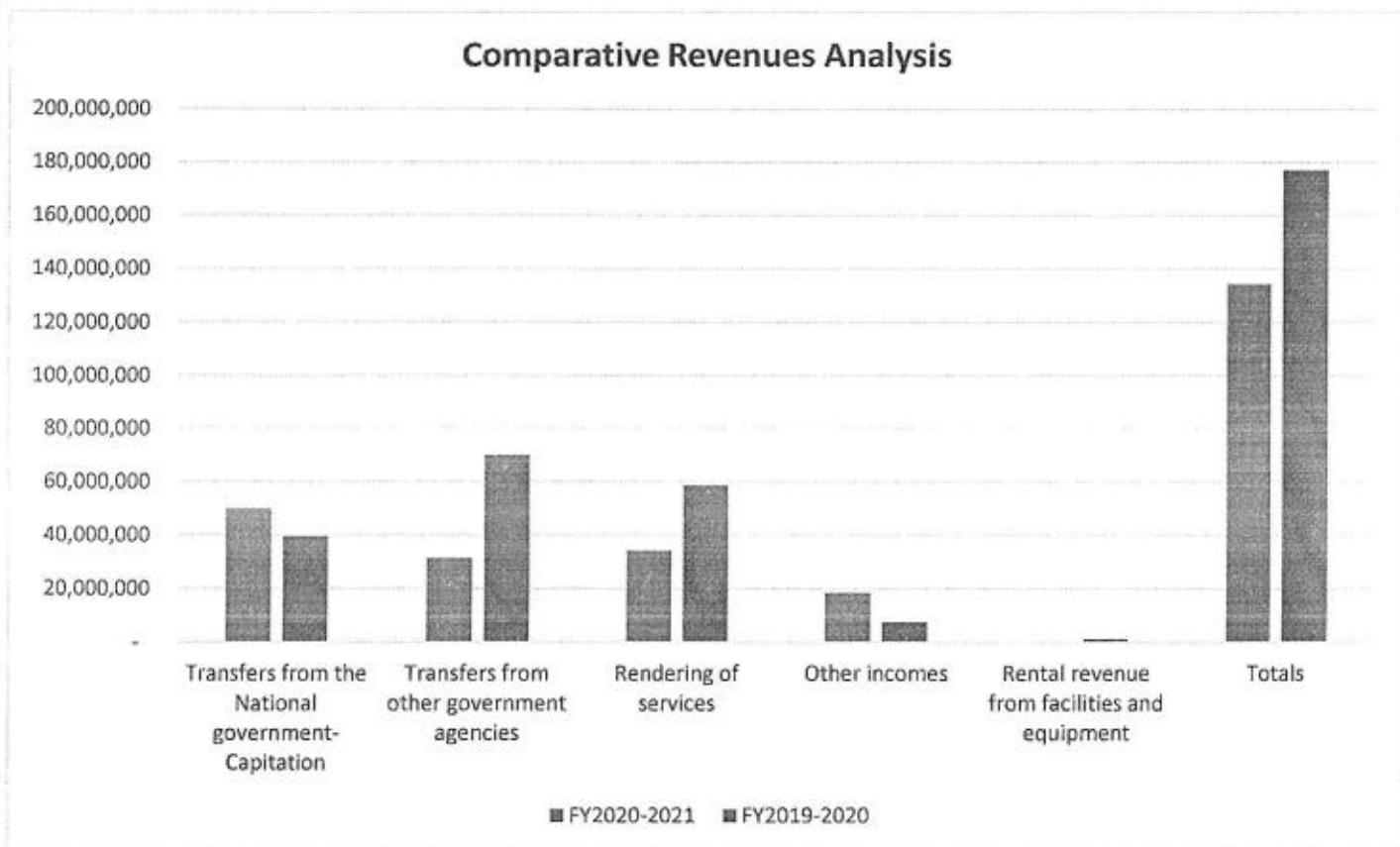
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VIII. MANAGEMENT DISCUSSION AND ANALYSIS

Masai Technical Training Institute operational and financial performance

During the year ended June 2021 the Institution had 1898 trainees compared to 1744 in year ended 30th June, 2021. As a result of the Covi-19 Pandemic that paralyzed learning for two academic quarters. Learning resumed in the third quarter though in phases.

Below are the graphs and pie charts analyzing the revenues and expenses of the Institute:

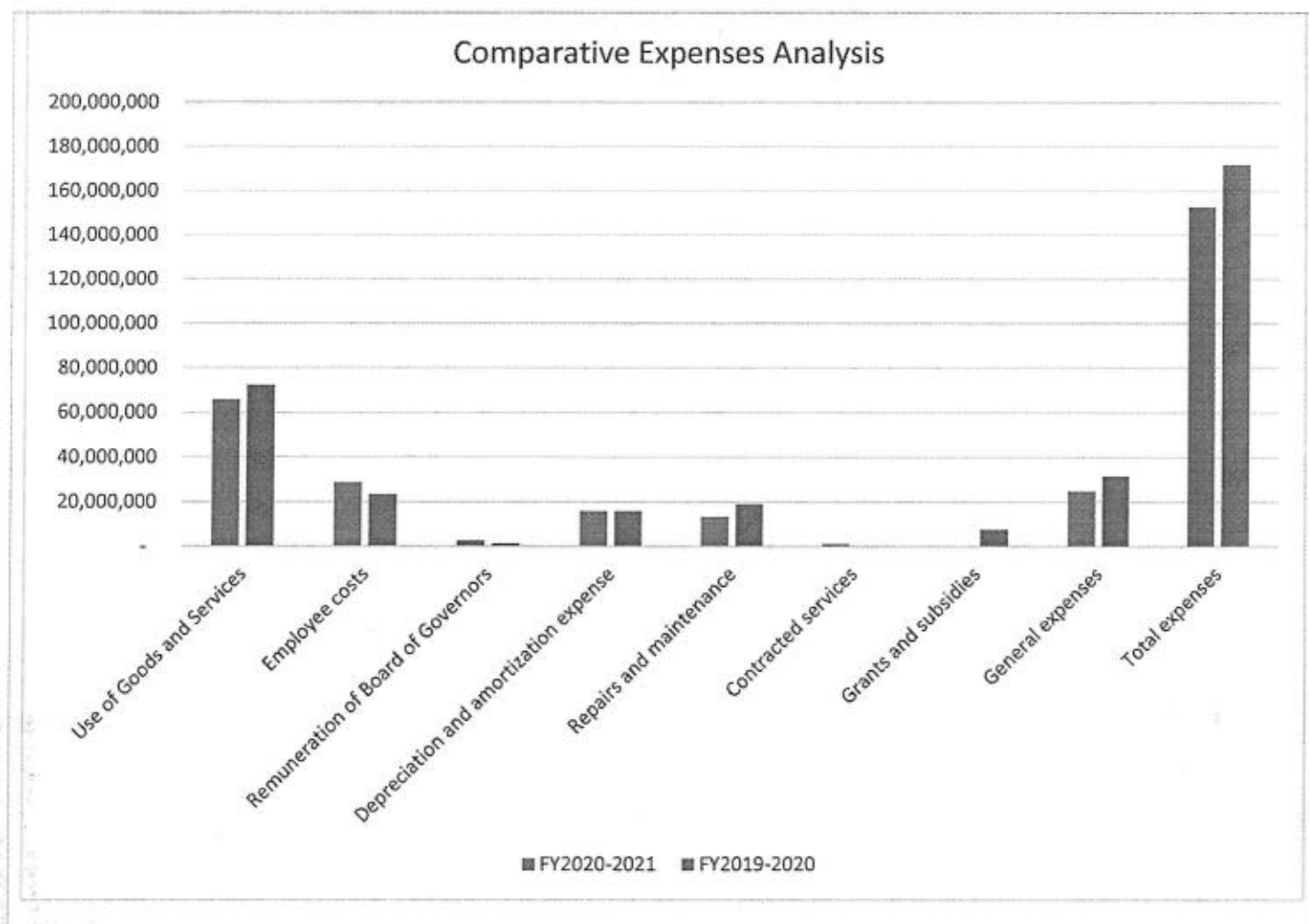


From the above graphs, revenues decreased due the effects of Covid-19 pandemic

The below analysis reviews that all expenses decreased drastically due to effect of Covid-19 as mentioned under income.

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

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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	Unfavorable economic changes
	cybercrime
	Political interference
	HIV/ AIDS drugs and substance abuse

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

- i. Low student enrolment.
- ii. Student turnover
- iii. Inadequate student accommodation and support facilities
- iv. Delayed disbursement of capitation and NYS sponsorship
- v. Staff turnover due to inability to retain them

Masai Technical Training Institute compliance with statutory requirements

Masai Technical Training Institute complies to deduction and remittance of statutory deductions such NHIF, NSSF and PAYE

Key projects and investment decisions

The projects under consideration in the FY 2020/2021 are summarized in the table below

Project	Budget	Key Deliverables	Project Status
Underground Water Tanks	10,000,000	<ul style="list-style-type: none"> ➤ Practical completion ➤ Handing over certificate 	Complete
Asbestos Removal and Re-Roofing	5,847,856	<ul style="list-style-type: none"> ➤ Practical completion ➤ Handing over certificate 	Complete
Dairy shed	1,872,600	<ul style="list-style-type: none"> ➤ Practical completion ➤ Handing over certificate 	90% Complete
Driving school Training Block	2,600,000	<ul style="list-style-type: none"> ➤ Practical completion ➤ Handing over certificate 	80% Complete
Institute Parking yard/lot	2,155,625	<ul style="list-style-type: none"> ➤ Practical completion ➤ Handing over certificate 	90% Complete
Car wash bay	877,930	<ul style="list-style-type: none"> ➤ Practical completion ➤ Handing over certificate 	90% Complete
Tiling of the Dining hall	1,500,000	<ul style="list-style-type: none"> ➤ Practical completion ➤ Handing over certificate 	Complete

IX. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Masai Technical Training Institute exists to transform lives. This is our purpose; the driving force behind everything we do. It is what guides us to deliver our strategy, which is founded on pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar.

1. Sustainability strategy and profile

Key Institute staff attended career days and workshops for head teachers in order to motivate and mentorship to students in high schools. These motivational talks are a permanent feature in our calendar of events every year and they ensure that the Institute maintains a strong link with students who are aspiring to join Institutes.

2. Environmental performance

Environmental degradation has severe negative effects in the world. It is therefore important for constant efforts to be made to conserve the environment around us. During the year, the Institute started a project to grow trees in the Institute. This project will be continued in subsequent years in order to improve the total tree cover in the Institute. Due to the Impact of Covid-19 the institute has put in place water points for future use.

3. Employee welfare

The Institute has developed a Human resource policy to help in the recruitment of its staff. The policy is also gender sensitive as it has contributed to the third gender rule as per government directives. Employees hold capacity trainings every year to motivate them. This has improved the morale the employees in the place of work and thus improved service delivery. The Institute is in the process of putting in place a safety policy in order to be compliance with Occupational Safety and Health Act of 2007, (OSHA).

There is a reward and appraisal system in place for all the employees of Masai Technical Training Institute.

4. Community Engagements-

Masai Technical Training Institute, as a responsible corporate institution established to achieve public good, recognizes the link between sustainable growth and development of the institution and the need to invest in society, the local community and protection of the environment. This is important to ensure that social, economic and environmental benefits accrue to the society and other stakeholders as the Institute conducts its business. During the year, the Institute contributed to various community initiatives and noble projects, despite the prevailing resource constraints.

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X. REPORT OF THE BOARD OF GOVERNORS

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

Principal activities

The principal activity of the institute is to : offer competence Based Technical Training, prepare and guide trainees, for evaluation and certification by appropriate examining bodies and promote Science, Technology and Innovation in all training programs.

Results

The results of the institute for the year ended 30 June 2021 are set out on page 1 of these financial statements.

BOARD OF GOVERNORS

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

Auditors

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

By Order of the Board



Principal/Secretary to BOG

Date... 20/6/2022

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XI. STATEMENT OF BOARD OF GOVERNORS MEMBERS' RESPONSIBILITIES

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

The board members are responsible for the preparation and presentation of Masai Technical Training Institute financial statements, which give a true and fair view of the state of affairs of Masai Technical Training Institute for and as at the end of the financial year ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the institute; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Masai Technical Training Institute (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

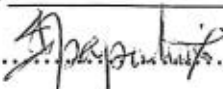
The board members accept responsibility for the Masai Technical Training Institute financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the TVET Act). The board members are of the opinion that Masai Technical Training Institute's financial statements give a true and fair view of the state of Masai Technical Training Institute's transactions during the financial year ended June 30, 2021, and of the Masai Technical Training Institute's financial position as at that date. The board members further confirm the completeness of the accounting records maintained for the Masai Technical Training Institute, which have been relied upon in the preparation of the Masai Technical Training Institute's financial statements as well as the adequacy of the systems of internal financial control.


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

Approval of the financial statements

Masai Technical Training Institute's financial statements were approved by the Board

on _____ 2022 and signed on its behalf by:

.....




Chairman BOG

Principal/Accounting Officer

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON MASAI TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Masai Technical and Vocational College set out on pages 1 to 22, which comprise of the statement of financial position as at 30 June, 2021, statement of financial performance, statement of changes in net assets, statement of cash flows and the 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 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 do not present fairly, in all material respects, the financial position of Masai Technical and Vocational College as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and do not comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Inaccuracies in the Financial Statements

Examination of the financial statements for the year ended 30 June, 2021 revealed the following inaccuracies: -

- i. The statement of financial performance reflects other incomes amount of Kshs.17,701,825 while Note 7 to the financial statement reflects an amount of Kshs.18,486,925 resulting to unexplained variance of Kshs.785,100. Further the Note has a casting error of Kshs.45,000.
- ii. The statement of financial performance reflects general expenses totalling Kshs.24,913,216 and as disclosed in Note 16 to the financial statements. However, the Note has a casting error of Kshs.273.
- iii. The statement of financial position reflects property, plant and equipment balance of Kshs.648,387,966 and as disclosed in Note 24 to the financial statements, which includes land and buildings valued at Kshs.553,816,694 as at 30 June, 2021. However, the Note reflects land and building balance of Kshs.530,000,000 as at 30 June, 2020 resulting to an unexplained and unsupported movement of Kshs.816,694.
- iv. The statement of changes in net assets reflects comparative accumulated surplus of Kshs.96,860,479 which is at variance with the accumulated surplus of Kshs.99,860,479 reflected in the statement of financial position by Kshs.3,000,000.
- v. As previously noted, the statement of changes in net assets reflects balance brought forward as at July, 2019 of Kshs.91,658,132 which differs with the statement of financial position balance of Kshs.99,860,479.
- vi. The statement of cashflows reflects net decrease in cash and cash equivalents totalling Kshs.30,754,285 and not the actual net increase of Kshs.42,119,109. The variance of Kshs.11,364,824 was not explained or supported.
- vii. The revenue and expenses actual amounts reflected in the statement of comparison of budget and actual amounts variances with the amounts reflected in the statement

of financial performance. Further, the final budget reflects the actual amounts whereas the actual amounts reflects the variances.

- viii. The statement of financial position reflects capital reserves an unexplained and unsupported balance of Kshs.590,757,360.
- ix. The statement of financial position reflects unexplained balances of Kshs.40,358,798 and Kshs.34,516,021, respectively on current and prior year.
- x. The statement of financial position reflects total assets balance of Kshs.648,752,099 and Nil net assets while the statement reflects total net assets of Kshs.648,752,099 and total assets and liabilities of Kshs.698,752,100 resulting to unbalanced statement of financial position.

In the circumstances, the accuracy, completeness, presentation and disclosure of the financial statements presented for audit as at 30 June, 2021 could not be confirmed.

2. Irregular Recruitment and Engagement of Casual Employees

The statement of financial performance reflects employee costs totalling Kshs.28,849,545 and as disclosed in Note 10 to the financial statements. Review of payment vouchers and supporting documents presented for audit revealed that the Institution had engaged casuals during the year and incurred an expenditure of Kshs.441,740 on wages. However, there were no formal requests done from the departmental heads on the need for engaging casuals and there was no documentary evidence on the recruitment process. In addition, no engagement letters were provided in relation to the casuals employed.

In the circumstances, the validity, accuracy and existence of the expenditure of Kshs.441,740 could not be confirmed.

3. Unsupported Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.648,387,966 and as disclosed in Note 24 to the financial statements. The following anomalies were noted:

- i. Schedules outlining the composition of each class of assets and additions for the year was not provided for audit. In addition, the size of the Institute's land as per the Letter of Allotment of 19.25 Hectares differs from the supporting documents provided. No title deed to confirm ownership and size of the land was provided for audit.
- ii. The statement of financial performance reflects depreciation and amortization expense of Kshs.15,996,530 whose basis could not be established. Further, Note 24 to the financial statements reflects an unsupported depreciation amounting to Kshs.15,996,530 and Kshs.16,015,893.
- iii. Review of the asset register and other supporting documents revealed that the Institute had not charged depreciation on buildings combined together with land

under one item, contrary to IPSAS 17 that requires land and buildings to be accounted for separately.

In the circumstances, the accuracy, ownership, existence, presentation and disclosure of the property, plant and equipment balance of Kshs.648,387,966 could not be confirmed.

4. Unconfirmed Receivables from Non-Exchange and Exchange Transactions

The statement of financial position reflects receivables from non-exchange and exchange transactions balance of Kshs.15,699,825 and Kshs.16,912,523, respectively totalling Kshs.32,612,348 and as disclosed in Note 18 and 19 to the financial statements. However, ledgers provided for audit reflected a balance of Kshs.16,523,986 resulting to an unexplained variance of Kshs.16,088,362. Further, the Institute did not have a debt collection policy in place that guide on collection of student receivables. In addition, the Institute did not provide an ageing analysis for the receivables.

In the circumstances, the accuracy and recoverability of the receivables totalling Kshs.32,612,348 could not be confirmed.

5. Unreconciled Revenue from Rendering of Services

The statement of financial performance reflects revenue from rendering of services totalling Kshs.35,146,324 and as disclosed in Note 6 of the financial statement. However, ledgers provided for audit reflected an amount of Kshs.426,316 resulting to an unexplained variance of Kshs.34,720,008.

In the circumstances, the accuracy and completeness of rendering of services revenue totalling Kshs.35,146,324 could not be confirmed.

6. Unsupported Cash and Cash Equivalents

The statement of financial position and the corresponding Note 17 to the financial statements reflects cash and cash equivalents balance of Kshs.10,005,335 which was not supported with the respective cash books extracts, bank reconciliation statements and certificates of bank balances. Further, the board of survey report was not provided for audit.

In addition, review of cash transactions revealed that cash withdrawals of Kshs.300,000 were done monthly. The justification and authority for the cash withdrawals was not provided and no surrenders documents for the expenditure were provided. Further, the Institution did not maintain an imprest register hence it was not possible to confirm imprest issued and surrendered during the year.

In the circumstances, the accuracy, completeness and existence of the cash and cash balance of Kshs.10,005,335 could not be confirmed.

7. Unreconciled Balances

7.1 Trade and Other Payables from Exchange Transactions

The statement of financial position reflects trade and other payables from exchange transactions balance of Kshs.36,107,834 and as disclosed in Note 22 to the financial

statements. Review of the ledgers and other supporting documents revealed an amount of Kshs.33,806,955 resulting to an unexplained variance of Kshs.2,300,879. Also, the Institute had no ageing analysis in place to guide on the length of duration, payables had not been settled.

7.2 Use of Goods and Services

The statement of financial performance reflects use of goods and services amount of Kshs.65,652,648 and as disclosed in Note 9 to the financial statements. However, ledgers provided for audit reflected an amount of Kshs.69,402,960 resulting to unexplained variance of Kshs.3,750,312.

7.3 Employee Cost

The statement of financial performance reflects employee costs totalling Kshs.28,849,545 and as disclosed in Note 10 to the financial statements. However, ledgers provided for audit reflected an amount of Kshs.18,980,615 resulting to an unexplained variance of Kshs.9,868,930.

In the circumstances, the existence, completeness and accuracy of the above balances could not be confirmed.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects receipts budget and actual on comparison of Kshs.520,702,399 and Kshs.139,105,898 respectively resulting to an under funding of Kshs.381,596,501 or 73% of the budget amount. Similarly, the Institute spent Kshs.152,669,648 against an approved budget of Kshs.520,702,399 resulting to an under expenditure of Kshs.368,032,751 or 71% of the budget budget.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, based on the audit procedures performed, I confirm that, public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Single Sourcing of Goods and Services

As disclosed in Note 9 to the financial statements, the statement of financial performance reflects use of goods and services amount of Kshs.65,652,648. Included in the expenditure is an amount of Kshs.15,318,038 in respect to examination fees. Review of the payment vouchers and supporting documents provided revealed that the Institute had single sourced for suppliers examination materials worth Kshs.1,777,532 contrary to Section 91(5) of the Public Procurement and Asset Disposal Act, 2015.

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

2. Unconfirmed Procurement of Enterprise Resource Planning (ERP) System

The Institute entered into a contract agreement with a vendor for installations of an ERP System at a contract sum of Kshs.1,350,000. However, tender opening minutes, evaluation minutes, tender awarding letter, acceptance of the award letter were not provided for audit. Further, professional opinion on the procurement proceedings was not provided for audit as required by Section 84 of the Public Procurement and Asset Disposal Act, 2015. Further, the payment was not supported with the inspection and acceptance committee report or installation and commissioning report of the installed system. No evidence was provided to confirm that a live test was conducted to confirm the effectiveness of the system and the system developer had rights to access all the modules, as such, the integrity of the data, events and transaction can be tampered with.

In addition, a walk through test of the installed system revealed that although raising of purchase requisitions, processing of the Local Purchase Orders and the Goods Received Notes (GRN) were done in the ERP system, opening, evaluation, award of tenders and approval of payments were done outside the system. The operating system in place was not therefore fully utilized by the users.

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

3. Irregular Procurement

The statement of financial performance reflects general expenses amount of Kshs.24,913,216 and as disclosed in Note 16 of the financial statements which includes dairy farm expense of Kshs.2,032,965. Included in the expenditure is amount of Kshs.126,038 paid to a supplier who was not included in the list of prequalified suppliers. In addition, the use of goods and services amount of Kshs.65,652,648 includes an

expenditure of Kshs.4,039,898 in respect to COVID 19 expenditure. Review of the vouchers provided for audit revealed that contracts worth Kshs.2,134,845 were awarded to suppliers not in the prequalified list, contrary to Regulation 84(10)(c) of the Public Procurement and Asset Disposal Regulations, 2020.

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

4. Non-compliance with the Law on Ethnic Composition

During the year under review, the Institute had a total number of forty-six (46) staff members in its establishment. However, 26 or 43% of the employees were from one dominant ethnic community contrary to the requirements of Section 7(2) of the National Cohesion and Integration Act, 2008 which states that no public establishment shall have more than one third of its staff from the same ethnic community.

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

5. Non-Compliance with the One-Third of Basic Salary Rule

Review of the Institute's payrolls for the year ended 30 June, 2021 revealed that twenty-two (22) employees were receiving net salaries less than a third of their respective basic salaries contrary to section 19(3) of the Employment Act, 2007.

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

6. Composition of the Board of Governors

Review of records provided revealed that the composition of Board of Governors for the Institute did not have a member representing the County Government of Kajiado. As such the composition of the membership of the Board did not meet the requirements of Section 2 (c) of the second schedule of the Technical and Vocational Education and Training Act, 2013. This may lead to inadequate representation to the citizens of Kajiado County.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

As required by Section 7(1)(a) of the Public Audit Act, 2015, because of the significance of the matters described in the Basis for Adverse Opinion and Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, based on the audit procedures performed, I confirm that, internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of Risk Management Policy

Review of records for risk management revealed that the Institute does not have a Risk Management Policy in place. Further, the Management did not carry out risk assessment during the year under review.

In the circumstances, readiness to overcome risks and threats could not be confirmed.

2. Lack of an Approved Staff Establishment

The Institute did not provide an approved staff establishment that indicates the optimal number of staff for each category, the number in post and the variance. In the absence of an approved establishment, it was not possible to ascertain whether the Institute was operating within an optimal level of staff establishment.

In the circumstances, optimal utilization of staff efficiently, 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 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 the Board of Governors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal 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 overall governance.

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

The Board of Governors is responsible for overseeing the Institute's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and

systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall 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 Institute's 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 Institute's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Institute to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Institute to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

22 August, 2022

**MASAI TECHNICAL TRAINING INSTITUTE
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FOR THE YEAR ENDED 30 JUNE 2021**

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

		FY2020-2021	FY 2019-2020
	Note		
Revenue from non-exchange transactions			
Transfers from the National government- Capitation	4	49,917,500	39,663,390
Transfers from other government agencies	5	27,278,125	69,970,500
Total revenue from non-exchange transactions		77,195,625	109,633,890
Revenue from exchange transactions			
Rendering of services	6	35,146,324	43,384,154
Other incomes	7	17,701,825	7,693,264
Revenue from Hire of facilities and equipment	8	9,062,124	1,105,895
Total revenue from exchange transactions		61,910,273	52,183,313
Total revenue		139,060,898	161,817,203
Expenses			
Use of Goods and Services	9	65,652,648	72,219,901
Employee costs	10	28,849,545	23,426,623
Remuneration of Board of Governors	11	2,718,692	1,407,400
Depreciation and amortization expense	12	15,996,530	16,015,893
Repairs and maintenance	13	13,297,697	19,099,394
Contracted services	14	1,241,320	341,513
Grants and subsidies	15	-	7,700,082
General expenses	16	24,913,216	31,645,245
Total expenses		152,669,648	171,856,050
(Deficit) for the Year		(13,608,750)	(10,038,847)

MASAI TECHNICAL TRAINING INSTITUTE
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XIV. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

		FY 2020-2021	FY 2019-2020
		Kshs	Kshs
ASSETS	Note		
Current assets			
Cash and cash equivalents	17	10,005,335	52,124,444
Receivables from non- exchange transactions	18	15,699,825	17,745,000
Receivables from exchange transactions	19	16,912,523	7,286,413
Related party balances	20	3,198,831	5,650,228
Inventories	21	4,547,619	3,834,380
Total Current Assets		50,364,133	86,640,465
		40,358,798	34,516,021
Non-current assets			
Property ,plant and equipment	24	648,387,966	620,608,162
Total non-current assets		648,387,966	620,608,161
		648,752,099	707,248,627
TOTAL ASSETS			
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	22	36,107,834	52,887
Trade and other payables from non-exchange transactions		-	19,577,900
Total current liabilities		36,107,834	19,630,787
Total liabilities		36,107,834	19,630,787
Net assets			
Accumulated surplus		71,886,906	99,860,479
Capital reserves		590,757,360	590,757,360
Total net assets		662,644,266	690,617,839
		698,752,100	710,248,62
TOTAL NET ASSETS AND LIABILITIES			

The Financial Statements set out were signed on behalf of the Board of Governors by:

Finance Officer *Amny*

Principal: *Isaac Bwambiti*

Chairman- BOG *Isaac Marentay*

Name: *Amny* *IPASHUWA*

Name: *Isaac Bwambiti*

Name: *ISAAC MARENTAY*

ICPAK M/NO.: *28239*

Date: *28/6/2022*

Date: *28/6/2022*

Date:

**MASAI TECHNICAL TRAINING INSTITUTE
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**XV. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE
2021**

For the Year ended 30 June 2021	Note	Accumulated surplus	Capital Reserves	Total
Balance brought forward as at 1 July 2020		85,495,656	590,757,360	676,253,016
Surplus for the year		(13,608,750)		(13,608,750)
Balance carried forward as at 30 June 2021		71,886,906	590,757,360	662,644,266
For the Year ended 30 June 2020	Note	Accumulated surplus	Capital Reserves	Total
Balance brought forward as at 1 July 2019		91,658,132	590,757,360	682,415,492
Surplus for the year		5,202,347	-	5,202,347
Balance carried forward as at 30 June 2020		96,860,479	590,757,360	687,617,839

**MASAI TECHNICAL TRAINING INSTITUTE
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XVI. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

		FY 2020-2021	FY 2019-2020
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from Government National government & other grants	4	49,917,500	39,663,390
Transfers from other government entities	5	27,278,125	69,970,500
Rendering of services- Fees from students	6	34,316,224	58,625,348
Revenue from Hire facilities and equipment	8	9,062,124	1,105,895
Other income	7	18,486,925	7,693,264
Total Receipts		139,060,898	177,058,397
Payments			
Use of Goods and Services	9	65,652,648	72,219,901
Employee costs	10	28,849,545	23,426,623
Remuneration of Board of Governors	11	2,718,692	1,407,400
Repairs and maintenance	13	13,297,697	19,099,394
Contracted services	14	1,241,320	341,513
Grants and subsidies	15	-	7,700,082
General expenses	16	24,913,216	31,645,245
Total Payments		136,673,118	155,840,158
Net cash flows from operating activities		2,387,780	21,218,239
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(43,776,335)	(34,071,982)
Decrease in Inventory		(713,239)	(2,240,610)
Decrease in non-current receivables		(5,129,538)	73,823,951
Increase in payables		16,477,047	(16,310,563)
Net cash flows used in investing activities		(33,142,065)	21,200,796
Net increase/(decrease) in cash and cash equivalents		(30,754,285)	42,419,036
Cash and cash equivalents at 1 July 2020	17	52,124,444	12,507,694
Cash and cash equivalents at 30 June 2021	17	10,005,335	52,124,444

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

	Original budget	Adjustments	Final Budget	Actual	Variance	Change	Explanation of material variances
	Shs	Shs	Shs	Shs	Shs	%	
		b	c= a +b	d			
Revenue							
Transfer from National government	102,240,000	-	49,917,500	52,322,500	51%	51%	(a)
Transfers from other levels of Government	199,491,839	-	27,278,125	168,109,006	84%	84%	(b)
Rendering of services and other incomes	218,970,560	-	61,910,273	185,315,249	85%	85%	(c)
Total income	520,702,399		139,105,898				
Expenses							
Use of Goods and Services	198,840,796	-	65,652,648	150,007,604	75%	75%	(d)
Personnel emoluments	34,253,547	-	28,849,545	434,385	1%	1%	(e)
Remuneration to Board of Governors	4,000,000	-	2,718,692	1,434,598	36%	36%	(f)
Depreciation and amortization expense	22,580,000	-	15,996,530	11,687,574	52%	52%	(g)
Repairs and maintenance	26,807,260	-	14,297,697	17,797,149	66%	66%	(h)
Contracted services	6,400,000	-	1,241,320	4,915,130	77%	77%	(i)
General expenses	139,820,796	-	23,913,216	91,202,387	65%	65%	(j)
Development expenditure	88,000,000	-	43,776,335	44,223,665	50%	50%	(k)
Total expenses	520,702,399		152,669,648				
Surplus (Deficit) for the quarter			(13,563,750)				

Explanation of material variance (Above 10%)

- a) The movement was due to the effects of Covid-19 since the learning was grounded for 2 quarters
b) The movement was due to the effects of Covid-19 since the learning was grounded for 2 quarters
c) The movement was due to the effects of Covid-19 since the learning was grounded for 2 quarters
d, e,) The change is due to the reduced operations as the school was closed for 2 quarters
f) There was reduced meetings due to Covid-19 pandemic hence under absorption.
g, h, I j, k) The under absorption was due to decreased operations due to Covid-19 pandemic.

XVIII. NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The Institute's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the institute. The accounting policies have been consistently applied to all the year presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

2. ADOPTION OF NEW AND REVISED STANDARDS

- i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2018**

Standard	Impact
<p>IPSAS 33: First time adoption of Accrual Basis IPSAS</p>	<p>(Effective for annual periods beginning on or January 1, 2017) In January 2015, the IPSASB published IPSAS 33, First-time Adoption of Accrual Basis IPSASs. IPSAS 33 grants transitional exemptions to entities adopting accrual basis IPSASs for the first time, providing a major tool to help entities along their journey to implement IPSASs. It allows first-time adopters three Quarters to recognize specified assets and liabilities. This provision allows sufficient time to develop reliable models for recognizing and measuring assets and liabilities during the transition period. The Institute adopted IPSAS in the year ended 30 June 2018 and therefore provisions of first time adoption of accrual basis does apply to the Institute.</p>

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<p>IPSAS 34: Separate Financial Statements</p>	<p>(Effective for annual periods beginning on or January 1, 2017) In January 2015, the IPSASB published IPSAS 34, Separate Financial Statements. IPSAS 34 prescribes the accounting and disclosure requirements for investments in controlled entities, joint ventures and associates when a Institute prepares separate financial statements. The Institute does not have any subsidiaries , joint ventures or investments and therefore the standard does not apply</p>
<p>IPSAS 35: Consolidated Financial Statements</p>	<p>Effective for annual periods beginning on or January 1, 2017) In January 2015, the IPSASB published IPSAS 35, Consolidated Financial Statements. IPSAS 35 establishes principles for the preparation and disclosure of consolidated financial statements when an Institute controls one or more entities. It requires an institution that controls one or more other entities to assess control over those entities based on the following: <ul style="list-style-type: none"> - Its power over the other Institute - Its exposure or rights to variable benefits from involvement with the other Institute - Its ability to control the nature, timing and amount of benefits from the other Institute. Once control is assessed the controlling Institute is supposed to prepare consolidated financial statements unless it meets all the criteria under section 5 of IPSAS 35. The Institute does not have any subsidiaries, joint ventures or investments and therefore the standard does not apply.</p>
<p>IPSAS 36: Investments in Associates and Joint Ventures</p>	<p>(Effective for annual periods beginning on or January 1, 2017) In January 2015, the IPSASB published IPSAS 36, Investments in Associates and Joint Ventures. The Standard prescribes for the accounting for investments in associates and joint ventures and to set out requirements for the application of the equity method when accounting for investments in associates and joint ventures. The standard shall be applied by all entities with significant influence over, or joint control of, an investee where the investment leads to the holding of a quantifiable ownership interest. The Institute does not have investments in associates or joint ventures</p>

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<p>IPSAS 37: Joint Arrangements</p>	<p>(Effective for annual periods beginning on or January 1, 2017) In January 2015, the IPSASB published IPSAS 37, Joint Arrangements. IPSAS 37 establishes principles for financial reporting by entities that have an interest in arrangements that are controlled jointly. The Institute does not have an interest in a joint arrangement and therefore the standard does not apply</p>
<p>IPSAS 38: Disclosure of Interests in Other Entities</p>	<p>(Effective for annual periods beginning on or January 1, 2017) In January 2015, the IPSASB published IPSAS 38, Disclosure of Interests in Other Entities. IPSAS 38 requires an Institute to disclose information that enables users of its financial statements to evaluate the nature of and risks associated with, its interests in controlled entities, joint arrangements and associates, and structured entities that are not consolidated; and the effects of those interests on its financial position, financial performance and cash flows. The Institute does not have interests in other entities and therefore the standard does not apply.</p>

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

Revenue is recognized to the extent that it is probable that future economic benefits will flow to the Institute and the revenue can be reliably measured. Revenue is recognized at the fair value of consideration received or expected to be received in the ordinary course of the Institute's activities, net of value added tax (VAT), where applicable, and when specific criteria have been met for each of the Institute's activities as described below:

i. Sale of goods and services

The Institute recognizes revenues from sale of goods and services in the year in which the Institute delivers products or services to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Institute 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 Institute and can be measured reliably.

ii. 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.

iii. 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.

iv. Other income

Other income is recognized as it accrues.

b) In-kind contributions

In-kind contributions are donations that are made to the Institute in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Institute includes such value in the statement of comprehensive income both as revenue and as an expense and opposite amounts; otherwise, the contribution is not recorded.

c) Investment property

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

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 30-year period.

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

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d) Property, plant and equipment

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

Land and buildings are not depreciated.

Depreciation on property, plant and equipment is recognized in the income statement on a reducing balance basis to write down the cost of each asset or the re-valued amount to its residual value over its estimated useful life. The annual rates in use are:

Land and buildings	-
Motor vehicles	25%
Furniture and fittings	12.5%
Computer and peripherals	30%
Office equipment	12.5%

A full year's depreciation charge is recognized both in the year of asset purchase and in the year of asset disposal.

e) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization calculated on straight-line basis 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 considered to be 5 years.

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f) Inventories

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

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

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

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

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

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

g) Provisions

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

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

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

h) Contingent liabilities

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

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i) Contingent assets

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

j) Nature and purpose of reserves

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

k) Changes in accounting policies and estimates

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

l) Employee benefits

Retirement benefit plans

The institute provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which an institute pays fixed contributions into a separate 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.

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m) Foreign transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

n) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

o) Related parties

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

p) 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.

q) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprest

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and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of year.

Comparative figures

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

r) Subsequent events

The recent turn of events arising from COVID-19 pandemic has had a significant negative impact on the operations of the institution for the year ended 30 June 2021

s) Events after the reporting period

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

t) Ultimate and Holding Institute

The Institute is a Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

u) Currency

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

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4	Transfers from National Government	FY2020-2021	FY 2019-2020
	Government capitation	49,417,500	35,490,000
	Mentoring Institutions: Kajiado East TVC	500,000	2,820,000
	: Kajiado west TVC	-	1,352,600
	Total transfers from Government	49,917,500	39,663,390

This relates to the transfer from National Government sponsored trainees. In quarter one the institution received capitation for 2213 trainees, in quarter two received capitation for 1301 Trainees, in quarter three received capitation for 1638 trainees and in quarter four received capitation for 1437 trainees. The institution has recognized income based on the number of trainees KUCCPS has verified and confirmed the beneficiaries of the funds. Each trainee has an allocation of Ksh. 7,500 per quarter.

5	Transfers from other Government Agencies	FY2020-2021	FY 2019-2020
	NYS	27,278,125	69,970,500
	Total transfers from other Government Agencies	27,278,125	69,970,500

This is the fees that was paid and receivable from the Ministry of Youth and Gender Affairs on behalf of 164 National Youth Service trainees during the financial year.

6	Rendering of services	FY2020-2021	FY 2019-2020
	Personal emoluments	7,272,000	13,628,160
	Tuition fee	303,000	567,840
	EWC	2,059,351	3,856,580
	LT&T	1,884,281	3,531,255
	RMI	1,038,406	1,946,035
	Activity fee	2,114,688	3,963,050
	Industrial attachment and Insurance	1,893,750	3,549,000
	Boarding fees	4,000,000	1,251,820
	Examination fees	13,750,748	11,090,414
	Student ID	45,000	60,596
	Registration fee	150,000	-
	Student council	635,100	-
	Total revenue from the rendering of services	34,316,224	43,384,154

During the financial year there were no trainees in the first quarter because of Covid-19. However, in the second quarter the institution earned from 450 candidates who were in session, in third quarter there were 1,070 trainees in session and in the fourth quarter there were 1437 trainees in session. This translates to the total income earned of Ksh. 34,316,224. This numbers only relates to KUCCPS' trainees and not NYS trainees.

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7	Other incomes	FY2020-2021	FY 2019-2020
	Cafeteria	644,295	102,285
	Sale of goods	780,880	907,760
	Students ID	45,000	60,596
	Registration	150,000	
	Student Council	635,100	
	Sale of tenders	12,000	58,749
	Car Care	228,900	454,350
	Driving school	1,121,400	4,014,559
	Textile	588,860	-
	Rental Income	1,290,000	1,290,000
	Bakery	1,087,600	-
	Moi Girls Isinya	51,000	-
	Mashuuru High School (Repair of motor vehicle)	11,397,990	
	Dairy farm	498,900	359,349
	Vegetable farm income	-	9,620
	Part-time income	-	436,000
	Total other Incomes	18,486,925	7,632,668

These are incomes from Income Generating Activities that the institute engaged in which are not directly linked to the academic activities of the institution. The income from Moi Girls Isinya relates to income receivable from construction of a perimeter wall and class rooms

8	Revenue from Hire of facilities and equipment	FY2020-2021	FY 2019-2020
	Hire of facilities	9,062,124	1,105,899
	Total revenue from hire of facilities and equipment	9,062,124	1,105,899

This relates to the income received from hiring of institute facilities to external institutions for conferences, seminars and workshops.

9	Use of Goods and Services	FY2020-2021	FY 2019-2020
	Tuition expenses	27,224,785	7,271,399
	Activity	951,340	6,169,999
	Local Transport & Travelling	2,719,304	12,440,589
	Electricity, water and Conservancy	2,464,493	5,848,049
	Student council expenses	1,067,215	1,227,399
	Examination fees	15,318,038	11,090,499
	Boarding Expenses	12,648,183	24,037,799
	Institute publicity expenses	910,658	2,209,599
	Industrial attachments	712,400	380,799
	Management Information systems	1,350,000	1,052,499
	Student Insurance	286,232	488,899
	Library expense	-	3,099
	Total use of goods and services	65,652,648	72,219,999

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10	Employee costs	FY2020-2021	FY 2019-2020
	Personal emoluments	19,862,757	17,439,002
	Employee related costs: N S S F	1,996,336	1,758,478
	N H I F	601,600	576,000
	P A Y E	1,895,021	733,415
	H E L B	98,497	79,356
	Matenos welfare	812,281	803,709
	Kases sacco	1,697,847	1,976,813
	Provident Fund	1,807,656	-
	Kudheiha Union	77,550	59,850
	Total employee costs	28,849,545	23,426,623
11	Remuneration to Board of Governors	FY2020-2021	FY 2019-2020
	Board allowances	2,718,692	1,407,400
	Total director emoluments	2,718,692	1,407,400
12	Depreciation and amortization expense	FY2020-2021	FY 2019-2020
	Property, plant and equipment	15,996,530	16,015,893
	Total depreciation and amortization	15,996,530	16,015,893
13	Repairs and maintenance	FY2020-2021	FY 2019-2020
	Repairs and maintenance- routine maintenance	9,284,606	17,529,042
	Motor Vehicles Insurance	1,732,391	782,292
	Motor vehicle expenses	1,226,330	73,900
	Fuel, oil and lubricants	2,054,370	714,160
	Total repairs and maintenance	14,297,697	19,099,394
14	Contracted services	FY2020-2021	FY 2019-2020
	Consultancy and training services	1,241,320	341,513
	Total contracted services	1,241,320	341,513
15	Grants and subsidies	FY2020-2021	FY 2019-2020
	Kajiado East TTI A/C	-	6,780,292
	Kajiado West TTI Account	-	919,790
	Total grants and subsidies	-	7,700,082

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16	General expenses	FY2020-2021	FY 2019-2020
	Administrative expenses	2,777,400	18,911,977
	Vegetable farm expenses	106,365	52,520
	Driving school expenses	363,889	4,928,382
	Research and Development expenses	10,000	-
	Dairy farm	2,032,965	676,207
	ISO 9001:2015	46,400	526,460
	Hire of facilities	646,541	1,240,494
	Dispensary	448,479	696,230
	Economic stimulus	-	1,805,284
	Part time expenses	10,500	185,414
	Strategic planning	-	237,225
	KATTI Participation	337,000	676,600
	Medical fee	99,067	36,529
	Car care expenses	1,529,550	696,230
	Covid-19 expenses	4,039,898	-
	KATTI/CAPA Conference training	6,000	913,488
	Rent expense	165,449	-
	Moi Girls project expenses	6,678,401	-
	Dining hall Renovations	2,726,086	-
	Bakery unit expenses	246,427	-
	Water harvesting expenses	458,720	-
	Textile production unit expenses	2,184,352	-
	Gratuity	-	62,205
	Total general expenses	24,913,216	31,645,245
17	Cash and cash equivalents	FY2020-2021	FY 2019-2020
	Current account		
	Coop bank-recurrent	5,361,811	5,832,492
	KCB Savings account	2,172,273	439,508
	Cooperative bank-development	9,736	208,209
	KCB Business Current account fund	-2,753,490	44,733,441
	Equity Bank- Kajiado East T.T.I	28,301	208,539
	Coop Kajiado West T.T.I	14,663	18,263
	Equity Bank	5,139,506	683,992
	Cash at hand	32,535	-
	Total Cash and Cash Equivalents	10,005,335	52,124,444

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18	Receivables from exchange transactions	FY2020-2021	FY 2019-2020
	Student debtors account	1,187,135	1,153,061
	Other receivables	-	-
	County Government of Kajiado	7,722,324	6,133,352
	Kenya Red Cross	320,650	
	National Gender and Equality	526,320	
	Commission of Universities	131,020	
	Kajiado Adventist School	119,100	
	African Gender and Media initiative	125,475	
	State Department of ECDE	73,535	
	National council for population and Development	43,700	
	Moi Girls	6,612,264	
	Mashuuru High School	51,000	
	Total receivables from exchange transactions	16,912,523	7,286,413

Student debtors relates to fees arrears from trainees. Moi Girls receivables relates to revenue due from construction of a perimeter wall and classrooms conducted by the Institute. The rest of the receivables relates to revenue due from Hire of Institute facilities and equipment and 51,000 from Mashuuru High School which relates to repair of motor vehicle.

19	Receivables from non-exchange transactions	FY2020-2021	FY 2019-2020
	Current receivables		
	Transfers from National Government-Capitation	8,872,500	17,745,000
	Ministry of Gender and Youth Affairs(NYS)	6,827,325	-
	Total receivables from non-exchange transaction	15,699,825	17,745,000

The receivables relates Kshs. 6,827,325 fees for trainees receivable from the Ministry of Gender and Youth Affairs in the current year who joined in the month of May 2021 and kes 8,872,500 for quarter 4 for FY 2019/2020

20	Related Party Balances	FY 2020-2021	FY 2019-2020
	Mentorship Grants		
	Kajiado East TVC	2,498,831	3,400,000
	Kajiado West TVC.	700,000	2,250,228
	Total related party balances	3,198,831	5,650,228

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21	Inventories	FY 2020-2021	FY 2019-2020
	Consumable stores	168,455	742,500
	Maintenance stores	2,382,915	2,548,520
	Health unit stores	1,504,825	-
	Electrical stores	289,785	188,090
	Cleaning materials stores	6,500	64,200
	Catering stores	195,139	291,070
	Total inventories	4,547,619	3,834,380
22	Trade and other payables from exchange transactions	FY 2020-2021	FY 2019-2020
	Trade payables	34,899,863	-
	Refundable payables	107,837	48,337
	Accruals	1,100,134	4,550
	Total trade and other payables	36,107,834.00	52,887
<p>Trade payables relates to pending bills as at 30th June, 2021; Refundable payables relates to caution money refundable to trainees once they complete their trainings and Accruals relates to statutory and payroll deductions which had not been submitted by 30 June, 2021</p>			
23	Trade and other payables from non-exchange transactions	FY 2020-2021	FY 2019-2020
	Ministry of Gender and Youth Affairs(NYS)	-	19,577,900
	Total Trade and other payables from non-exchange transactions	-	19,577,900

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24	As at 30 June 2021	Land Buildings	Underground water tanks	Motor vehicles	Furniture and fittings	Computers	Plant and Equipment	Mechanical Equipment	Capital WIP	Total
	PROPERTY, PLANT AND EQUIPMENT			25%	12.50%	30%	12.50%	12.50%		
	COST	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
	At 1 July 2020	553,816,694	-	24,757,500	2,893,783	6,154,890	7,920,430	25,064,865	-	620,608,162
	Additions	-	14,008,386	13,725,764	-	-	354,900	-	15,687,285	43,776,335
	At 30 Jun 2021	553,816,694	14,008,386	38,483,264	2,893,783	6,154,890	8,275,330	25,064,865	15,687,285	664,384,497
	ACCUMULATED DEPRECIATION									
	At 1 Jul 2020	-	-	8,252,500	413,398	2,637,810	1,131,490	3,580,695	-	16,015,893
	Depreciation	-	-	9,620,816	361,723	1,846,467	1,034,416	3,133,108	-	15,996,530
	At 30 Jun 2021	-	-	17,873,316	775,120	4,484,277	2,165,906	6,713,803	-	32,012,423
	Net book values									
	At 30 June 2020	553,816,694	14,008,386	28,862,448	2,532,060	4,308,423	7,240,914	21,931,757	15,687,285	648,387,966
	At 30 June 2020	530,000,000	-	22,702,500	2,532,060	4,308,423	6,930,376	21,931,757	7,098,000	595,503,116

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APPENDICES

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)



Principal / Secretary BOG

Date.....28/6/2022

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APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY

Projects implemented by Masai Technical Training Institute.

Project title	Donor	Period/ duration	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
Underground Water Tanks	Internal	13 months	14,008,386	Internally generated funds
Asbestos Removal and Re-Roofing	Internal	3 month	5,847,856	Internally generated funds
Dairy shed	Internal	3 months	1,872,600	Internally generated funds
Driving school Training Block	Internal	8 months	2,600,000	Internally generated funds
Institute Parking yard/lot	Internal	12 months	2,155,625	Internally generated funds
Car wash bay	Internal	10 months	877,930	Internally generated funds
Tiling of the Dining hall	Internal	3 months	1,500,000	Internally generated funds

Status of Projects completion

Project	Key Deliverables	Project Status	Budget	Actual	Source of funds
Underground Water Tanks	<ul style="list-style-type: none"> ➤ Practical completion ➤ Handing over certificate 	90% Complete	10,000,000	14,008,386	Internally generated funds
Asbestos Removal and Re-Roofing	<ul style="list-style-type: none"> ➤ Practical completion ➤ Handing over certificate 	Complete	8,000,000	5,847,856	Internally generated funds
Dairy shed	<ul style="list-style-type: none"> ➤ Practical completion ➤ Handing over certificate 	70% done	1,800,000	1,872,600	Internally generated funds
Driving school Training Block	<ul style="list-style-type: none"> ➤ Practical completion ➤ Handing over certificate 	80% complete	1,500,000	2,600,000	Internally generated funds
Institute Parking yard/lot	<ul style="list-style-type: none"> ➤ Practical completion ➤ Handing over certificate 	90% complete	1,500,000	2,155,625	Internally generated funds
Car wash bay	<ul style="list-style-type: none"> ➤ Practical completion ➤ Handing over certificate 	90% done	1,500,000	877,930	Internally generated funds
Tiling of the Dining hall	<ul style="list-style-type: none"> ➤ Practical completion ➤ Handing over certificate 	complete	1,500,000	1,500,000	Internally generated funds

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APPENDIX III: INTER-ENTITY TRANSFERS

ENTITY NAME:			
Break down of Transfers from the Masai Technical Training Institute			
FY 2020/2021			
a.	Recurrent Grants		
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>
			<u>Indicate the FY to which the amounts relate</u>
			0.00
		Total	0.00
b.	Development Grants		
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>
			<u>Indicate the FY to which the amounts relate</u>
			0.00
		Total	0.00
c.	Direct Payments		
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>
			<u>Indicate the FY to which the amounts relate</u>
			0.00
		Total	0.00
d.	Donor Receipts		
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>
			<u>Indicate the FY to which the amounts relate</u>
			0.00
		Total	0.00

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

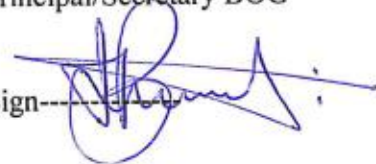
Finance Officer

Sign

FINANCE OFFICER
MASAI TECHNICAL TRAINING INSTITUTE
P. O. Box 125 - 01100, KAJIADO.
TEL: 020 206 4581

Principal/Secretary BOG

Sign



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APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received	Nature; Recurrent/Development/Others	Total Amount - KES	Where Recorded/recognized				Total Transfers during the Year
				Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	
Ministry of Education		Capitation	16,597,500	16,597,500				
		Capitation	9,757,500	9,757,500				
		Capitation	12,285,000	12,285,500				
		Capitation	10,777,500	10,777,500				
Total				49,417,500				

