

REPORT

PARLIAMENT
OF KENYA
LIBRARY

THE NATIONAL ASSEMBLY	
DATE: 05 JUL 2023	Day: WED
TABLED BY: Hon Owen Bayo, CBS, MP Deputy leader, majority	OF
CLERK-AT-THE-TABLE: <i>Fialays M...</i>	THE AUDITOR-GENERAL

ON

**AHMED SHAHAME MWIDANI
TECHNICAL TRAINING INSTITUTE**

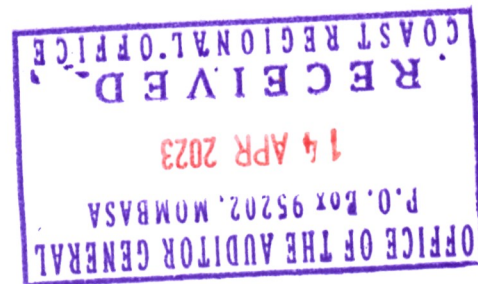
**FOR THE YEAR ENDED
30 JUNE, 2022**



AHMED SHAHAME MWIDANI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS

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



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I. Key Entity Information and Management

(a) Background information

Ahmed Shahame Mwidani Technical Training Institute (ASMTTI) is a Public Technical and Vocational Training Institution established under the Ministry of Education State Department of Technical and Vocational Education and Training. It was established under the TVET Act 2013 Section 26(1)(a) and (b). The College is governed and managed in accordance with the provisions of the TVET Act 2013 and any instrument of governance approved by the Board.

The Board OF Governors was appointed by the Cabinet Secretary in the Ministry of Education according to the TVET Act No.29 of 2013 S.28 (1) (b).

The College registered as Ahmed Shahame Mwidani Technical Training Institute in December 2016. It was mandated with providing training in industry relevant employable technical and innovative skills for gainful employment and job creation through self-employment.

(b) Principal Activities

The principal activity of the college is to provide training in industry relevant employable technical and innovative skills for gainful employment and job creation through self-employment.

VISION

To be a world class centre of excellence in technical and vocational training.

MISSION

To produce highly skilled hands on middle level man-power for the global technical industry.

MANDATE

To train skill-oriented workforce that is suitable for further professional development through quality competency based technical and vocational education and training programs responsive to national and global industrial productivity.

CORE VALUE

At Ahmed Shahame Mwidani T.T.I we are committed to the following values:

- Honesty, integrity and accountability
- Quality leadership, innovativeness and creativity
- Professionalism
- Consultative decision making
- World class standards and programs
- Respect for gender, disability and human rights team spirit and discipline

I Key Entity Information and Management (Continued)

The Following are objectives and Functions

- To adopt new competence-based curriculum for artisan, certificate and diploma programmes.
- To increase infrastructure and physical facilities to respond to the expected influx of trainees due to reforms on education and training.
- To source and develop a pool of skilled, qualified and professional staff.
- To conduct research, innovation and Development to promote science and technology and innovation
- To strengthen good governance and effective management of the Institute.
- To diversify sources of and increase revenue.
- To develop linkages and collaborations.
- To continually equip workshops and laboratories with adequate and relevant equipment.

(c) Key Management

Ahmed Shahame Mwidani day-to-day management is under the following key organs:

- Board of Governors
- Accounting officer/ Principal
- Deputy Principal
- Finance Department
- Procurement Department
- Registrar
- Dean of Students

(d) Fiduciary Management

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

No.	Designation	Name
1.	Principal	Patrick M. King'oina
2.	Deputy Principal	Victor S Mchana
3.	Head of Finance	Elisha K Mrimi
4.	Head of Procurement	Patrick Mulati Wafula
5.	Ag. Registrar	Joseph Warighe
6.	Ag. Dean of Students	Alphonse Musila

(e) Fiduciary Oversight Arrangements

- (i) The Board of Directors
- (ii) The Finance and Human resource committee
- (iii) The Audit and risk committee
- (iv) The Technical & Academic Committee

Key Entity Information and Management (Continued)

(f) Entity Headquarters

P.O. Box 93800-80102
Airport Road, Changamwe
Mombasa, Kenya

(g) Entity Contacts

Telephone :(254)746748481/0739209337
E-mail: asmwidanitvc@gmail.com
: info@ahmedmwidanitvc.ac.ke
Website: www.ahmedmwidanitvc.ac.k

(h) Entity Bankers

1. Kenya Commercial Bank
Haile Selassie Avenue
P.O. Box 90254, Mombasa
City/Town: Mombasa
Email Address: treasurysqr@cb.co.ke

2. Kenya Commercial Bank
Changamwe Branch.
P.O. Box 93034-80102
Ngomo Multipurpose Building,
Airport Road Magongo.
Email: brmgrchangamwe@kcb.co.ke

3. Kenya Commercial Bank
Changamwe Branch.
P.O. Box 93034-80102
Ngomo Multipurpose Building,
Airport Road Magongo.
Email: brmgrchangamwe@kcb.co.ke





(i) Independent Auditors

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





(j) Principal Legal Adviser

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




II. The Council/Board of Governors

No.	Member/ Director	Details
1.	 JOSEPH T. NGUMA	Joseph T Nguma was born on 1956. He is currently the chairperson of the Board of Governor of the Institute. He has master experience in Consultancy and management having worked in public colleges and carrying out private consultation. He is a graduate in MBA (Strategic Management option) at University of Nairobi (UON) 2013. B.Ed. (second class Honours Science option) at UON between 1978-1981. Rtd training officer at Bandari Colleg
2.	 PETER MWANGI	Mr. Peter Mwangi was born in 1966. He is currently the county director TVET Mombasa County and by virtues of his office he is a Board member. He is a Holder of Masters in Education with an experience of over 30 years.
3.	 NANCY GATHIGIA MUNYIRI	Md. Nancy Gathigia was born in 1977. Currently she represents the office of Mombasa county Governor. She is a holder of bachelor of development studies, she is also working as an assistant Director Vocational Training in Mombasa county
4.	 Abderehman Abubakar Mohamed	Mr Abderehman Abubakar Mohamed was bone in 1986. He is currently a member of Board of Governors. He is a holder of Bachelor of Engineering in applied mechanical, 2012. He is a Field service manager at Davis & shirt liff Mombasa




II The Council/Board of Governors (Continued)

No.	Member/ Director	Details
5.	 Salma Mohamed Rashid	<p>Md. Salma Mohamed Rashid was born in 1979. She is currently a Board member of Ahmed s Mwidani TTI. She is a holder of Masters in Business administration (strategic Mgt) at JKUAT. She is also a CPA (K) holder and as a credit analyst Manager at Gulf African Bank Nairobi.</p>
6.	 Josephine Awour Miyonga	<p>Dr. Josephine Awour Miyonga was born in 1964. She is currently a Board member of Ahmed S Mwidani TTI. She is a holder of PhD in Business administration. She is a lecturer in the business Department at Pwani university</p>
7.	 Hussein Khalida Mwinyi	<p>Md. Hussein Khalida Mwinyi was borne in 1989. She is currently a member of Board of Governors. She is a holder of MSc. In business Administration pursued in Moi University. She is a private Consultant, and part time lecturer.</p>
8.	 Patrick Machoni King'oina	<p>Mr. Patrick Machoni King'oina was bone in 1963. He is currently the Principal of Ahmed Shahame Mwidani TTI. Is an experienced skilful, accomplished educationist with Administrative and technical support skills. He holds an MBA- Entrepreneurship Option from Moi University. He has over 30yrs experience in Teaching Management and Leadership positions. Has certificate of Strategic Leadership from Kenya School of Government. Is a board Member of Kenya Universities and Colleges Central Placement Service (KUCCPS) He has attended and participated in many conferences nationally and internationally. He served as a Registrar at Machakosi TTI, Deputy Principal for five years and Principal for six years at Coast Institute of Technology. He was KATTI chairman for Coast region from Feb 2015 to August 2017 and KATTI Deputy National Treasurer from Aug 2017 to Aug 2019. And currently he is the KATTI National Treasurer.</p>

III. Management Team

No.	Member/ Director	Details
1.	 PATRICK MACHONI KING'OINA (MBA-Entrepreneurship Option)	Chief Executive Officer/ Principal Secretary BOG.
2.	 VICTOR S. MCHANA (Masters in Finance & Economics)	DEPUTY PRINCIPAL
3.	 ELISHA K. MRIMI (Advanced Level-CPA)	ACCOUNTANT

III. Management Team (Continued)

No.	Member/Director	Details
4.	 JOSEPH M. WARIGHE (Bachelor Science in mathematics & computer science)	Ag. REGISTRER
5.	 PATRICK MULATI WAFULA (Diploma in Procurement)	PROCUREMENT
6.	 ALPHONCE MUSILA (Bachelor in Education)(power option)	Ag. DEAN OF STUDENTS

IV. Chairman's Statement

It is with great humility that I present the Annual Financial Report and Financial Statements for the Financial Year ended 30th June, 2022.

During the Financial Year the College recorded a high enrolment number of trainees in September intake compared to January and May intake.

The Mandate of the College is to train skill-oriented workforce that is suitable for further professional development through quality competency based technical and vocational education and training programs responsive to national and global industrial productivity.

The Vision of Ahmed Shahame Mwidani Technical and Vocational College is to be a world class Centre of excellence in technical and vocational training.

The College is establishing links and collaborations with other colleges, industrial partners, County Government, NG-CDF, Government Agencies and other stakeholders in order to realize its mandate.

I would like to appreciate the Government of Kenya for supporting TVET institutions through Recurrent Grants and Capitation, and also for mobilizing stakeholders and Industry to support Skills training in our college.

However the financial year was faced with shortage of funds due to lack of disbursement of fourth quarter capitation by the Ministry/Government.

The institution needs development funds for expansion of infrastructural facilities including workshops, online Learning Management System and software, tuition block and ablution block. The college is requesting for enhanced Development Grants which will enable the construction of the lacking infrastructures.

We are striving to offer good governance and higher levels of achievements with the continued support of all relevant stakeholders.

Signature: 

Date: 13/04/2023

JOSEPH TOMMY NGUMA

CHAIRMAN- AHMED SHAHAME MWIDANI T.T.I

V. Report of the Principal

Ahmed Shahame Mwidani Technical Training Institute is a Public College established under the Ministry of Education State Department of Technical and Vocational Training under the technical training institutions spread across the country to constituencies with none. The college is providing industrial relevant employable technical and innovative skills for job creation through self-employment. Ahmed Shahame Mwidani Technical Training Institute has a Vision to be a world class Centre of Excellence in Technical and Vocational Training.

In financial year ended 30th June 2022 the institution enrolled one hundred and thirty nine (139) trainees in September 2021 intake, forty seven (47) in January 2022 intake and sixty one in May 2022 intake, which make an overall intake of two hundred and forty seven (247) trainees in the entire period. During the period the institution received only three quarter capitations as follows first quarter Ksh. 1,575,000 for two hundred and ten trainees (210) second quarter Ksh. 1,575,000 for two hundred and ten trainees (210) and third quarter Ksh. 1,995,000 for two hundred and sixty six trainees (266). Therefore there was an increment of fifty six trainees in between first, second and third intake. The institution experienced some challenges due to lacking of disbursement of funds in the fourth quarter capitation which affected some activities not to take place.

Financial Performance:

The college realised a slightly increased revenue base, where the college received Kshs. 5,145,000 in Recurrent Capitation Grant and Operational grants Ksh 500,000 which accounted for 31.7% of the total revenue realised by the college while the rest 68.3% was realised through internally activities and trainees fees.

The college faces a shortage of class rooms and workshops as well as offices, Equipment and furniture to match the growing number of trainees' population.

Appreciation

On behalf of the College Board of Governors, I would like to thank the Government of Kenya through the Ministry of Education State Department of Vocational and Technical Training for their continued financial support.

Finally, I would like to thank the staff, the students, parents, sponsors and all other stakeholders for their cooperation which made it possible to run the institution during the financial year in review.


PRINCIPAL

VI. Statement of Performance against Predetermined Objectives

Ahmed Shahame Mwidani Technical Training Institute has Five (5) strategic pillars and objectives within its Strategic Plan for the FY 2018/2019- 2022/2023. These strategic pillars are as follows:

- Pillar 1: Mounting of new courses
- Pillar 2: Improve Examination pass rate
- Pillar 3: Industrial Linkages established
- Pillar 4: Mounting of blue economy courses
- Pillar 5: Science technology and innovation
- Pillar 6: Project Completion rate

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

Strategic Pillar		Objective	Key Performance Indicators	Activities	Achievements
Pillar 1:	Mounting of new courses	To introduce new courses	3	Research	2
Pillar 2	Improve Examination pass rate	To achieve the mission of the institution	80	Teaching theories and Practical's	64
Pillar 3:	Industrial Linkages established	To create relationship for attaching our trainees	5	Signing of agreements	8
Pillar 4:	Mounting of blue economy courses	To achieve Agenda 2063	2	Research	0
Pillar 5:	Science technology and innovation	To sustain the identity of the institution	100	Research	60
Pillar 6:	COVID-19 mitigation measures	To prevent spread of disease	100	Place prevention caution and washing points	95

VII. Corporate Governance Statement

According to the TVET Act 2013 Technical and Vocational Colleges are governed by Board of Governors appointed by the cabinet secretary.

The members of the Board of Governors are nominated by a selection panel and submitted to the Cabinet Secretary for approval and appointment.

The selection panel comprises of the chairperson and three other members as follows;

1. Chairman- County Director TVET
2. Secretary- Principal
3. Deputy county commissioner
4. Area Member of Parliament.

The selection panel nominates at least two people for all post except for representative of Principal Secretary and the representative of County Governor.

The Board of Governors nominated by the panel are then forwarded to the Cabinet Secretary for approval and appointment.

The tenure for Ahmed S. Mwidani T.T.I. BOG started on 14/10/2020 and it will expire on 14/10/2023.

During their tenure the BOG commit themselves to the service of Ahmed Shahame Mwidani Technical Training Institute and to uphold the tenets of good corporate governance by being innovative, transparent, accountable, and responsive as well as fairness in all their dealings.

VIII. Management Discussion and Analysis

The College operation is to inspire by the desire to offer the best service to customers in line with the core value of operational excellence in line with our strategic pillars. The institution operates in a highly regulated and competitive environment which requires it to innovate so as to remain relevant.

IX. Environmental and Sustainability Reporting Statement

Ahmed S. Mwidani technical training institute engaged in social responsibility to facilitate it's mission achievement.

Sustainability strategy and profile

The institute management has embarked on strategies aiming at improving revenue streams which critical in day to day operations.

These include:

- a) More students' enrolment.
- b) Strengthen and broaden production units.
- c) Introduce cost utility measures by utilizing the institute solar panels used for pumping water.
- d) Ensuring into partnerships with the industry and other donors for infrastructure expansion.

Environmental performance

In responding to the environmental protection, the college is;

- a) Currently in the process of coming up with the an environmental policy
- b) Greening the environment by planting trees(More fruits trees) to act as carbon sink
- c) Using of green energy by installing energy saving bulbs.
- d) Using waste bin at strategic points at the compound
- e) Using solar pump for pumping water from a borehole.

Employee welfare

On addressing employee welfare;

- a) There is a policy on safety.
- b) A safety committee in place with an appointed chairman
- c) An award and recognition committee in place
- d) Employees sponsored for relevant seminars and trainings.

Market place practices-

- a) *Responsible competition practice.*

Conducting root cause and investigations before determining whether punishment is required also contribute towards building a culture where fairness is perceived and where people can learn from their mistakes.

- b) The institution ensuring to maintain good business practises by:
Being transparent and accepting accountability in order to request orders from suppliers with acceptable lead time and without changers
The organisation maintains good business practices through fairness respect for others, keeping promise, law abiding and integrity.
- c) The institution is ensuring to maintain ethical marketing practises by:
 - a. Maximising benefits and minimising risks
 - b. Committing to sustainability and human rights
 - c. Being transparent
 - d. Protecting consumer data and privacy
 - e. Not making false comparison
- d) The institution is putting efforts to safeguard consumer rights and interests by:
 - a. Protect them from hazard to their health and safety
 - b. Availability of effective consumer redness.
 - c. Freedom to form group or union to present their views in decision making processes affecting them.

X. Corporate Social Responsibility / Community Engagements

- The institute has actively participated in forums organised for the surrounding community.
- Sensitisation meetings on opportunities available at the institute have been held in the college ground courtesy of the NG-CDF office.
- Two of the college support staff (cleaners) are from the local community. This has ensured good neighbourliness with the surrounding community.
- The institute is looking forward in community clean-up activities to sensitize on importance of waste management.

XI. Report of the Council/Board of Governors

The Board members submit their report together with the audited financial statements for the year ended

June 30, 2022 which show the state of Ahmed S. Mwidani T.T.I affairs.

During the financial year the board hold the various meetings

2022 ASMTTI Board meetings

Full board meetings

Date of the Ordinary Meeting		
	9/07/2021	21/01/2022
Joseph T Nguma	✓	✓
Abderehman A Mohamed	✓	×
Salma M Rashid	✓	✓
Khalida Hussein	✓	✓
Josephine Miyonga	✓	✓
Nancy Gathigia	✓	✓
Peter Mwangi	✓	×

Key Activities

- ❖ Approval of 2 and 3rd quarter capitation grants
- ❖ Approval of the revised Annual Budget for the FY 2021/2022
- ❖ Approval of the second quarter interim financial report

Finance & HR Committee

Date of the Ordinary Meeting		
	24/09/2021	27/01/2022
Josephine Miyonga	✓	✓
Nancy Gathigia	✓	✓
Peter Mwangi	✓	✓

Key Activities

- ❖ Review and deliberate the Annual Financial Statements as at 30th 2021
- ❖ Review and deliberate rates of allowances for staff
- ❖ Receiving considering and recommending to full board adoption the FY 2022/2023 Annual budget.

XI. Report of the Council/Board of Governors (continue)

Audit Committee

Date of the Ordinary Meeting		
	20/01/2022	16/06/2022
Salma M Rashid	✓	✓
Khalida Hussein	✓	✓
Peter Mwangi	✓	✓

Key Activities

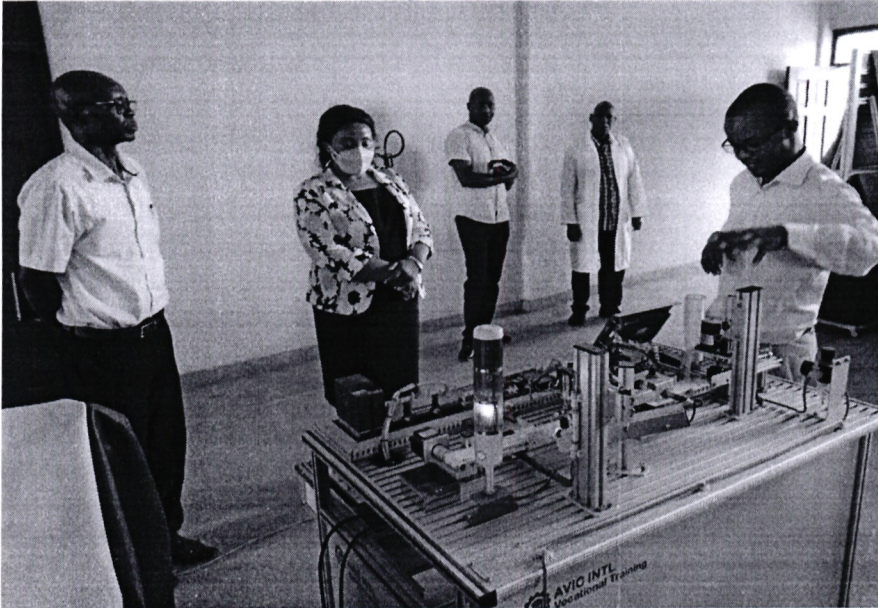
- ❖ Deliberating the Audit report for the last three years
- ❖ Review and recommend the internal control and overall internal audit report.

XI. Report of the Council/Board of Governors (continue)

Principal activities

The principal activity of the college is to provide training in industry relevant employable technical and innovative skills for gainful employment and job creation through self-employment

Mechatronic course offered by the institution.



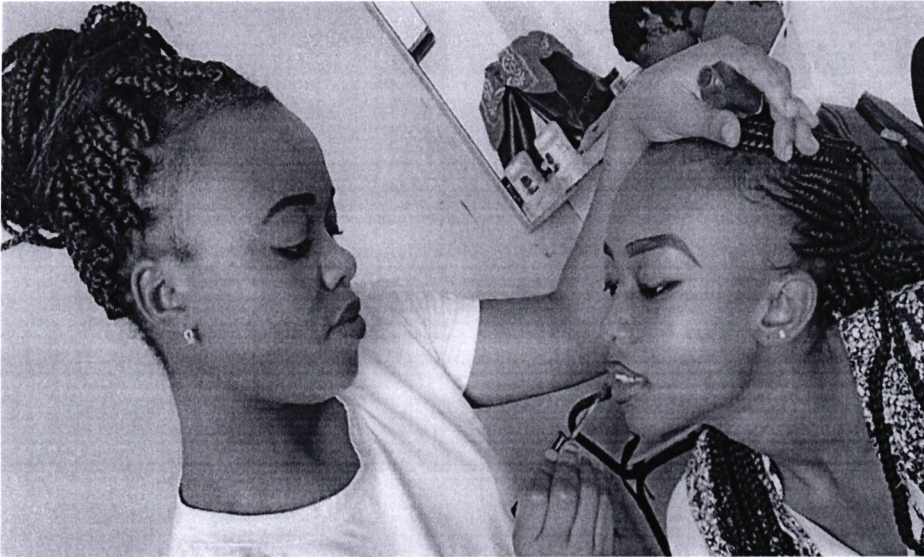
- During the year in review, the institution had the Principal Secretary of Vocation and Technical Training Dr. Margret Mwakima visiting the Mechatronics workshop which is used to train Level 5 and 6 Mechatronics technicians. At the centre is the PS to the left is the Deputy Principal of the institution and to the right is the HOD Mechanical engineering demonstrating the operation of the module.

Food and Beverage course offered by the institution.



- Food and Beverage department the PS visited during lunch hour and the college student president explain some challenges facing the institution to the PS.

XI. Report of the Council/Board of Governors (continue)
Principal activities (continue)



Hair dressing and beauty therapy

Results

The results of the entity for the year ended June 30 2022 are set out from page 1 to 4

Council/Board of Governors

The members of the Board of Governors who served during the year 2020/2022 are shown on page V to VI.

Auditors

The Auditor General is responsible for the statutory audit of Ahmed S. Mwidani T.T.I in accordance with the section 68 of the Public finance Management (PFM) Act 2012 section 38 and 39 of Public Act 2015 and Article 229 of Constitution of Kenya 2010 which empower the Auditor General to nominate other certified public Accountant to carry out on his behalf.

By Order of the Board

Patrick M. King'oina

.....
Secretary of the Board/Council
Nairobi.

Date:



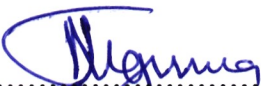
XII. Statement of Board of Governors Responsibilities


The Board of Governors are responsible for the preparation and presentation of the College's financial statements which give a true and fair view of the state of affairs of the college for and as at the end of the financial year ended on 30, June 2022. This responsibility includes; ensuring proper keeping of accounting records, installing of proper control of the institutional assets, and designing implementing and maintaining internal control relevant to the preparation and presentation of financial statements and ensuring that they are free from material misstatements whether due to error or frauds.

The Board accept responsibility for the College's financial statements, which have been prepared using appropriate accounting policies (accrual basis).

Approval of the financial statements

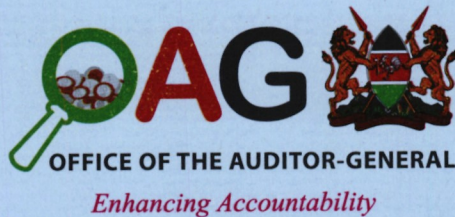
The institution's financial statements were approved by the Board on 13/04 /2023 and signed on its behalf by:


.....
Name **JOSEPH T. NGUMA**
Chairperson of the Board/Council


.....
Name **FABIEN N. KING'ONA**
Accounting Officer/Principal

REPUBLIC OF KENYA

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

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

PREAMBLE

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

- A. Report on the financial statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and 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 the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Ahmed Shahame Mwidani Technical Training Institute set out on pages 1 to 31, which comprise of the statement of financial position as at 30 June, 2022, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison

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

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Ahmed Shahame Mwidani Technical Training Institute as at 30 June, 2022, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Understated Depreciation Expense

The statement of financial performance reflects depreciation and amortization expense of Kshs.1,942,292 as disclosed Note 12 to the financial statements. As further disclosed in Note 17, the Institute is in possession and uses various assets of unknown value received from the Ministry of Education and donors. This indicates that the related depreciation expense is understated by undetermined amount.

In the circumstances, the accuracy and completeness of depreciation expense of Kshs.1,942,292 for the year ended 30 June, 2022 could not be confirmed.

2. Doubtful Receivables from Non-Exchange Transactions

The statement of financial position reflects receivables from non-exchange transactions of Kshs.13,075,553, as disclosed in Note 15 to the financial statements, out of which Kshs.12,891,768 is in respect of student debtors. As previously reported, this amount includes Kshs.4,750,550 relates to one hundred and ninety-five (195) students, who have completed their courses. The Management of the Institution explained that these were students who were sponsored by the County Government of Mombasa and reminded of the arrears vide a letter dated 19 May, 2021. The balance of Kshs.8,141,218 relates to outstanding fees for students directly registered by the Institute but have completed their courses. It was also noted that the institution does not maintain a list of the students who have completed their courses and still have fee balances. Further, the Institute does not have a debt management policy nor does it provide for provisions of bad and doubtful debts.

In the circumstances, the recoverability of receivables from exchange transactions of Kshs.12,891,768 as at 30 June, 2022 could not be confirmed.

3. Inaccurate and Unsupported Refundable Deposits from Students' Balances

As previously reported, the statement of financial position reflects refundable deposits from customers of Kshs.209,271 as disclosed in Note 21 to the financial statements. Records provided for audit review indicated that Management opened a separate deposit bank account for the refundable deposits. However, review of the refundable deposits for

the last two years revealed a decrease from Kshs.3,112,873 in the previous year to Kshs.209,271 in the current year which was not supported by refund to students.

In the circumstances, the accuracy of refundable deposits from students' balance of Kshs.209,271 as at 30 June, 2022 could not be confirmed.

4. Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.60,682,751 as disclosed in Note 17 to the financial statements. The following observations were made:

- i. Review of the property, plant and equipment schedule and assets register revealed that the Institution's land, fifty (50) desktop computers and several equipment received from the Ministry of Education and various donors and used by the Institute were of unknown value and therefore omitted from the financial statements as shown in the attached **Appendix**.
- ii. As previously reported, the Institute had no legal land ownership documents. The land, according to explanation by Management was owned by Kenya Airport Authority (KAA) which is a government institution that donated land to the Ministry of Education for the construction of the Institute. However, a section of the land claimed by the Institute was still occupied by encroachers.
- iii. Physical inspection of March, 2023, revealed that a three-classroom school had been constructed on the Institute land which Management explained was a donation. However, the claim was not supported.

In the circumstances, the, accuracy, completeness and ownership of the property, plant and equipment balance of Kshs.60,682,751 and the rights and obligations of the Institute to these assets as at 30 June, 2022, could not be confirmed.

5. Misstated Capital Fund Balance

The statement of financial position reflects a capital fund balance of Kshs.67,761,269. The amount represents the cost incurred in construction of the Institute by the mentor Institution of Kenya Coast National Polytechnic. However, analysis of the payment certificates provided for audit revealed a total of Kshs.58,312,786, resulting in a variance of Kshs.9,448,483 which was not explained nor reconciled. In addition, the Management failed to provide evidence of handover by the mentor institution.

Further, as disclosed in Note 17 to the financial statements, various assets were donated by the parent Ministry and donors to the Institute. However, the assets do not have values, an indication that the capital fund balance is understated.

In the circumstances, the accuracy and completeness of capital fund balance of Kshs.67,761,269 as at 30 June, 2022 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Ahmed Shahame Mwidani Technical Training Institute Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with

other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

Budgetary Controls and Performance

The statement of comparison of budget and actual amounts reflects total recurrent revenue budget and actual on comparable basis of Kshs.20,585,000 and Kshs.17,796,285 respectively, resulting in an under-funding of Kshs.2,788,715 (or 13.5%) of the budget. Similarly, the Institute expended Kshs.16,553,841 against a budget of Kshs.20,585,000, resulting in under-expenditure of Kshs.4,031,159 or 19.6% of the budget.

The under-funding and under -expenditure may have affected the planned activities and may have impacted negatively on service delivery to the students, staff and other stakeholders.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Use of Goods and Services - Irregular Procurement of Security Services

The statement of financial performance reflects use of goods and services of Kshs.10,325,466 as disclosed in Note 9 to the financial statements, out of which Kshs.835,200 is in respect of security services. However, requests for quotations indicating how the service provider was identified and awarded the tender were not provided for audit. The procurement records also indicate that tender evaluation was done in March, 2021 and the contract signed with the winning bidder on 30 April, 2021. However, the security firm wrote a letter on 12 May, 2021 to notify the Institute on change of company name without providing reasons for the change and registration documents.

In the circumstances, the propriety and legality of the security services expenditure of Kshs.835,200 for the year ended 30 June, 2022 could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

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

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

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

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

Those charged with governance are responsible for overseeing the Institute's financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and

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

Auditor-General's Responsibilities for the Audit

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

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

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the 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 going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Institute to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Institute to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

13 June, 2023

Appendix: Property, Plant and Equipment

No.	Asset Name	Received From	Date of Receipt	Quantity	Unit
1	Desktop computers	Ministry of Education	11 Feb 2018	20	Pieces
2	Laptops	Ministry of Education	11 Feb 2018	3	Pieces
3	Uninterruptable power supply	Ministry of Education	11 Feb 2018	20	Pieces
4	LCD projector with screens	Ministry of Education	11 Feb 2018	2	Pieces
5	LaserJet printer	Ministry of Education	11 Feb 2018	3	Pieces
6	Un-assemble industrial manipulator training device & accessories	Ministry of Education	03 Oct 2017	25	Pieces
7	Computer host	Ministry of Education	03 Oct 2017	25	Pieces
8	Computer monitors	Ministry of Education	03 Oct 2017	25	Pieces
9	Accessories	Ministry of Education	03 Oct 2017	6	Sets
10	Distribution box	Ministry of Education	03 Oct 2017	5	Sets
11	Construction material cable	Ministry of Education	03 Oct 2017	1045	Metre
12	Air compressor	Ministry of Education	03 Oct 2017	25	Pieces
13	Projector	Ministry of Education	03 Oct 2017	5	Sets
14	Manual hydraulic lifter	Ministry of Education	03 Oct 2017	1	Pieces
15	Manual hydraulic cart	Ministry of Education	03 Oct 2017	2	Pieces
16	UPS	Ministry of Education	03 Oct 2017	25	Pieces
17	Cabinet	Ministry of Education	03 Oct 2017	10	Pieces
18	Plastic trunking	Ministry of Education	03 Oct 2017	200	Metre
19	Steel trunking	Ministry of Education	03 Oct 2017	60	Metre
20	Operation manual	Ministry of Education	03 Oct 2017	36	Pieces
21	Hydraulic valve+pneumatic valve	Ministry of Education	03 Oct 2017	5	Sets
22	Hydraulic power unit	Ministry of Education	03 Oct 2017	5	Pieces
23	Board room table	Ministry of Education	15 Nov 2017	1	Pieces
24	Board room chairs	Ministry of Education	15 Nov 2017	10	Pieces
25	Principal's office desk	Ministry of Education	15 Nov 2017	1	Pieces
26	Principals executive seat	Ministry of Education	15 Nov 2017	1	Pieces
27	Filing cabinet	Ministry of Education	15 Nov 2017	1	Pieces
28	Computer table	Ministry of Education	15 Nov 2017	1	Pieces
29	Fireproof compact safe	Ministry of Education	15 Nov 2017	1	Pieces
30	Bookshelf	Ministry of Education	15 Nov 2017	1	Pieces
31	Visitors chairs	Ministry of Education	15 Nov 2017	6	Pieces
32	Staffroom writing tables	Ministry of Education	15 Nov 2017	10	Pieces
33	Staff chairs	Ministry of Education	15 Nov 2017	10	Pieces
34	Teachers desk with drawer	Ministry of Education	15 Nov 2017	10	Pieces

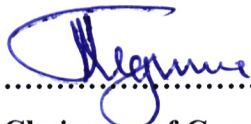
No.	Asset Name	Received From	Date of Receipt	Quantity	Unit
35	Classrooms chairs with armrest	Ministry of Education	15 Nov 2017	80	Pieces
36	Generator	Ministry of Education		1	Pieces
37	Multimeter	Ministry of Education	3 Oct 2019	20	Pieces
38	Tool kits	Ministry of Education	3 Oct 2019	40	Sets
39	Land	Ministry of Education		Unknown	Acres
40	Other Assorted Items	Various Donors	Not Indicated	128	Pieces

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

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from National Government entities	6	5,645,000	4,927,500
		5,645,000	4,927,500
Revenue from Exchange transactions			
Rendering of services- fees from students	7	10,465,945	6,827,370
Other income	8	1,692,440	136,537
Revenue from Exchange transactions		12,158,385	6,963,907
Total Revenue		17,803,385	11,891,407
Expenses			
Use of goods and services	9	10,325,466	3,697,513
Employee costs	10	3,053,074	2,381,898
Board /Council Expenses	11	766,780	1,161,141
Depreciation and amortization expense	12	1,942,292	1,923,218
Repairs and maintenance	13	466,228	499,006
Total Expenses		16,553,841	9,662,776
Other Gains/(Losses)			
Net surplus for the year		1,249,544	2,228,632

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

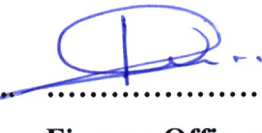
The Financial Statements set out on pages 1 to 4 were signed by:



Chairman of Council/Board

Date

13/04/2023



Finance Officer

ICPAK No

Date

13/04/2023



Principal

Date

13 APR 2023



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

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	14	5,681,906	1,898,291
Receivables from non-exchange transactions	15	13,075,553	12,976,933
Inventories	16	801,714	207,407
		19,559,174	15,082,632
Non-Current Assets			
Property, plant, and equipment	17	60,682,751	62,625,043
Mentored Institution Projects/works	18	40,701,025	29,504,476
Intangible assets	19	2,032,608	2,032,608
Total Non-Current Assets		103,416,384	94,162,127
Total Assets		122,975,557	109,244,759
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	20	2,882,612	3,523,195
Refundable deposits from customers	21	209,271	3,112,873
Payments received in advance	22	5,402,040	4,864,115
Total Current Liabilities		8,493,923	12,053,197
Total Liabilities		8,493,923	12,053,197
Net Assets		114,481,634	97,744,576
Mentored Institution Grants	23	45,545,004	30,057,490
Accumulated Surplus		1,175,361	-74,183
Capital Fund		67,761,269	67,761,269
Total Net Assets and Liabilities		122,975,557	109,244,759

The Financial Statements set out on pages 1 to 4 were signed by:

.....
Chairman of Council/Board

.....
Finance Officer

.....
Principal

ICPAK No

ICPAK No

ICPAK No

Date 13/04/2023

Date 13/04/23

Date



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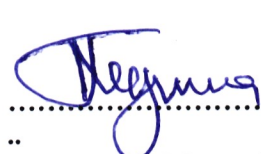
XVI. Statement of Changes in Net Asset for the year ended 30 June 2022

Description	Mentored Tvc Funds	Fair value adjustment reserve	Retained earnings	Capital/ Development Grants/Fund	Total
At July 1, 2020	10,005,000		(2,302,815)	67,761,269	75,463,454
Development Grants-Matuga Tvc	20,052,490				20,052,490
Fair value adjustment on quoted investments					
Total comprehensive income			2,228,632		2,228,632
At June 30, 2021	30,057,490		(74,183)	67,761,269	97,744,576
At July 1, 2021	30,057,490		(74,183)	67,761,269	97,744,576
Development Grants-Matuga Tvc	15,487,514				
Fair value adjustment on quoted investments					
Total comprehensive income			1,249,544		1,249,544
At June 30, 2022	45,545,004		1,175,361	67,761,269	114,481,634

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

Description	Note	2021-2022	2020-2021
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other government entities/govt. Grants	6	5645,000	4,927,500
Rendering of services- fees from students		7,616,419	4,619,515
Mentored Institution - Grants	23	15,487,514	
Income from thirty party account (3)		97,800	
Other income		4,581,557	1,919,095
Total Receipts		33,428,290	11,466,110
Payments			
Compensation of employees	10	3,053,074	2,381,898
Use of goods and services		14,558,172	4,872,259
Board /Council Expenses	11	766,780	1,161,141
Repair, Maintenance and Improvement		44,570	19,000
Mentorship payment of certificate	17	11,196,549	
Payment of caution money and students council		25,530	
Total Payments		29,644,675	8,434,298
Net Cash Flows from operating activities		3,783,615	3,031,812
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets			(1,406,358)
Matuga A/c 2			(916,475)
Third Part A/c 3			
Net cash flows used in investing activities		-	(2,322,833)
Net Increase/(Decrease) in Cash and Cash equivalents		3,783,615	708,979
Cash and Cash equivalents at 1 JULY	14	1,898,291	1,189,313
Cash and Cash equivalents at 30 JUNE	14	5,681,906	1,898,292

The Financial Statements set out on pages 1 to 4 were signed by:



Chairman of Council/Board

Date

13/04/2023



Finance Officer

ICPAK No

Date

13/04/23



Principal

Date

13 APR 2023



Ahmed Shahame Mwidani Technical Training Institute
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XVIII. Statement of Comparison of Budget & Actual amounts for the year ended 30 June 2022

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference	Notes Ref. No.
	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022	
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%	
Capitation grants	7,500,000		7,500,000	5,145,000	(2,355,000)	-31%	a
Operational grants	2,000,000		2,000,000	500,000	(1,500,000)	-75%	b
Rendering of services- fees from students	10,405,000		10,405,000	10,465,945	60,945	1%	
Other income	680,000	-	680,000	1,685,340	1,005,340	148%	c
Total Income	20,585,000	-	20,585,000	17,796,285	-		
Expenses							
Compensation of employees	6,682,440	(600,000)	6,082,440	3,053,074	(3,029,366)	-50%	d
Use of goods and services	10,902,560	1,600,000	12,502,560	10,339,221	(2,163,339)	-17%	e
Remuneration of directors	2,400,000	(1,000,000)	1,400,000	766,780	(633,220)	-45%	f
Repair, maintenance and improvement	600,000	-	600,000	466,228	(133,772)	-22%	g
Depreciation				1,942,292			
Total Expenditure	20,585,000	-	-	16,567,596	-		
Surplus For the Period	-	-	-	1,228,689	-		

(Budget notes)

- a. The movement was due to failure of disbursement of fourth quarter capitation.
- b. The movement was to surpass of the minimum number of students for an institution to benefit of operational grants
- c. The positive movement was due to an opportunity given to host TVet fair event where all participated institution contributed through our institution.
- d. The movement was due to un-employment of the post budgeted during the year due to funds constraints
- e. The movement of -17% was due to insufficient funds to enable the institution to consume the budget
- f. The movement was due to financial challenges that limit the number of board meeting to be held during the financial year.
- g. The movement of -22% was attained due funds challenge

Note: The adjustment of budget was due to exhaustion of some vote heads and other vote heads were not used 50% used by the end of the year.

XIX. Notes to the Financial Statements

1. General Information

Ahmed S Mwidani T.T.I is established by and derives its authority and accountability from Tvet Act 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The institution's principal activity is presented in roman (ii)

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the institution's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 6.

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

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

XIX. Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

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

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

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

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Standard	Effective date and impact:
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the Entity;</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
<p>Other improvements to IPSAS</p>	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i>

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Standard	Effective date and impact:
	<p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

iii. Early adoption of standards

Ahmed S Mwidani T.T.I did not early-adopt any new or amended standards in year 2022.

XIX. Notes to the Financial Statements (Continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

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

Sale of goods

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

XIX. Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

b) Budget information

The original budget for FY 2021/2022 was approved by the Council or Board on **26/01/2021**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of figures on the FY 2021/2022 budget following the Council/ Board's approval.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section one (1) of these financial statements.

c) Taxes

Current income tax

The institution is exempt from paying taxes as per schedule income tax of the financial Act cap 470.

Sales tax/ Value Added Tax

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

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

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

XIX. Notes to the Financial Statements (Continued)

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 entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

XIX. Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

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 and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite

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 institution.

The institution use straight line method of depreciation for assets. The rate used to depreciate the assets is:

- | | |
|-------------------------|---------|
| ➤ Building | 2.5%pa |
| ➤ Equipment & Furniture | 12.5%pa |
| ➤ Computer Software | 33.3%pa |

XIX. Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

g) Changes in accounting policies and estimates

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

h) Employee benefits

Retirement benefit plans

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

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

i) Related parties

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

j) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

k) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2022.

XIX. Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

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

Useful lives and residual values

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

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

XIX. Notes to the Financial Statements (Continued)

6. Transfers from National Government Ministry of Education (TVET)

Description	2021-2022	2020-2021
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	5145,000	3,427,500
Operational Grant	500,000	1,500,000
Total unconditional Grants	5,645,000	4,927,500
Conditional Grants		
Development Grants- Matuga TVC	15,487,514	
Total Government Grants and Subsidies	21,132,514	4,927,500

ASMTTI received Capitation Grants totalling 5,145,000 and Operational Grants of Kshs. 500,000 from the Ministry of Education (TVET). Kshs. 15,487,514 was received from the same Ministry for use in mentoring Matuga TVC.

(a) Transfers from Ministry of Education (TVET)

Name Of The Entity Sending The Grant	Amount recognized to Statement of Comprehensive Income Kshs	Amount deferred under deferred income Kshs	Amount recognised in capital fund.	Total grant income during the year	2020-2021
			Kshs	Kshs	Kshs
Ministry of Education (TVET)	5,645,000			5,645,000	4,927,500
Total	5,645,000			5,645,000	4,927,500

7. Rendering of Services

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition Fees	7,448,372	5,026,210
Activity Fees	752,753	476,455
Examination Fees	2,225,020	1,297,905
Registration Fees	39,800	26,800
Total Revenue from The Rendering Of Services	10,465,945	6,827,370

The collection is mainly from trainees

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XIX. Notes to the Financial Statements (Continued)

8. Other Income

Description	2021-2022	2020-2021
	Kshs	Kshs
Income Generating Activity	1,649,840	104,337
Application Fees	42,600	32,200
Total other income	1,692,440	136,537

9. Use Of Goods And Services

Description	2021-2022	2020-2021
	Kshs	Kshs
Teaching and learning materials	1,782,257	97,545
Administrative Expenses	1,091,020.60	796,202
Electricity and Water	256,312	219,935
Printing and stationery	280,040	190,279
Security	835,200	739,200
Nita Training Levy	26,350	54,910
Subscriptions	60,000	180,000
Advertising	157,076	27,250
Staff Capacity Building	799,800	545,140
Travelling and accommodation	2,080,210	642,311
Telephone & Internet	646,300.74	204,741
Tvet Fair	1,537,188	
Performance Contracting	67,940	
Audit fees	330,000	
Student Activity Cost	375,771	
Total good and services	10,325,466	3,697,513

10. Employee Costs

Description	2021-2022	2020-2021
	Kshs	Kshs
Salaries and wages	2,904,868.44	2,248,690
Employee related costs - contributions to pensions and medical aids	148,206	133,208
Employee Costs	3,053,074	2,381,898

11. Board/Council Expenses

Description	2021-2022	2020-2021
	Kshs	Kshs
Directors Emoluments	766,780	1,161,141
Total	766,780	1,161,141

XIX. Notes to the Financial Statements (Continued)

12. Depreciation and Amortization expense

Description	2021-2022	2020-2021
	Kshs	Kshs
Property, plant and equipment	1,942,292	1,915,082
Intangible assets		8,136
Total depreciation and amortization	1,942,292	1,923,218

13. Repairs and Maintenance

Description	2021-2022	2020-2021
	Kshs	Kshs
Property	466,228	499,006
Total Repairs and Maintenance	466,228	499,006

14. Cash and Cash Equivalents

Description	2021-2022	2020-2021
	Kshs	Kshs
Current Account	763,444.17	1,330,054
Deposit A/c 2	4,843,979.10	553,014
Third part A/c 3	72,270	
Cash in Hand	2,213.20	15,223
Total Cash and Cash Equivalents	5,681,906	1,898,291

14 (a). Detailed Analysis of Cash and Cash equivalents

Financial Institution	Account number	2021-2022	2020-2021
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1215853955	763,444.17	1,330,054.22
Cash in Hand	1215853955	2,213.20	15,223
Sub- Total		765,657.37	1,345,277.22
b) Development Account A/c 2			
Kenya Commercial Bank	1259542408	4,843,979.10	553,014.15
Sub- Total		4,843,979.10	553,014.15
c) Fixed Deposits Account			
Kenya Commercial Bank	1285264533	72,270	-
Sub- Total		72,270	-
Grand Total		5,681,906	1,898,291

XIX. Notes to the Financial Statements (Continued)

15. Receivables from Exchange transactions

27(a) Current Receivables from Exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Current Receivables		
Student Debtors	12,891,768	12,797,869
Advance salary	85,700	99,000
Other Exchange Debtors	98,085	80,064
Total Current Receivables	13,075,553	12,976,933

16. Inventories

Description	2021-2022	2020-2021
	Kshs	Kshs
Consumable stores	801,714	207,407
Total Inventories at lower of Cost and Net Realizable Value	801,714	207,407

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XIX. Notes to the Financial Statements (Continued)**

17. Property, Plant and Equipment

Cost	Buildings	Furniture and fittings	Plant and equipment	Work In Progress	Total
	Kshs	Kshs	Kshs		Kshs
At 1 July 2020	68,989,768	933,150	516,990	8,111,074	70,439,908
Additions		217,725	72,500	21,393,402	290,225
At 30 th June 2021	68,989,768	1,150,875	589,490	29,504,476	70,730,133
Additions				11,196,548	
At 30 th June 2022	68,989,768	1,150,875	589,490	40,701,025	70,730,133
Depreciation And Impairment					
At 1 July 2020	(5,829,508)	(239,309)	(121,191)		(6,190,008)
Depreciation	(1,724,744)	(123,448)	(66,890)		(1,915,082)
Impairment					
At 30 June 2021	(7,554,252)	(362,757)	(188,081)		(8,105,090)
Depreciation	(1,724,744)	(143,860)	(73,688)		(1,942,292)
Disposals					
At 30 th June 2022	(9,278,996)	(506,617)	(261,769)		(10,047,382)
Net Book Values					
At 30 th June 2022	59,710,772	644,258	327,721	40,701,025	60,682,751
At 30 th June 2021	61,435,516	788,118	401,409	29,504,476	62,625,043

Note:

- Ahmed S Mwidani tech. has Work in Progress for Mentored institute (Matuga TVC).
- Ahmed S Mwidani tech. owns several Assets that have no values. Below are the list of the Assets from ministry of Education and other Donors

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XIX. Notes to the Financial Statements (Continued)

17 Property, Plant and Equipment (Continued)

LIST OF ASSETS SUPPLIED BY MINISTRY OF EDUCATION.

S/ N	ASSET NAME	SUPPLIER NAME	DATE OF PURCHASE	QUANTITY	UNIT	CO ST
1	DESKTOP COMPUTERS	MINISTRY OF EDUCATION	11/02/2018	20	PCS	
2	LAPTOPS	MINISTRY OF EDUCATION	11/02/2018	3	PCS	
3	UNINTERRUPTIBLE POWER SUPPLY	MINISTRY OF EDUCATION	11/02/2018	20	PCS	
4	LCD PROJECTOR WITH SCREENS	MINISTRY OF EDUCATION	11/02/2018	2	PCS	
5	LASERJET PRINTER	MINISTRY OF EDUCATION	11/02/2018	3	PCS	
6	UN-ASSEMBLE INDUSTRIAL MANIPULATOR TRAINING DEVICE & ACCESSORIES	MINISTRY OF EDUCATION	3/10/207	25	PCS	
7	COMPUTER HOST	MINISTRY OF EDUCATION	3/10/2017	25	PCS	
8	COMPUTER MONITORS	MINISTRY OF EDUCATION	3/10/2017	25	PCS	
9	MULTIMETER	MINISTRY OF EDUCATION	3/10/2019	20	PCS	
10	TOOL KITS	MINISTRY OF EDUCATION	3/10/2019	40	SETS	
11	ACCESSORIES	MINISTRY OF EDUCATION	3/10/2017	6	SETS	
12	DISTRIBUTION BOX	MINISTRY OF EDUCATION	3/10/2017	5	SETS	
13	CONSTRUCTION MATERIAL CABLE	MINISTRY OF EDUCATION	3/10/2017	1045	M	
14	AIR COMPRESSOR	MINISTRY OF EDUCATION	3/10/2017	25	PCS	
15	PROJECTOR	MINISTRY OF EDUCATION	3/10/2017	5	SETS	
16	MANUAL HYDRAULIC LIFTER	MINISTRY OF EDUCATION	3/10/2017	1	PC	
17	MANUAL HYDRAULIC CART	MINISTRY OF EDUCATION	3/10/2017	2	PCS	
18	UPS	MINISTRY OF EDUCATION	3/10/2017	25	PCS	
19	CABINET	MINISTRY OF EDUCATION	3/10/2017	10	PCS	
20	PLASTIC TRUNKING	MINISTRY OF EDUCATION	3/10/2017	200	M	

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XIX. Notes to the Financial Statements (Continued)
 17 Property, Plant and Equipment (Continued)

LIST OF ASSETS SUPPLIED BY MINISTRY OF EDUCATION (Continued)

S/ N	ASSET NAME	SUPPLIER NAME	DATE OF PURCHASE	QUALITY	UNIT	COST
21	STEEL TRUNKING	MINISTRY OF EDUCATION	3/10/2017	60	M	
22	OPERATION MANUAL	MINISTRY OF EDUCATION	3/10/2017	36	PCS	
23	HYDRAULIC VALVE+PNEMATIC VALVE	MINISTRY OF EDUCATION	3/10/2017	5	SETS	
24	HYDRAULIC POWER UNIT	MINISTRY OF EDUCATION	3/10/2017	5	PCS	
25	BOARD ROOM TABLE	MINISTRY OF EDUCATION	15/11/2017	1	PC	
26	BOARD ROOM CHAIRS	MINISTRY OF EDUCATION	15/11/2017	10	PCS	
27	PRINCIPALS OFFICE DESK	MINISTRY OF EDUCATION	15/11/2017	1	PC	
28	PRINCIPALS EXECUTIVE SEAT	MINISTRY OF EDUCATION	15/11/2017	1	PC	
29	FILING CABINET	MINISTRY OF EDUCATION	15/11/2017	1	PC	
30	COMPUTER TABLE	MINISTRY OF EDUCATION	15/11/2017	1	PC	
31	FIREPROOF COMPACT SAFE	MINISTRY OF EDUCATION	15/11/2017	1	PC	
32	BOOKSHELF	MINISTRY OF EDUCATION	15/11/2017	1	PC	
33	VISITORS CHAIRS	MINISTRY OF EDUCATION	15/11/2017	6	PCS	
34	STAFFROOM WRITING TABLES	MINISTRY OF EDUCATION	15/11/2017	10	PCS	
35	STAFF CHAIRS	MINISTRY OF EDUCATION	15/11/2017	10	PCS	
36	TEACHERS DESK WITH DRAWER	MINISTRY OF EDUCATION	15/11/2017	10	PCS	
37	CLASSROOMS CHAIRS WITH ARMREST	MINISTRY OF EDUCATION	15/11/2017	80	PCS	
38	GENERATOR	MINISTRY OF EDUCATION	15/11/2017	1	PC	
39	LAND				ACRES	

XIX. Notes to the Financial Statements (Continued)

17 Property, Plant and Equipment (Continued)

LIST OF DONATED ITEMS

S#	DESCRIPTION	QTY	DONOR
01	Saloon car (grey color)-KBM 898U	01 PC	Hon.Omar Mwinyi, MP Changamwe
02	Air conditioner	07 pcs	Hon.Omar Mwinyi, MP Changamwe
03	Fridge small	01 pc	Hon.Omar Mwinyi, MP Changamwe
04	Monitors	05 pcs	Hon.Omar Mwinyi, MP Changamwe
05	Photocopier machine	01 pc	Hon.Omar Mwinyi, MP Changamwe
06	CPU	01 pc	Hon.Omar Mwinyi, MP Changamwe
07	Fridge large	01 pc	B.O.G chairman-ASMTTI
08	Fridge small	01 pc	Principal –ASMTTI
09	Leadership in technical education	10pcs	Indesols limited
10	Holistic & turnkey education solutions	18pcs	Indesols limited
11	Fluid power-learning systems	4pcs	Indesols limited
12	Electronics &Electrical Engineering	2pcs	Indesols limited
13	Lab volt series training systems	3pcs	Indesols limited
14	Electricity & electronics	3pcs	Indesols limited
15	Qualification for industry 4.0	15pcs	Indesols limited
16	Integrative system	2pcs	Indesols limited

XIX. Notes to the Financial Statements (Continued)

17 Properties, Plant and Equipment (Continued)

LIST OF DONATED ITEMS (Continued)

17	Stainless steel tables	3pcs	Vtti Kenya limited
18	White boards	2pcs	Vtti Kenya limited
19	Flood lights	1pc	Vtti Kenya limited
20	Servers	3pcs	Vtti Kenya limited
21	Compressor	1pc	Vtti Kenya limited
22	Hard disks	8pcs	Vtti Kenya limited
23	Flood lights	10pcs	Vtti Kenya limited
24	Servers	06pcs	Vtti Kenya limited
25	Server power back up	01pc	Vtti Kenya limited
26	Table	01pc	Vtti Kenya limited
27	Submersible pump	01pc	Vtti Kenya limited
28	Bulbs large round	04pcs	Vtti Kenya limited
29	Fluorescent lamp holder	06pcs	Vtti Kenya limited
30	Fluorescent tubes	06pcs	Vtti Kenya limited

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XIX. Notes to the Financial Statements (Continued)

17 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Buildings	68,989,768	9,278,996	59,710,772
Plant And Machinery	589,490	261,769	327,721
Office Equipment, Furniture, And Fittings	1,150,875	506,617	644,258
Total	70,730,133	10,047,382	60,682,751

18. Mentored Institution Projects/works

	Matuga TVC	Totals
Cost	Kshs.	Kshs.
As at 1st July 2020	8,111,074	8,111,074
Additional certificates	20,794,920.25	20,794,920.25
Other expenses(site visit cost)	598,482	598,482
As at 30th June 2021	29,504,476.25	29,504,476.25
Additional Certificates	11,038,780	11,038,780
Other expenses(site visit cost)	157,768	157,768
As at 30th June 2022	40,701,024.25	40,701,024.25

19. Intangible Assets

Description	2021-2022	2020-2021
	Kshs	Kshs
Cost		
At beginning of the year	2,056,968	24,360
Additions	-	2,032,608
At end of the year	2,056,968	2,056,968
Additions–internal development	-	-
At end of the year	2,056,968	2056968
Amortization and impairment		
At beginning of the year	24,360	16,112
Amortization	-	8,136
At end of the year	24,360	24,360
Impairment loss	-	-
At end of the year	24,360	24,360
NBV	2,032,608	2,032,608

XIX. Notes to the Financial Statements (Continued)

20. Trade and Other Payables from Exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade payables	2,810,342.14	3,523,195
Third-Party A/c 3	72,270	-
Total Trade and Other Payables	2,882,612	3,523,195

21. Refundable Deposits from Customers/Students

Description	2021-2022	2020-2021
	Kshs	Kshs
Students	209,271	3,112,873
Total Deposits	209,271	3,112,873

22. Payment Received in Advance

Description	2021-2022	2020-2021
	Kshs	Kshs
Students fees	5,402,040	4,864,115
Total Deposits	5,402,040	4,864,115

23. Mentored Institutions Grants

Cost	Matuga TVC	Total
	Kshs.	Kshs.
At 1st July 2020	10,005,000	10,005,000
Grants from MoE tvet – Matuga tvc	20,000,000	20,000,000
Interest from fixed amount	52,490	52,490
At 30th June 2021	30,057,490	30,057,490
Grants from MoE tvet – Matuga tvc	15,487,514	15,487,514
At 30th June 2022	45,545,004	45,545,004

XIX. Notes to the Financial Statements (Continued)

24. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	2021-2022	2020-2021
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	148,206	-	-	148,206	133,208
Total Employee Benefits Obligation	148,206	-	-	148,206	133,208

Retirement benefit Asset/ Liability

The institution based on contribution to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The institution's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at 6% per employee per monthly salary and the employer the same. No other obligation entered with the employees.

25. Cash generated from operations

	2021-2022	2020-2021
	Kshs	Kshs
Surplus for the year before tax		
Adjusted for:	1,249,544	2,228,632
Depreciation	1,942,292	1,923,218
Working Capital Adjustments		
Increase in Inventory	(594,307)	-
Increase in Receivables	(98,620)	(1,791,407)
Increase in Payables	1,284,705	664,269
Net Cash Flow from Operating Activities	3,783,614	3,031,812

26. Financial Risk Management

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

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

XIX. Notes to the Financial Statements (Continued)

24. Financial Risk Management (Continued)

(i) Credit risk

The entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount Kshs	Fully performin g Kshs	Past due Kshs	Impaired Kshs
At 30 June 2021				
Receivables from exchange transactions	12,961,933			12,961,933
Bank balances (operational A/c)	1,330,054.22			1,330,054.22
Bank balances (Development A/c)	553,014.15			553,014.15
Total	14,845,001.37			14,845,001.37
At 30 June 2022				
Receivables from exchange transactions	12,891,768			12,891,768
Bank balances (operational A/c)	763,444.17			763,444.17
Bank balances (Development A/c)	4,843,979.10			4,843,979.10
Bank balances (Third party A/c)	72,270			72,270
Total	18,571,461.27			18,571,461.27

XIX. Notes to the Financial Statements (Continued)

IV) Capital Risk Management

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Accumulated Surplus	1,175,361	(74,183)
Capital Reserve	-	-
Total Funds	1,175,361	(74,183)
Total Borrowings	-	-
Less: Cash and Bank Balances	5,681,906	1,898,291
Net Debt/(Excess Cash and Cash Equivalents)	(5,681,906)	(1,898,291)
Gearing	483.42%	2,559%

27. Related Party Balances

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder of the institution, holding 100% of the institution's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

- i) The National Government;
- ii) The Parent Ministry;
- iii) Board of Governors
- iv) Accounting Officer/Principal
- v) Financial Department
- vi) Procurement Department

XIX. Notes to the Financial Statements (Continued)

28. Events After The Reporting Period

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

29. Ultimate And Holding Entity

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

30. Currency

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

**Ahmed Shahame Mwidani Technical Training Institute
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XX. Appendices

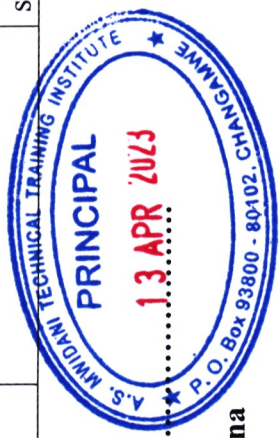
Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
MSA/ASMTTI/2020/2021(2)	Inaccuracies in PPE	Institute will hire a valurer when funds are available.	Note Solved	N/A
MSA/ASMTTI/2020/2021(2)	Inaccuracies in Capital Funds	Management has put an effort to get the missing certificates from mentor institution (KCNP)	Note Solved	N/A
MSA/ASMTTI/2020/2021(2)	Inaccuracies in Depreciation and Amortization	Institute will hire a valurer when funds are available.	Note Solved	N/A
MSA/ASMTTI/2020/2021(2)	Receivable from exchange transactions	Management has draft debt management policy which is waiting the Board for approval	Note Solved	N/A
MSA/ASMTTI/2020/2021(2)	Lack of Segregation of duties	Management has put in place contractual staff in accounts office as it looks forward to contract another staff in procurement office.	Solved	N/A

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Name Patrick M King'oina
Accounting Officer
Ahmed S Mwidani T.T.I.



Date

**Ahmed Shahame Mwidani Technical Training Institute
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Appendix II: Projects Implemented by Ahmed S Mwidani TTI

Projects

Projects implemented/mentored by Ahmed S Mwidani TTI. Funded by Government of Kenya.

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
MATUGA TVC	1	GOK	12Month		No	Yes

Status of Projects completion

(Summarise the status of project completion at the end of each quarter, i.e. total costs incurred, stage which the project is etc)

Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1 MATUGA TVC	57,774,572.50	39,944,775.1	69	-	-	GOK

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Appendix III- Inter-Entity Confirmation Letter



Ahmed Shahame Mwidani Technical



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0746748481
Website:
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P.O.BOX 93800 – 80102
MOMBASA
Email:
info@ahmedmwidanitvc.ac.ke
asmwidanitvc@gmail.com



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

Confirmation of amounts received by Ahmed Shahame Mwidani T.T.I as at 30th June 2022

Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30th June 2022			Amount Received by Ahmed Shahame Mwidani T.T.I (KShs) as at 30 th June 2021 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)		
MOE/DTE/CAP 9/26(1)	07/07/2021	500,000	-	-	500,000	-1,000,000
MOE/DTE/CAP 9/28(1)	18/11/2021	1,575,000	-	-	1,575,000	270,000
MOE/DTE/CAP 9/30(1)	02/03/2022	1,575,000	-	-	1,575,000	465,000
MOE/DTE/CAP 9/33(1)	03/06/2022	1,995,000	-	-	1,995,000	9,82,500
Total					5,645,000	717,5000

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

Head of Accountants department of beneficiary Institution:

Name Elishe Mriimi Sign [Signature] Date 13/06/2023