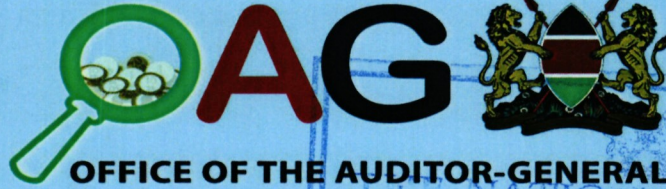


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

PARLIAMENT
OF KENYA
LIBRARY

THE NATIONAL ASSEMBLY

DATE: 01 MAR 2022

DAY: TUE

TABLED BY: LOM

CLERK-AT: G. Chebet.

REPORT

OF

THE AUDITOR-GENERAL

ON

**AHMED SHAHAME MWIDANI TECHNICAL
TRAINING INSTITUTE**

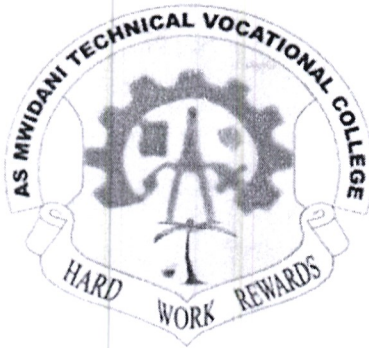
**FOR THE YEAR ENDED
30 JUNE, 2020**

OFFICE OF THE AUDITOR GENERAL
P. O. Box 95202, MOMBASA

June -2020

02 FEB 2021

RECEIVED
COAST HUB



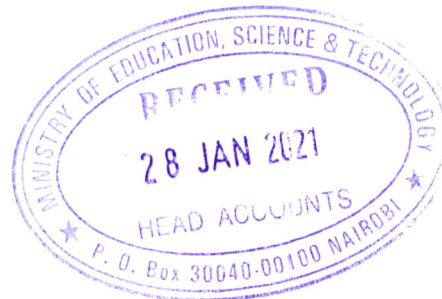
International Public Sector Accounting Standards (IPSAS)
Annual Financial Reporting Template for
Technical Vocational Education Training (TVET)

AHMED SHAHAME MWIDANI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30TH JUNE 2020**

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



AHMED SHAHAME MWIDANI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

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AHMED SHAHAME MWIDANI TECHNICAL TRAINING INSTITUTE
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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

AHMED SHAHAME MWIDANI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
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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 2020 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Stephen Ngome Gofwah
2.	Deputy Principal	Samira Soud Abdallah
3.	Head of Finance	Peter Ochieng Omwago
4.	Head of Procurement	Patrick Mulati Wafula
5.	Registrar	Victor S. Mchana
6.	Dean of Students	Alphonse Musila

(e) Fiduciary Oversight Arrangements

- (i) The Board of Directors
- (ii) The Finance and Human resource committee
- (iii) Infrastructure Committee
- (iv) Technical Committee

AHMED SHAHAME MWIDANI TECHNICAL TRAINING INSTITUTE
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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.ke

(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

(i) Independent Auditors




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

(j) Principal Legal Adviser

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




AHMED SHAHAME MWIDANI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

THE BOARD OF GOVERNORS

PASSPORT SIZE AND NAME	DETAILED INFORMATION
 <p data-bbox="220 936 558 965">1. JOSEPH T. NGUMA</p>	<p data-bbox="671 577 1458 837">Mr Joseph Tommy Nguma was born on 1956. He is currently the chairperson of the Board of Governor of the technical. 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.</p>
 <p data-bbox="229 1352 592 1382">2. AISHA SAIDI RASHID</p>	<p data-bbox="671 1093 1458 1267">Mrs Aisha was born on 1956. She is currently a member of financial committee. She is highly dedicated professional. She worked in public school as high school principal. She is a holder of BOE (Mathematics and Physics option) Also she is a private consultancy.</p>
 <p data-bbox="134 1883 539 1912">3. NYUNDO N. KATEMBOH</p>	<p data-bbox="671 1525 1458 1771">Mr. Nyundo N. Katemboh was born on 10th May 1967. He has vast experience in financial matters. He served as Auditor service manager of Coast Water Service Board and also as the Managing Director of Kwale Water Sewerage. He also saved as National Chairman of water companies association WASPA. Currently he is a member of BOG and the chairman of finance committee.</p>

AHMED SHAHAME MWIDANI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

THE BOARD OF GOVERNORS (Continued)

 <p>4. AUGUSTINE M. KAVYU</p>	<p>Mr. Augustine M. Kavyu was born on 1957. He is currently a member of Board of Governors. He is at the moment Manager of Kenya Petroleum Ltd; He is a holder of BSc in Civil Engineering from University of Nairobi in 1983.</p>
 <p>5. FRIDAH V. KILIRU</p>	<p>Mrs Fridah V. Kiliru was born on 1955. She is currently a member of Board of Governors. She is a holder of Bachelor of Education Arts (Horns) from university of Nairobi. She has a diverse experience of leadership skills. She was The principal of St. Charles Lwanga Secondary school from (2010 to 2015) and Sacred Heart High School from (2010 to 2015)</p>
 <p>6. HANNAH M. SALIM</p>	<p>Mrs Hannah M. Salim was born on 1955. She is currently a member of Board of Governors. She is a holder of Higher National Diploma in counselling PGD in Human Resource Management from KIM in (2004 to 2004) D (1999-2000) She also having a Diploma in Education (Business Education KTTC 1979).</p>

AHMED SHAHAME MWIDANI TECHNICAL TRAINING INSTITUTE
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THE BOARD OF GOVERNORS (Continued)



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 a technical Education officer in Mombasa county

7. NANCY GATHIGIA MUNYIRI



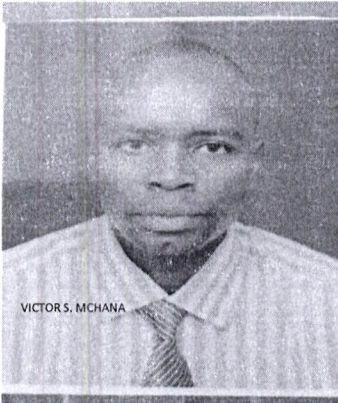


Mr Stephen Ngome Gofwah was on 22/12/1964. He is currently the Principal of Ahmed Shahame Mwidani T.T.I. He is a holder of Bachelor of Education Technology (Mechanical Engineering (2nd class upper, 2004) Moi University. Currently pursuing MSC Project Management at JKUAT.

8. STEPHEN NGOME GOFWAH




AHMED SHAHAME MWIDANI TECHNICAL TRAINING INSTITUTE
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MANAGEMENT TEAM

 <p>1. STEPHEN NGOME GOFWAH (Bachelor in Education)</p>	<p>PRINCIPAL</p>
 <p>2. SAMIRA SOUD ABDALLAH (DEGREE IN COMMUNICATION & PUBLIC RELATION)</p>	<p>DEPUTY PRINCIPAL</p>
 <p>3. VICTOR S. MCHANA (MASTERS IN FINANCE & ECONOMICS)</p>	<p>Ag. Registrar</p>

AHMED SHAHAME MWIDANI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

MANAGEMENT TEAM (Continued)

 <p>4 PETER OCHIENG OMWAGO (CPA-K, BCOM FINANCE OPTION) ICPAK NO. 21224.</p>	<p>ACCOUNTANT</p>
 <p>5 PATRICK MULATI WAFULA (DIPLOMA IN PROCUREMENT)</p>	<p>PROCUREMENT</p>
 <p>6. ALPHONCE MUSILA (Bachelor in Education)(power option)</p>	<p>DEAN OF STUDENTS</p>

Note: The Principal and the Secretary to the BOG will feature both under the 'Board' and 'Management'.

AHMED SHAHAME MWIDANI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

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, 2020.

During the Financial Year the College endeavoured to improve enrolment of trainees in the first and third quarter but eventually there were no enrolment in the fourth quarter due to Covid-19 pandemic that led to shut down of all leaning activities in the entire country.

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.

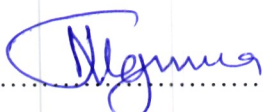
The Vision of Ahmed Shahame Mwidani Technical and Vocational College is to be a world class Centre of excellence in technical and vocational training.

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 what 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.

Though the financial year faced with global calamity of Covid-19 pandemic, the institution need 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 Recurrent Grants instead of capitation which is limited in effectiveness and efficiency.

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

Signature: 

Date: 01/02/2021

JOSEPH TOMMY NGUMA

CHAIRMAN- AHMED SHAHAME MWIDANI T.T.I

AHMED SHAHAME MWIDANI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
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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.

The financial year ended 30th June 2020 experienced increase in enrollment in the first and third quarter but eventually there were no enrolment in the fourth quarter due to Covid-19 pandemic that led to shut down of all learning activities in the entire country.

Financial Performance:

The college revenue collection base has been reduced because of the global calamity of Covid-19 pandemic which resulted in total closure of all college activities in March -2020.

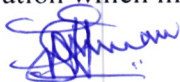
The college received Kshs. 2,445,000 in Recurrent Capitation Grant which accounted for 34.5% of the total receipts by the college while the rest 65.5% was generated through internally.

The college faces a shortage of class rooms and workshops as well as offices 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 successful to run the institution during the financial year in review.



PRINCIPAL



AHMED SHAHAME MWIDANI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

REVIEW OF AHMED SHAHAME MWIDANI TECHNICAL TRAINING INSTITUTE'S
PERFORMANCE FOR FY 2019/2020

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: Aligning existing curriculum to CBET
- Pillar 3: Ict Integration
- Pillar 4: Increase Enrolment
- Pillar 5: 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 2019/2020 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	2		3
Pillar 2	Aligning existing curriculum to CBET	Introducing new CBET courses from the existing courses	100	Implement of CBET curriculum	100
Pillar 3:	Ict Integration	Effective communication, Online learning, bulk Sms and Management information System	20	Teaching Learning Acquiring more computers	0
Pillar 4:	Increase Enrolment	To increase enrolment	500	Marketing	527
Pillar 5:	Project Completion rates	To cub power shortage, and developing the institution	100	Construction	100

AHMED SHAHAME MWIDANI TECHNICAL TRAINING INSTITUTE
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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 to be 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 expired on 20/06/2020 and we are waited for appointment of the new BOG by the cabinet Secretary.

During their tenure the BOG committed 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.

**AHMED SHAHAME MWIDANI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
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CORPORATE GOVERNANCE STATEMENT (continued)

The board consist of nine members inclusive of the principal as the secretary. The board meeting attendances are indicated below:

S/NO.	NAME	1 st QUARTER									2 nd QUARTER				3 rd QUARTER			
		DATE									DATE				DATE			
		15 th July	19 th Aug 2019	22 th Aug 2019	23 th Aug 2019	26 th Aug 2019	05 th Sep 2019	06 th Sep 2019	20 th Sep 2019	20 th Sep 2019	30 th Sep 2019		24 th JAN 2020	17 th Feb 2020	20 th Feb 2020	27 th Feb 2020	27 th march 2020	31 st march 2020
1	MR. JOSEPH T. NGUMA	✓	✓	✓	✓	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
2	MR.NYUNDO M. KATEMBO	✓	✓	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
3	MRS. HANNAH M. SALIM			-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
4	MS. AISHA RASHID	✓		-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
5	MR. JACKSON ANDAI	✓		-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
6	MS FRIDAH V. KILIRU	✓		-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
7	MS. SALLY O. OCHIENG			-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
8	MR. AUGUSTINE M. KAVYU	✓		-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
9	MR. STEPHEN N. GOME	✓		-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
10	MS. NANCY GATHIGIA	✓		-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
11	MR. PETER MWANGI	-		-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	

AHMED SHAHAME MWIDANI TECHNICAL TRAINING INSTITUTE
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FOR THE YEAR ENDED 30TH JUNE 2020

CORPORATE GOVERNANCE STATEMENT (continued)

Fourth Quarter attendance list

S/NO.	NAME	4 th QUARTER				
		DATE				
		16 th May 2020	22 nd May 2020	28 th May 2020	19 th Jun 2020	
1	MR. JOSEPH T. NGUMA	✓	✓	✓	✓	
2	MR. NYUNDO M. KATEMBO	-	-	✓	✓	
3	MRS. HANNAH M. SALIM	✓		✓	✓	
4	MS. AISHA RASHID	-	-	✓	✓	
5	MR. JACKSON ANDAI	-		-	-	
6	MS. FRIDAH V. KILIRU	-	-	✓	-	
7	MS. SALLY O. OCHIENG	-		-	-	
8	MR. AUGUSTINE M. KAVYU	-	-	✓	✓	
9	MR. STEPHEN N. GOME	-		-	✓	
10	MS. NANCY GATHIGIA	-		✓	✓	
11	Peter Mwangi	-		✓	-	

AHMED SHAHAME MWIDANI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

CORPORATE GOVERNANCE STATEMENT (continued)

Finance and Human resource committee

S/NO.	NAME	1 st QUARTER			
		DATE			
		05 th July 2019	09 th July 2019	22 nd Aug 2019	27 th Sep 2019
1	MR. NYUNDO M. KATEMBO	✓	✓	✓	✓
2	MRS. HANNAH M. SALIM	✓	✓	✓	✓
3	MS. AISHA RASHID	✓	✓	✓	✓
4	MR. STEPHEN N. GOME	-	-	✓	✓
5	Elisha Kahindi Mrimi	✓	✓	✓	✓

Mandate

1. Review in detail the financial reports prepared by management before presentation to the full board.
2. Ensure compliance to all statutory financial reporting requirement
3. Monitor revenue collection
4. Ensure financial planning during the budget process
5. Deal with human resource issues recruitment & discipline
6. Give report to the full board

AHMED SHAHAME MWIDANI TECHNICAL TRAINING INSTITUTE
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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.

**AHMED SHAHAME MWIDANI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020**

CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

1. Sustainability strategy and profile -



The handing over of signed contract for the first phase of the perimeter wall sponsored by NG-CDF, Changamwe.

2. Community Engagements



**AHMED SHAHAME MWIDANI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020**

**CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING
(Continued)**



Champion group of persons with disability planting trees at the institution compound
Ahmed S Mwidani tec. has participated in community environment through partnering with local CSO's in the financial year 2019/2020 during the World day for PWDs.

There then held an awareness meeting on the procurement work that the Gok require 2% from 30% be given to PWDs

Groups participated

- Turimiliane self-help group
- St Iwanga self-help group
- Mwamko mpya self-help group
- Changamwe network for PWDs
- Bomu PWD CBO

AHMED SHAHAME MWIDANI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
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REPORT OF THE BOARD OF GOVERNORS

The Board members submit their report together with the audited financial statements for the year ended June 30, 2020 which show the state of Ahmed S. Mwidani T.T.I affairs.

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.

Results

The results of the entity for the year ended June 30 2020 are set out from page 1 to 4

BOARD OF GOVERNORS

The members of the Board of Governors who served during the year 2019/2020 are shown on page v to vii.

The county director was transferred in July 2019 and the other Board members tenure expired on the 20th June 2020 and new Board has not been appointed yet.

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.

Stephen Ngome Gofwah

Bog Secretary/Chairman

Mombasa

Date: 18/2/2021



AHMED SHAHAME MWIDANI TECHNICAL TRAINING INSTITUTE
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FOR THE YEAR ENDED 30TH JUNE 2020


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 2020. 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

Ahmed Shahame Mwidani T.T.I financial statements were approved by the Board on 30/09/2020 and signed on its behalf by:

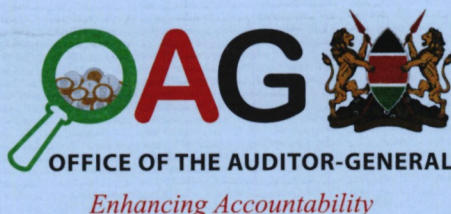

BOG Chairman


BOG Member


Secretary /Principal



REPUBLIC OF KENYA



Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
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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, 2020

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Ahmed Shahame Mwidani Technical Training Institute set out on pages 1 to 30 which comprise the statement of financial position as at 30 June, 2020, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of the Ahmed Shahame Mwidani Technical Training Institute as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and do not comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1.0 Unsupported Capital Fund

The statement of financial position reflects a capital fund balance of Kshs.67,761,269. However, supporting documents for the balance were, as previously reported, not provided for audit.

Consequently, the accuracy of the capital fund balance could not be confirmed.

2.0 Unapproved Board of Governors Allowances

As previously reported, the statement of financial performance reflects Board of Governors allowances of Kshs.2,239,236. Records provided for audit review

indicated that the Institution's Board of Governors was appointed on July, 2017 in line with Section 28(1) of the Technical and Vocational Education and Training Act, 2013 and held its first sitting on 19 July, 2017 when the Board's allowances were set. However, records to indicate that the payment rates were approved by the Cabinet Secretary as provided for in Paragraph 17 of the Second Schedule of the Technical and Vocational Education and Training Act, 2013 were not provided for audit.

Further, whereas the Institute had a budget of Kshs.2,000,000 for Board of Governors allowances, actual expenditure amounted to Kshs.2,239,236 resulting to an over-expenditure of Kshs.239,236 or 10% for which approval was not provided for audit.

Consequently, the propriety of the Board of Governors allowances of Kshs.2,239,236 for the year ended 30 June, 2020 could not be confirmed.

3.0 Cash and Cash Equivalents

The statement of financial position reflects Kshs.1,189,313 being the cash and cash equivalents balance as at 30 June, 2020. However, the following anomalies were observed regarding the balance:

3.1 Unconfirmed Cash in Hand

Note 15 to the financial statements reflects cash in hand of Kshs.62,884. However, the balance was not supported with a petty cash book and a cash count report as required by Regulation 93(17) of the Public Finance Management (National Government) Regulations, 2015.

3.2 Offsetting of Credit Cashbook Bank Balance

Note 15 to the financial statements reflects Kshs.1,189,313 in respect to cash and cash equivalents which is net of credit/negative cashbook balance of Kshs.343,060. This is contrary to Paragraph 48 of the International Public Sector Accounting Standard No.1 on presentation of financial statements which provides that assets and liabilities, and revenue and expenses, shall not be offset unless required or permitted by an IPSAS.

Further, audit review of the Current Account bank reconciliation statement for June, 2020 revealed that the cash book had a negative cash book balance of Kshs.343,950. The statement reflected direct deposits of Kshs.304,950 and cash withdrawals of Kshs.274,000. However, the date of the deposit, the cash book posting date and reasons for the unposted cash withdrawals were not provided for audit.

In addition, the bank reconciliations and cashbooks were prepared by the Institute Accountant but were not reviewed by an independent or senior officer. As a result, the ability of the Institute to prevent, detect or correct misstatements arising due to error or fraud, on a timely basis, could not be confirmed .

Consequently, the accuracy, completeness and existence of the cash and cash equivalents balance of Kshs.1,189,313 as at 30 June, 2020 could not be confirmed.

4.0 Receivables from Exchange Transactions

The statement of financial position reflects Kshs.11,170,526 in respect of receivables from exchange transactions which, as disclosed at Note 16 to the financial statements, includes Kshs.10,869,750 relating to student debtors. Included in the balance was Kshs.6,616,305 in respect to outstanding students' fees for two hundred and forty-four (244) students who had already sat for their examination making the recovery of the amount uncertain. The Management explained that the receivables related majorly to students sponsored by the County Government of Mombasa who had been invoiced on 25 April, 2019.

Further, the Institute did not have a policy on debtors' management and provision for bad and doubtful debts. In addition, Management did not provide the debtors' aging analysis and evidence of efforts made to collect long outstanding receivables.

Under the circumstances, the recoverability of the student debtors balance of Kshs.10,869,750 could not be confirmed.

5.0 Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.64,249,900. However, the following observations were made regarding the balance:

5.1 Unconfirmed Value of Assets

Note 18 to the financial statements reflects historical cost of Kshs.68,989,768 for land and buildings out of which Kshs.67,761,269 related to land and buildings handed over by Kenya Coast National Polytechnic which is the mentor Institution. However, according to the interim payment certificates provided for audit, the total cost of the land and buildings was Kshs.53,262,416 resulting into an unsupported balance of Kshs.14,498,853.

Further, the Management depreciated the total cost of Kshs.68,989,768 at 2.5% as per the Institute's policy on depreciation of buildings, an indication that the value of land has also been depreciated. This is contrary to Paragraph 74 of IPSAS 17-Property, Plant and Equipment which provides that land has an unlimited useful life and therefore is not depreciated.

5.2 Undisclosed Assets

As disclosed in the lists attached under Note 18 to the financial statements, the Institute received assorted assets from the Ministry of Education and other donors. However, the fair value of the assets as at the date of their acquisition has not been provided as required under Paragraphs 27 and 28 of IPSAS 17 – Property, Plant and

Equipment. The assets have therefore not been included in the reported balance for property, plant and equipment.

5.3 Lack of Land Ownership Documents and Encroachment on Institute's Land

Information provided for audit review indicated that the land on which the Institute is located was donated by the National Government. However, handing over report and the respective land ownership documents were not provided for audit review. In addition, audit inspection of the land in November, 2020, revealed a three-classroom school labelled as Mwingo Primary School, one third party undertaking business in a portion of the land and unidentified number of third parties farming on another portion of the same land. Approval for the activities on the Institutes land was not provided for audit.

Under the circumstances, the existence, accuracy, completeness, valuation and ownership of the property, plant and equipment balance of Kshs.64,249,900 and the rights and obligations of the Institute to these assets as at 30 June, 2020, could not be confirmed.

7.0 Unsupported Refundable Deposits from Customers

The statement of financial position reflects Kshs.2,802,910 (2019-Kshs.2,509,060) with respect to refundable deposits from customers. However, as previously reported, details of the deposits including the identities of the students and the respective amounts owed to individual students were not provided for audit.

Further, the deposits were held in the Institute's main bank account and not in a separate bank account for deposits. Failure, by Management to operate a separate bank account for customers' deposits may result in misappropriation of the funds through their use in operational activities. Further, as disclosed in Note 15 to the financial statements, the bank account had a credit balance of Kshs.343,060 as at 30 June, 2020, an indication that Management had irregularly expended all the refundable deposits of Kshs.2,802,910 as at the same date.

Consequently, the accuracy and validity of refundable deposits from customers totaling to Kshs.2,802,910 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 adverse opinion.

Key Audit Matters

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

Other Matter

Budgetary Controls and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual receipts on comparable basis of Kshs.29,599,500 and Kshs.7,930,067 respectively, resulting to an under-funding of Kshs.21,669,433 or 73% of the budget. Similarly, the Institute expended Kshs.14,615,958 against an approved recurrent budget of Kshs.25,299,500 resulting to an under-expenditure of Kshs.10,683,542 or 42% of the budget.

Further, the Institute had a development budget of Kshs.4,300,000 for the year under review. However, no development expenditure was incurred, indicating that various facilities and assets required for delivery of quality training to students as provided in the Institute's registration certificate were not procured as planned.

The under-funding and under-performance affected the planned activities and may have impacted negatively on service delivery.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1.0 Uncompetitive Recruitment of the Principal

As previously reported, records provided for audit review indicated that the Institute's Principal was appointed in February, 2017. However, documents to show how the Principal was recruited, recommendation of the Board of Governors to the Cabinet Secretary for appointment and that the Principal had signed a five (5) year contract were not provided for audit review. This is contrary to Section 30 (1) of the Technical and Vocational Education and Training Act, 2013 which provides that a Principal of a public training institution shall be recruited competitively.

Consequently, the Board of Governors was in breach of the law.

2.0 Non-Compliance with the Public Procurement and Asset Disposal Act, 2015

2.1 Procurement of Teaching Material

Note 14 to the financial statements reflects Kshs.1,775,166 in respect to teaching materials which includes Kshs.720,256 spent on purchase of teaching materials

procured through requests for quotations. However, the Management did not provide details of the procurement process including quotations opening, evaluation and award minutes for audit review. In addition, use of requests for quotations is contrary to the First Schedule of the Public Procurement and Disposal (Amendment) Regulations, 2013 that sets Kshs.500,000 as the maximum amount for procurement through requests for quotations for Class C entities.

Consequently, the Management was in breach of the law.

2.2 Procurement of Security Services

Note 9 to the financial statements reflects security costs of Kshs.600,000. Records provided for audit indicated that the Institute engaged the services of a security firm for provision of two (2) night guards at a cost of Kshs.15,000 per month per guard. However, during the year under review, the Management requested the security firm for two (2) additional security guards leading to a hundred percent (100%) variation of contract. This is contrary to Section 139(1) (6) of the Public Procurement and Asset Disposal Act, 2015 which provides that where variations result in an increment of the contract price by more than twenty-five percent, such variations shall be tendered for separately.

Further, audit review of the contract document revealed that the contract was open ended as it did not indicate the contract period (duration) or contract end date.

Consequently, the Management was in breach of the law.

3.0 Unapproved Budget

The statement of comparison of budget and actual amounts reflects a revenue budget of Kshs.29,599,500, a recurrent expenditure budget of Kshs.25,299,500 and a development expenditure budget of Kshs.4,300,000. However, approval of the budget by the Cabinet Secretary as required by Section 13 (3) of the Technical and Vocational Education and Training Act, 2013 was not provided for audit.

Consequently, the legality of the expenditure incurred and the revenue collected by the Institute could not be confirmed.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1.0 Lack of Segregation of Duties

As previously reported, the Institute had four (4) employees at management level during the year under review. However, accounting functions were performed by one officer who also prepared bank reconciliation statements that were not reviewed by a senior officer.

Further, the procurement functions were also being undertaken by one officer.

In the absence of reviews and segregation of duty, the effectiveness of the internal control system could not be confirmed.

2.0 Lack of Internal Audit Function, Audit Committee and Risk Management Policy

As previously reported, the Institute had not established an internal audit function as required by Section 73 (1)(a) of the Public Finance Management Act, 2012.

Further, the Board of Governors had not established an audit committee as required by Section 73(5) of the Public Finance Management Act, 2012. In addition, Management did not provide evidence that a risk management policy had been developed as required under Regulation 165(1) of the Public Finance Management (National Government) Regulations, 2015.

In the circumstances, the adequacy of the Institute's internal control, risk management and governance systems could not be confirmed.

3.0 Lack of Finance/Accounting, Procurement and Human Resource Manuals

As previously reported, the Institute did not have finance, accounting, human resources and procurement policies and manuals.

In the absence of the policies and manuals, Management did not have sufficient and objective references on administration of critical functions.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standard requires 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 Board of Governors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards

(IPSAS) 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 Institute's effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Institute's ability to continue to sustain 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 follow the authorities which govern them, and that public money is applied in an effective way.

The Board of Governors are responsible for overseeing Institute's financial reporting process, reviewing the effectiveness of how the Institute monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall 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 Institute's financial statements, a compliance review is planned and performed to express a conclusion with limited assurance as to whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution. The nature, timing

and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the 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 Institute's financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to 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

16 February, 2022

AHMED SHAHAME MWIDANI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2019/2020	2018/2019
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government – Capitation grants(Tuition fees)	6	2,445,000	2,000,000
Total Revenue from non-exchange transactions		2,445,000	2,000,000
Revenue from exchange transactions			
Rendering of services- Fees from students	7	4,148,237	15,570,132
Other income(income generating Activities)	8	485,410	1,390,822
Revenue from exchange transactions		4,633,647	16,960,954
Total revenue		7,078,647	18,960,954
Expenses			
Use of goods and services	9	1,560,242	613,463
Employee costs	10	3,235,502	3,071,429
Bog Allowances	11	2,239,236	2,230,685
Depreciation and amortization expense	12	1,914,124	1,886,209
Repairs and maintenance	13	98,649	2,026,745
General expenses	14	5,568,205	4,977,126
Total expenses		14,615,958	14,805,657
Net Surplus for the year		(7,537,311)	4,155,297

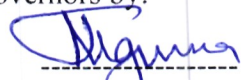
The notes set out on pages 8 to 29 form an integral part of the Annual Financial Statements.

AHMED SHAHAME MWIDANI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

STATEMENT OF FINANCIAL POSITION AS AT 30th JUNE 2020

	Notes	2019/2020	2018/2019
		kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	15	1,189,313	1,228,991
Receivables from exchange transactions	16	11,170,526	12,990,882
Inventories	17	207,407	-
Total Current Assets		12,567,246	14,219,873
Non-current assets			
Property, plant and equipment	18	64,249,900	65,297,127
Intangible assets	19	8,136	16,248
Total Non-current Assets		64,258,036	65,313,375
Total assets		76,825,282	79,533,248
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	20	3,332,167	4,028,423
Refundable deposits from customers	21	2,802,910	2,509,060
Payment received in advance	22	5,231,751	
Total Current Liabilities		11,366,828	6,537,483
Total liabilities		11,366,828	6,537,483
Capital and Reserves			
Accumulated surplus		(2,302,815)	5,234,496
Capital Fund		67,761,269	67,761,269
Total Capital and Reserves		65,458,454	72,995,765
Total Liabilities and Capital & Reserves		76,825,282	79,533,248

The Financial Statements set out on pages 1 to 4 were signed on behalf of the Institute Board of Governors by:



Chairman of Board of Governors

Date: 18/02/2021



Finance Officer

ICPAK No 21224
Date: 18/02/2021



Principal

Date: 18/2/2021



AHMED SHAHAME MWIDANI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2020

	Revaluation reserve	Fair value adjustmen t reserve	Retained earnings	Capital/ Development Grants/Fund	Total
Balance b/f as at July 1, 2018	-	-	1,079,199	67,761,269	68,840,468
Revaluation gain		-			-
Fair value adjustment on quoted investments					-
Total comprehensive income			4,155,297		4,155,297
Balance c/d as at June 30, 2019	-	-	5,234,496	67,761,269	72,995,765
Balance b/f at July 1, 2019	-	-	5,234,496	67,761,269	72,995,765
Total comprehensive income			(7,537,311)		(7,537,311)
Balance c/d as at June 30, 2020	-	-	(2,302,815)	67,761,269	65,458,454

AHMED SHAHAME MWIDANI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

		2019/2020	2018/2019
	Note	Kshs	Kshs
Surplus for the year before tax		(7,537,311)	4,155,297
Adjusted for non-cash activities			
Depreciation	12	1,914,124	1,886,209
Increase in provisions			
Adjustment for Working Capital adjustments			
Increase in inventory	17	(207,407)	
Increase in receivables	16	1,820,356	(10,151,282)
Increase in payables		4,829,345	5,185,483
Net cash flow from operating activities		819,107	1,075,707
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	18	(858,785)	(1,810,214)
Net cash flows used in investing activities		(858,785)	(1,810,214)
Net increase/(decrease) in cash and cash equivalents		(39,678)	(734,507)
Cash and cash equivalents at 1 July 2019		1,228,991	1,963,498
Cash and cash equivalents at 30 June 2020	15	1,189,313	1,228,991

Cash and cash equivalents as per the Balance Sheet

1,189,313 1,228,991

AHMED SHAHAME MWIDANI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2020

NO.	VOTE HEADS	Original Budget		Adjustments		Final Budget		Actuals		performance difference		Variance %		Note
		2019/2020	TOTALS KSH.	2019/2020	TOTALS KSH.	2019/2020	TOTALS KSH.	2019/2020	TOTALS KSH.	2019/2020	TOTALS KSH.	2019/2020	TOTALS KSH.	
1	REVENUE													
101	FEES AND OTHER LEVIES-REGULAR STUDENT	7,926,000		-		7,926,000		2,635,327		(5,290,673)			-67	a)
	- CAPITATION	9,000,000		-		9,000,000		2,445,000		(6,555,000)			-73	b)
	-NON REGULAR STUDENT	9,873,500		-		9,873,500		2,364,330		(7,509,170)			-76	c)
102	GOVERNMENT GRANTS	2,000,000		-		2,000,000		-		(2,000,000)			-100	d)
103	INCOME GENERATING ACTIVITIES	800,000		-		800,000		485,410		(314,590)			-39	e)
	TOTAL REVENUE	29,599,500		-		29,599,500		7,930,067		(21,669,433)				
2	RECURRENT EXPENDITURE													
a	SALARIES & WAGES	5,728,440		-		5,728,440		3,235,502		(2,492,938)			-44	f)
b	COMMITTEES/BOG ALLOWANCES	2,000,000		-		2,000,000		2,239,236		239,236			12	g)
c	REPAIR AND MAINTENANCE	3,000,000		-		3,000,000		98,649		(2,901,351)			-97	h)
d	DEPRECIATION COST							1,914,124						
f	GENERAL EXPENSES													
301	OPERATING/ADMINISTRATION EXP	1,000,000		-		1,000,000		799,579		(200,421)			-20	i)
302	STUDENTS AND STAFF ACTIVITIES	1,127,459		-		1,127,459		64,850		(1,062,609)			-94	j)
303	CREDITORS {KCNP-MENTOR}	3,007,601		-		3,007,601		-		(3,007,601)			-100	k)
304	EXHIBITION AND TRADE FAIR	1,000,000		-		1,000,000		167,415		(832,585)			-83	l)
305	INTERNET SERVICES	200,000		-		200,000		297,638		97,638			49	m)
306	INSURANCE SERVICES	390,000		-		390,000		-		(390,000)			-100	n)
307	STATIONERY	1,000,000		-		1,000,000		256,075		(743,925)			-74	o)
														P

AHMED SHAHAME MWIDANI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2020 (Continued)

308	CONTINGENCIES/TEACHING EQUIPMENTS	1,700,000	-	1,700,000	1,775,666	75,666	4
309	ADVERTISEMENT AND MARKETING	300,000	-	300,000	318,828	18,828	6
310	LOCAL TRANSPORT AND SUBSISTENCE	1,200,000	-	1,200,000	1,018,865	(181,135)	-15 p)
311	FUEL	600,000	-	600,000	-	(600,000)	-100
312	STAFF CAPACITY BUILDING	1,350,000	-	1,350,000	869,289	(480,711)	-36 q)
	TOTAL GENERAL EXPENSES	12,875,060	-	12,875,060	5,568,205		
g	USE OF GOODS AND SERVICES						
401	SECURITY COST	-	-	-	600,000	600,000	-100 r)
402	AUDITING FEES	-	-	-	660,000	660,000	-100 s)
403	ELECTRICITY & WATER	436,000	-	436,000	240,242	(195,758)	-45 t)
404	AFFILIATION/SUBSCRIPTION	510,000	-	510,000	60,000	(450,000)	-88 u)
	TOTAL USE OF GOODS AND SERVICES	946,000	-	946,000	1,560,242		
	GRAND TOTAL RECURRENT EXPENDITURE	25,299,500	-	25,299,500	14,615,958	(11,803,333)	
3	DEVELOPMENT EXPENDITURE						
501	INSTALATION OF GENERATOR	750,000	-	750,000	794,333	44,333	6
502	TWO TEMPORALY WORKSHOP	1,300,000	-	1,300,000	-	(1,300,000)	
503	OPERATION SYSTEM(ACCOUNTS & ADMIN OFFICE	2,500,000	-	2,500,000	-	(2,500,000)	
50	PATTITIONING OF THE ACCOUNTS OFFICE	500,000	-	500,000	-	(500,000)	
504	TOTAL DEVELOPMENT EPENDITURE	4,300,000	-	4,300,000	-	(4,300,000)	
	RECURRENT +DEVELOPMENT EXP	29,599,500	-	29,599,500	15,410,291	(16,103,333)	
	SURPLUS/DEFICIT						

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STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR
THE YEAR ENDED 30 JUNE 2020 (Continued)

Explanation notes

- a) Ahmed S. Shahame manages to realise only 33% from regular students and fail to realise 67% due to COVID-19 pandemic
- b) In the financial year 2019/2020 the government release 27% of the total expectation
- c) The realisation of Non-regular students takes the same reason as note (a)
- d) The Government forfeited the releasing of Grants
- e) Ahmed S. Shahame manage to realise only 60.6% because of COVID-19 pandemic that lead to termination of all public gathering
- f) The 44% that was not attained was due to contract termination of BOM teaching staff in the month of April 2020
- g) Ahmed S. Mwidani BOM meeting allowances exceeded with 12% because of extra days of coming up with college strategic plan
- h) Due to COVID-19 pandemic the operation was cut-off and results to the movement of 97%
- i) The movement was due to administration/office operation activities reduced because only the essentials offices were on operation the other offices were working from home.
- j) The movement was due the arises of COVID-19 pandemic that terminate all multitude gathering
- k) In the financial year 2019/2020 Ahmed S. Mwidani TTI didn't manage to pay the KCNP debts due to insufficient funds
- l) Ahmed S Mwidani TTI didn't realise 83% of the Exhibition & trade fair due to lack of funds and facilities
- m) The vote head was combined with unbudgeted vote head expenditure of official communication (telephone airtime) that lead to the movement of 49%
- n) The institution has not yet engaged with any insurance company we are yet for engagement.
- o) Ahmed S Mwidani TTI realised 26% of the total budgeted expenditure due to termination of college activities early march -2020
- q) The movement was due to arising of the world pandemic that terminate all the travelling for a while.
- r) The security cost foregone during budgeting
- s) The vote head of Audit fees was not budgeted during budgeting period hence we were not audited before so we could not include
- t) Ahmed S Mwidani TTI manage to realise 55% of the budgeted expenditure to due operation of the heavy machine was off as the students were sent home due COVID-19 pandemic
- u) The movement was due over budgeted due to expectation of other board to be register with the institution apart from KATTI

AHMED SHAHAME TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

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 entity's principal activity is presented in page II.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The Ahmed Shahame Mwidani's 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 Institution adopted International public Sector Accounting Standards (IPSAS) for the first time with effect from the year 2018/2019

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.

AHMED SHAHAME TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

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 2020

Standard	Impact
IPSAS 40: Public Sector Combinations	Applicable: 1st January 2019 The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only). Business combinations and combinations arising from non-exchange transactions are covered purely under Public Sector combinations as amalgamations.

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2020

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2022: 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: <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.
IPSAS 42: Social Benefits	Applicable: 1st January 2022 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: <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.

AHMED SHAHAME TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 ADOPTION OF NEW AND REVISED STANDARDS(Continued)

<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2022:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.
<p>Other Improvements to IPSAS</p>	<p>Applicable: 1st January 2021:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for re-valued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets. d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.

iii. Early adoption of standards

Ahmed S. Mwidani T.T.I did not early – adopt any new or amended standards in year 2018 /2019.

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.

AHMED SHAHAME TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020
NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions (continued)

b) Budget information

The annual budget is prepared on accrual basis, that is all palled costs and income are presented in a single statement to determine the needs of the Institution. The budget for FY 2019/2020 was approved by the Board on **18/01/2019**.

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 accrual basis.

c) Taxes

• **Current income tax**

The College is exempted from paying taxes as per schedule of the **Income tax** 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.

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.

AHMED SHAHAME TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

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 Entity.

The Institution use straight line method to depreciation the assets. The rate used to depreciate building furniture & equipment's & computer software are:

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Changes in accounting policies and estimates

The Entity 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

Ahmed s. Mwidani T.T.I is yet to provide 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 CEO/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.

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 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

AHMED SHAHAME TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	2019/2020	2018/2019
	KShs	KShs
Unconditional grants		
Operational grant	-	2,000,000
Current Capitation Grants	2,445,000	-
Total government grants and subsidies	2,445,000	2,000,000

7. RENDERING OF SERVICES

Description	2019/2020	2018/2019
	KShs	KShs
Tuition fees	3788,568	15,042,798
Activity fees	338,069	453,234
Registration fees	21,600	74,100
Total revenue from the rendering of services	4,148,237	15,570,132

8. OTHER INCOME

Description	2019/2020	2018/2019
	KShs	KShs
Income Generating Activities(Hire of venue)	395,310	1,360,022
Income from sale of tender	58,500	-
Application fees	31,600	30,800
Total other income	485,410	1,390,822

9. USE OF GOODS AND SERVICES

Description	2019/2020	2018/2019
	KShs	KShs
Electricity & Water	240,242	128,463
Security Cost	600,000	360,000
Subscriptions	60,000	125,000
Audit fees	660,000	-
Total good and services	1,560,242	613,463

10. EMPLOYEE COSTS

	2019/2020	2018/2019
	KShs	KShs
Salaries and wages	3,235,502	2,944,751
Employee costs	3,235,502	2,944,751

AHMED SHAHAME TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. REMUNERATION OF DIRECTORS

Description	2019/2020	2018/2019
	KShs	KShs
Bog remuneration allowance	2,239,236	2,230,685
Total director emoluments	2,239,236	2,230,685

12. DEPRECIATION AND AMORTIZATION EXPENSE

Description	2019/2020	2018/2019
	KShs	KShs
Building	1724,744	1,704,886
Furniture	116,644	116,644
Intangible assets(computer Software)	8,112	8,112
Equipment's	64,624	56,567
Total depreciation and amortization	1,914,124	1,886,209

13. REPAIRS AND MAINTENANCE

Description	2019/2020	2018/2019
	KShs	KShs
Property	98,649	2,026,745
Total repairs and maintenance	98,649	2,026,745

14. GENERAL EXPENSES

Description	2019/2020	2018/2019
	KShs	KShs
Admin & Office expenses	799,579	1,079,198
Local Transport and Travel	1,018,865	1,009,750
Student Activity cost	64,850	158,965
Printing & Stationary	256,075	312,190
Tvet Fair	167,415	185,000
Telephone & Internet	297,638	263,888
Teaching Material	1,775,666	1,465,135
Staff Capacity Building	869,289	503,000
Marketing & Advertisement	318,828	-
Total General Expenses	5,568,205	4,977,126

AHMED SHAHAME TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. CASH AND CASH EQUIVALENTS

(a)

Description	2019/2020	2018/2019
	KShs	KShs
Current account A/C 1	(343,060)	1,177,824
Ahmed S. Mwidani tech Project A/C 2	1,469,489	
Cash in Hand	62,884	51,167
Total cash and cash equivalents	1,189,313	1,228,991

NOTE: The Cash and cash equivalents contained Ahmed S. Mwidani tech Project A/C 2 bank balance which is maintained by Ahmed S. Mwidani tti as a mentor of Matuga TVC. The A/C 2 closed the year with a balance of Ksh. 1,469,489

(b). DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

Financial institution	Account number	2019/2020	2018/2019
		KShs	KShs
a) Current account A/C1			
Kenya Commercial bank	1215853955	(343,060)	1,177,824
b)Others			
Cash in Hand		62,884	51,167
Sub- total		(280,176)	1,228,991
Ahmed S. Mwidani tech Project A/C 2			
c)Development A/C 2			
Kenya Commercial bank(Ahmed S. Mwidani tech Project A/C 2)	1259542408	1,469,489	-
Sub- total		1,469,489	-
Grand total		1,189,313	1,228,991

16. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2019/2020	2018/2019
	KShs	KShs
Current receivables		
Student debtors	10,869,750	12,373,822
Advance Salary	159,000	7,000
Other exchange debtors	141,776	610,060
Total current receivables	11,170,526	12,990,882

17. INVENTORIES

Description	2019/2020	2018/2019
	KShs	KShs
Consumable stores	207,407	-
Total	207,407	-

AHMED SHAHAME TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings		Furniture and fittings		Plant and equipment		Total	
	Cost	Shs	Shs	Shs	Shs	Shs	Shs	Shs
At 30 th June 2018		67,761,269	34,000	-			67,795,269	
Additions		434,166	899,150	452,538			1,785,854	
At 30 th June 2019		68,195,435	933,150	452,538			69,581,123	
At 1 st July 2019		68,195,435	933,150	452,538			69,581,123	
Additions		794,333	-	64,452			858,785	
At 30 th June 2020		68,989,768	933,150	516,990			70,439,908	
Depreciation and impairment								
At 1 st July 2018		2,399,878	6,021	-			2,405,899	
Depreciation		1,704,886	116,644	56,567			1,878,097	
At 30 th June 2019		4,104,764	122,665	56,567			4,283,996	
At 1 st July 2019		4,104,764	122,665	56,567			4,283,996	
Depreciation		1,724,744	116,644	64,624			1,906,012	
At 30 th June 2020		5,829,508	239,309	121,191			6,190,008	
Net book values								
At 30 th June 2020		63,160,260	693,841	395,799			64,249,900	
At 30 th June 2019		64,090,671	810,485	395,971			65,297,127	
<i>[Include brief description of WIP as a footer]</i>								

NOTE:

- Land value has not been included in the Assets Land & Building because the institution is still making follow up the title deed from the concerned Ministry
- Ahmed Shahame Mwidani technical training institute owns several assets that have no values. Below are the list of the asset from Ministry Of Education and Donors that were yet to be evaluated.

AHMED SHAHAME TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020
NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. PROPERTY, PLANT AND EQUIPMENT (Continued)

LIST OF ASSETS SUPPLIED BY MINISTRY OF EDUCATION.

S/ N	ASSET NAME	SUPPLIER NAME	DATE OF PURCHASE	QUANTITY	UNIT	COST
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	

AHMED SHAHAME TECHNICAL TRAINING INSTITUTE
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. PROPERTY, PLANT AND EQUIPMENT (Continued)

LIST OF ASSETS SUPPLIED BY MINISTRY OF EDUCATION (Continued)

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	

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

18 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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. PROPERTY, 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

AHMED SHAHAME TECHNICAL TRAINING INSTITUTE
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

19. INTANGIBLE ASSETS-SOFTWARE

Description	2019/2020	2018/2019
	KShs	KShs
Cost		
Balance as at 01/07/2018	24,360	-
Additions	-	-
As at 30th June 2019	24,360	-
As at 01/07/2019	24,360	
Additions-internal development	-	-
As at 30th June 2020	24,360	-
Amortization and impairment		
At 1st July 2019	8,112	-
Amortisation for the year 2019/2020	8,112	-
At 30th June 2020	16,224	-
Impairment loss	-	-
At end of the year	-	-
NBV as at 30th June 2020	8,136	-
NBV as at 30th June 2019	16,248	

20. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2019/2020	2018/20x19
	KShs	KShs
Trade payables	1,777,482	1,148,843
Fees paid in advance	-	2,879,580
Employee P.A.Y.E	71,310	-
NSSF	13,886	
Ahmed S. Mwidani tech Project A/c 2	1,469,489	
Total trade and other payables	3,332,167	4,028,423

NOTE: The Trade and payable schedule contain Ahmed S. Mwidani tech Project A/C 2 funds that Ahmed S. Mwidani TTI is holding on behalf of Matuga TVC construction.

AHMED SHAHAME TECHNICAL TRAINING INSTITUTE
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. REFUNDABLE DEPOSITS FROM CUSTOMERS/STUDENTS

Description	2019/2020	2018/2019
	KShs	KShs
Student Council	-	157,400
Caution money	-	112,000
Examination fees	-	2,221,660
Kuccps	-	18,000
Refundable deposits	2,802,910	-
Total deposits	2,802,910	2,509,060

22. Payment received in advance

	2019/2020	2018/2019
	KShs	KShs
Payment received in advance		
School fees	5,231,751	-
Total payment received in Advance	5,231,751	-

23. CASH GENERATED FROM OPERATIONS

	2019/2020	2018/2019
	KShs	KShs
Surplus for the year before tax		
Adjusted for:	(7,537,311)	4,155,297
Depreciation	1,914,124	1,886,209
Working Capital adjustments		
Increase in inventory	(207,407)	-
Increase in receivables	1,820,356	(10,151,282)
Increase in payables	4,829,345	518,548
Net cash flow from operating activities	819,107	1,075,707

FINANCIAL RISK MANAGEMENT

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

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

i) Credit risk

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

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

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

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2019				
Receivables from exchange transactions	12,990,882	-	-	12,990,882
Bank balances	1,177,824	-	-	1,177,824
Total	14,168,706	00	00	14,168,706
At 30 June 2020				
Receivables from exchange transactions	11,170,526	-	-	11,170,526
Bank balances (operational A/C1)	(343,060)	-	-	(343,060)
Bank balances (Ahmed S. Mwidani tech Project A/C 2)	1,469,489	-	-	1,469,489
Total	12,296,955	00	00	12,296,955

AHMED SHAHAME TECHNICAL TRAINING INSTITUTE
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

24. FINANCIAL RISK MANAGEMENT (Continued)

ii) Capital Risk Management

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

	2019/2020	2018/2019
	Kshs	Kshs
Revaluation reserve	00	00
Retained earnings	(2,295,682)	5,234,496
Capital reserve	00	00
Total funds	(2,295,682)	5,234,496
Total borrowings	00	00
Less: cash and bank balances	1,189,313	1,228,991
Net debt/(excess cash and cash equivalents)	(1,189,313)	(1,228,991)
Gearing	51.8%	-23.48%

AHMED SHAHAME TECHNICAL TRAINING INSTITUTE
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

25. RELATED PARTY BALANCES

Nature of related party relationships

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

Government of Kenya

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

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

	2019/2020	2018/2019
	Kshs	Kshs
Transactions with related parties		
a) Grants from the Government		
Grants from National Govt	-	2,000,000
Capitation Grants from National Govt	2,445,000	-
Total	2,445,000	2,000,000
b) Expenses incurred on behalf of related party		
Payments of salaries and wages for employees	3,026,551	3,071,429
Payments for goods and services	1,560,242	613,463
Total	4,586,793	3,684,892
c) Key management compensation		
Remuneration of Governors	2,239,236	2,230,685
Total	2,239,236	2,230,685

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ANNUAL REPORT AND FINANCIAL STATEMENTS
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

26. EVENTS AFTER THE REPORTING PERIOD

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

27. ULTIMATE AND HOLDING ENTITY

Ahmed S. Mwidani is a Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

28. Currency

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

AHMED SHAHAME TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020
APPENDIX II: PROJECTS IMPLEMENTED BY THE INSTITUTION.

Projects

Projects implemented by the Institution Funded by the 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)
1. MATUGA TVC	1	GOK			No	YES
2. PERIMETER WALL	2	CDF-CHANGAMWE				NO

Status of Projects completion

(Summarise the status of project completion at the end of each quarter, ie 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	9,012,304	16%	-	-	GOK
2	PERIMETER WALL	-	-	-	-	-	CDF-Changamwe

NOTE: For perimeter wall was not consolidated in this financial report because they have not yet hand over the documentation of the construction.

AHMED SHAHAME TECHNICAL TRAINING INSTITUTE
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FOR THE YEAR ENDED 30TH JUNE 2020

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

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

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.

Principal
 Stephen Ngome Gofwah
 Signature.....
 Date... 01/02/2021

Chairman of the Board
 Joseph Tommy Nguma
 Signature.....
 Date... 01/2/2021



AHMED SHAHAME TECHNICAL TRAINING INSTITUTE
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APPENDIX III: INTER-ENTITY TRANSFERS

	ENTITY NAME:	AHMED SHAHAME MWIDANI TECHNICAL TRAINING INST.		
Break down of Transfers from the State Department of TVET				
FY 2018/2019				
a.	Recurrent Capitation Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	Operation Grants	20/12/2018	500,000	2018/2019
	Operation Grants	19/02/2019	500,000	2018/2019
	Operation Grants	28/06/2019	1,000,000	2018/2019
	Capitation	18/02/2019	1,710,000	2018/2019
	Capitation	10/07/2019	1,710,000	2018/2019
		Total	5,420,000	
FY-2019/2020				
a.	Recurrent Capitation Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	Capitation	18/10/2019	562,500	2019/2020
	Capitation	06/05/2020	1,882,500	2019/2020
	Capitation	03/07/2020	1,222,500	2019/2020
		Total	3,667,500	

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


Finance Manager
 Ahmed S. Mwidani T.T.I.

Sign



Head of Accounting Unit
 Ministry of Education

Sign



AHMED SHAHAME TECHNICAL TRAINING INSTITUTE
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APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Where Recorded/recognized				Total Transfers during the Year	
				Statement of Financial Performance	Capital Fund	Deferred Income	Receivables		Others - must be specific
Ministry of Education	18/10/2019	Capitation	562,500	562,500	00	00	00	00	562,500
Ministry of Education	06/05/2020	Capitation	1,882,500	1,882,500	00	00	00	00	1,882,500
Ministry of Education	03/07/2020	Capitation	1,222,500	00	00	00	00	00	00
Total			3,667,500	2,445,000	00	00	00	00	2,445,000

