


REPUBLIC OF KENYA



Enhancing Accountability

REPORT

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THE AUDITOR-GENERAL

ON

ALDAI TECHNICAL TRAINING INSTITUTE

**FOR THE YEAR ENDED
30 JUNE, 2024**



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ALDAI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30TH JUNE 2024

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

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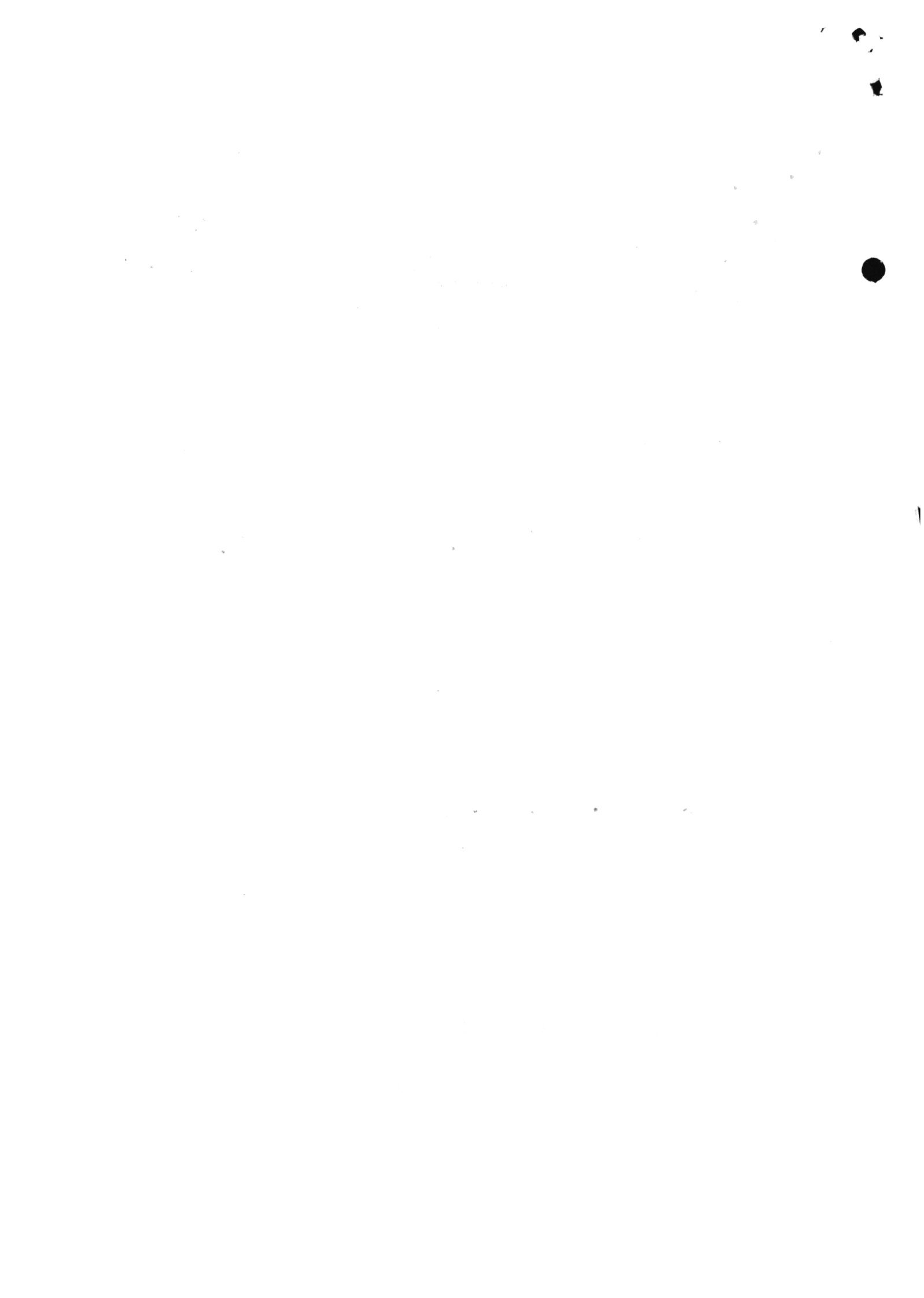


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1. Acronyms and Definition of Key Terms

A. Acronyms

MoE	Ministry of Education
BOG	Board of Governors
TVET	Technical, Vocational Education and Training
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
ATTI	Aldai Technical Training Institute
TTI	Technical Training Institute

B. Definition of Key Terms

Fiduciary Management - Members of Management directly entrusted with the Institute's financial resources.

Comparative Year- Means the prior period.

2. Key Institute Information and Management

(a) Background information

The Aldai Technical Training Institute was incorporated/ established under the TVET Act 2013 on 14/01/2013. The institute is domiciled in Kenya. The institute a public institution established under the provisions of the Education Act (Cap 211).

The vision, mission and objectives have been developed in line with the prevailing external and internal conditions which will guide its growth and development. In response to the dynamic society, the institute is addressing the goals and the objectives as expressed in TVET Act 2013, the goals enshrined in the Kenya Vision 2030, MDGs, Ministry of Education's Sessional papers and issues contained in the Kenya constitution.

Emerging opportunities and challenges require continuous planning and reviewing by the Institute in order to enhance performance, customer focus and optimal service delivery, strengthening corporate image and social responsibility. The plan therefore articulates the Institute's position with the contemporary trends in TVET Education system, emerging issues and challenges, carries out situational analysis, outline strategic issues and activities, review the institutional action plans, make projection while assessing financial resources and put in place strategies and mechanisms for implementation, monitoring and evaluation

(b) Principal Activities

The principal activity the Aldai Technical Training Institute is to provide diversified Vocational, Technical and Industrial Skills, through training.

Vision

To be a centre of Excellence in innovation, provision of skills and competence.

Mission

To provide diversified Vocational, Technical and Industrial skills relevant to the market needs for self-reliance and sustainable development.

Core Values

The Aldai Technical Training Institute is an integral part of the society and endeavours to exhibit high social and professional standards. Core values are fundamental values or ideals at the heart of Aldai Technical Training Institute that lay the foundation on which the Institute operates. Core values shape the culture and define the character of Aldai Technical Training Institute.

The staff will conduct their duties in accordance with the Public Service Code of Conduct and Ethics endeavour to project a supportive corporate culture among its members. Core values that shall remain points for observance by the ATTI fraternity and will be the principles guiding the behaviour of all stakeholders in conducting the institute business.

Guided by our vision and mission we shall uphold the following values at all times.

These core values are:

- a. Integrity
- b. Quality
- c. Accountability
- d. Professionalism
- e. Commitment
- f. Leadership
- g. Diversity

(c) Key Management

Aldai TTI day-to-day management is under the following key organs:

- Board of Governors
- Principal who is the accounting officer
- Management
-

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	SALLIE C. MOSSOP LUKUYU
2.	Deputy principal Administration	STEPHEN KIPRONO
3	Deputy principal Academics	COLLETA KWEYU
4	Dean of Students	ABRAHAM KORIR YEGO
5	Head of Finance	PETER SAGGAS
6	Head of Procurement	DANCAN KOECH

Key Institute Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

1. Finance, Infrastructure and General Administration Committee

- Oversight of annual operating plan and budget development, including recommendations to the management Board for approval.
- Oversight of the fees structures with assistance of staff to develop the fees structures
- To ensure the solvency of the Institute - finance mobilization
- To safeguard the Institute assets
- To ensure the effective and efficient use of resources
- To ensure that funds provided by GoK and any other funding body are used in accordance with the terms and conditions specified
- To ensure that financial control systems are in place and are working efficiently
- To facilitate the preparation of the Institute strategic plan for Board approval
- Ensuring accurate and timely reports to the Board on all Administrative and Financial issues
- Implementation and supervision of institution's project and other institute's projects (internal and external projects).
- Ensure compliance with all statutory and labour laws in management of the staff
- Oversee recruitment and promotion of BOG staff
- Discipline of staff
- Mentor other training institutions on behalf of GoK
- Any other duties assigned by the Board

2. Education, Training, Research Committee

- Oversight of academic programs, standards and approval of training programs
- Ensuring the relevance of training to labour market requirements
- Determine the optimum enrolment of training programs
- Evaluation of examination criteria, procedure and results
- Ensuring the overall competence of Institute graduates
- Promoting research and innovation by staff and trainees
- Promotion and establishment of a culture of excellence in both staff and trainees
- Enhance/promote linkages/collaborations with industry and other stakeholders
- Enhancement and implementation of the academic policy
- Evaluation of the cost and effectiveness of various programs

- Any other duties assigned by the Board.

3. Audit, Risk & Governance Committee

- To examine compliance with Government regulations, laws, standards and procedures
- To examine compliance with approved Procurement Plan and Budget.
- To evaluate achievement of targets as set in the strategic plan and work plan
- To evaluate the application of ethical standards and core values in the pursuit of vision, mission and goals
- To evaluate overall efficiency and effectiveness of Institute operations
- To evaluate the level of utilization of existing capacity all round
- To evaluate achievement of revenue targets
- To evaluate risks associated with non-optimum stock levels
- To evaluate risks associated with non-compliance with statutory and contractual obligations
- To evaluate relations with and levels of satisfaction of key stakeholders
- To evaluate effectiveness of risk mitigation measures
- Oversee the internal & external Audit function
- Ensure the development of a policy on Risk management
- Approve the Risk assessment is carried out on a continuous basis
- Discuss Audit reports and advise management
- Any other duties assigned by the Board.

(f) Institute Headquarters
Aldai Technical Training Institute
P.O. Box 149-30305
KOBUJOI, KENYA

(g) Contacts

Telephone :(254) 700746828
E-mail: aldaitti@gmail.com, or info@aldaitti.ac.ke
Website: www.aldaitti.ac.ke

(h) Institute Bankers

Kenya Commercial Bank
P.O Box 164-30300
Kapsabet, Kenya

Key Institute Information and Management (Continued)





(i) Independent Auditors

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





(j) Principal Legal Adviser

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



3.The Board of Governors

No.	Member	Details
1.	 PROF. CHUMBA SAMMY Date of Birth: 24/10/1971 BOG CHAIRPERSON	<p>Qualification: PhD Educational Administration (Moi University), Masters in Education Administration and Planning (University of Eastern Africa-Baraton), Bachelor of Education (Science) Egerton University, Certificate in Doctoral Supervision (Stellenbosch University) and National Senior Management Course in Education Management at Kenya Education Management Institute.</p> <p>Experience: BoG Aldai Technical, Member of BoM in many Secondary Schools, Lecturer in Moi University, Former Principal Kapkures Secondary School & Meteitei Boys, Chairman of School Graduate Studies Committee in Moi University, Educational Research Consultant and Director of Smai Company limited</p>
2.	 NYABOGA DAVID OGEGA Date of Birth: 10/01/1963	<p>Qualification: Bachelors of Commerce from University of Poona Mahastra India.</p> <p>Experience: Worked at Bank of Baroda Limited, also worked at Ministry of Trade Kenya at Kiambu as a District Trade Development Officer, Government of Kenya Civil Service and Ministry of Trade. Trustee RBA and chair of the board of trustees Bank of Baroda (K) Limited provident fund scheme. Currently Chairperson of the Board of Directors Westmond Apartment Management Company Limited and Parkwest Apartments Management Company Limited.</p> <p>Chairperson; Finance, Infrastructure and General Administration</p>
3.	 CHERUIYOT WILLY Date of Birth: 06/06/1977	<p>Qualification: Bachelor of Laws (LLB Hons) Moi University, Post Graduate Diploma in Law (Kenya School of Law).</p> <p>Experience: Senior Magistrate Vihiga Law Courts, Practicing Advocate 2007-2010.</p> <p>NANDI COUNTY GOVT. REPRESENTATIVE</p> <p>Chairperson; Risk, Audit and Governance</p>
4.	 BENARD OKOTH Date of Birth: 09/01/1984 AYIEYE	<p>Qualification: BSC. Mechanical Engineering from Jomo Kenyatta University of Science and Technology.</p> <p>Experience: Head of Operations at Menengai Oil Refineries Limited, also worked at Tropical Cooling Systems Mombasa.</p>







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5.	 MWANGI FESTUS KARURI Date of Birth:4/10/1967	<p>Qualification: Masters of Computer Application (KU) Higher Diploma in Computer Application and Diploma in Business Management Experience: ICT Administrator Rift Valley Bottlers and heads ICT Committee and Operations Manager.</p>
6.	 NGUI CHRISTOPHER MAINGI Date of Birth: 17/01/1965	<p>Qualification: Masters in Organic Chemistry from Jomo Kenyatta University of Agriculture and Technology, Bachelor of Science (Chemistry) from Kenyatta University. Experience: Quality Control Manager at Rivatex East Africa Limited. Processing Master & Quality Controller at Thika Cloth Mills Ltd and Quality Control Analyst at Mac's Pharmaceuticals, Co.Ltd.</p>
7.	 WAFULA ANN Date of Birth: 01/11/1975	<p>Qualification: Mastery HRM Cardean University/GM university, B. ED (Arts) Kenyatta University Experience: HRM Consultant Afrique Consult Ltd</p> <p>Chairperson; Education Training and Research</p>
8.	 MARY JEMUTAI MENGECH Date of Birth: 13/02/1960	<p>Qualification: Bachelors of Science clinical practice (Mental health) from University of Surrey UK. Registered mental health professional Experience: Board Chairperson, Kapsengere Health Facility and Kapsengere Primary School since 2018 to date. Has been working as qualified mental health professional since 2003 to date.</p>

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<p>9.</p>	 <p>LUKUYU MOSSOP SALLIE Date of birth: 21/04/1970 PRINCIPAL/ B.O.G SECRETARY</p>	<p>Sallie Mossop Lukuyu holds a Bachelor’s Degree in Education (Home Economics), has undergone a senior management course (SMC) at Kenya School of government. Holds various Certificates in Leadership and Management, Performance Management, Curriculum Development and Monitoring and Evaluation. She is a subject specialist in Nutrition, Food and Beverage Production and Service. She has been a Class Tutor, Head of Section, Deputy Head of Department, Head of Department, Registrar, Deputy Principal Academics, Deputy Principal Administration and currently Principal. As a Performance Contracting Coordinator from 2008 to 2017, she has spearheaded the achievement of targets and implementation of the strategic plan. Sallie is well versed with quality management systems having been an internal auditor in ISO 9001 certification</p> <p>She has contributed immensely to the growth of TVET having worked majorly in tertiary institutions.</p>
<p>10.</p>	 <p>MICHAEL RUGUT</p>	<p>COUNTY DIRECTOR TVET/MEMBER</p>

4. Key Management Team

Name of the Staff		Responsibility
LUKUYU MOSSOP SALLIE B.ED (Home Economics)		Chief Principal
STEPHEN KIPLAGAT KIPRONO Bsc (Agricultural Education and Extension)		Deputy Principal Administration
COLLETA NYAPOLA KWEYU Btech in Computer Technology		Deputy Principal Academics
ABRAHAM YEGO B. SC (Networks and Communication Systems) + PGDE		Dean of Students
PETER SAGGAS CPA-K		Accountant I
DANCAN KOECH Diploma in Purchasing and Supply Chain Management		Procurement Officer

5. Chairman's Statement

The institute has a board of Governors comprising of nine members who oversee the management of the institution. The day-to-day operations are managed by the principal. The term of three board members expired, two of the members were reappointed for a new three year term and one new board member was appointed for a term of three years.

The institute got funding for phases one, two and three under the AfDB/GoK projects hosting building and civil engineering phase one, electrical and electronics engineering and ICT in phase two and mechanical and automotive engineering to be hosted in phase three. We appreciate the construction and commissioning of phase II and the launch of phase III.

The board appreciates the Government for the continuous support in ensuring that our institution is funded, although the funds came in less than half of the expected capitation, for this reason the board was unable to fully fund its budget.

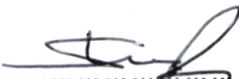
Public Service commission has employed a good number of technical trainers whom helped in reducing wage bill. The Board is expecting additional trainers to caution on the training needs growth in the institution and a wage bill management against the total budget.

The Institution has continuously had challenges in accessibility due to bad road network. There is need for more classrooms, other training facilities and hostels considering the location of the institution the community are overwhelmed with provision of accommodation for our students and staff. Other challenges include; staff quarters and college bus.

Human capital is a big challenge for as much as Public Service Commission employed technical trainers the number is still low and only one business trainer is employed by PSC. Currently the institution has over forty trainers employed by the board, the population of the trainers constrain the institution financially, the government to consider deployment of more trainers both technical and business categories as they both move hand in hand
Late disbursement of capitation and non-disbursement of Quarter four has its effects since programmes are suspended due to uncertainty of disbursement.

The Board is exploring and improving income generating units like dairy, horticulture, tea, coffee, bananas, building materials production among others to cushion on financial constraints.

The government should also ensure that development grants continue to promote institutions growth so as to enable institutions to deliver to full capacity without facility constrains. The fund should also be enhanced as institutions rarely access other funds for capital expenditure as the current fee charges are almost limited to recurrent expenditures.


.....
Prof. Sammy K. Chumba

6. Report of the Chief Principal

Management

The institute has a board of Governors comprising of nine members who oversee the management of the institution. The day-to-day operations are managed by the principal with the assistance of the Deputy Principals, the registrar, dean of students, Heads of Departments (HoDs), Finance and the Procurement Officers. The term of three board members expired in December 2023 for one member and January 2024 for two members. Ann Wafula and Willy Cheruiyot were re-appointed for a second term of three years and Mary Mengech is the new member appointed.

Training

The institute is accredited by;

1. TVETA to offer both KNEC and CBET programs.
2. Accredited by NITA to offer NITA programs and
3. KASNEB to offer KASNEB programs

The programs are offered in three levels, Diploma (level 6), Craft (level 5) and Artisan (level 4) spread across seven departments namely;

- i) Agriculture and Environmental Studies
- ii) Building and Civil Engineering
- iii) Business and Entrepreneurial Studies
- iv) Electrical and Electronics Engineering
- v) Computing and Informatics
- vi) Hospitality and Institutional Management
- vii) Liberal Studies.

The institute got funding for phase one, two and just launched phase three under the AfDB/GoK projects, the institute was equipped with building and civil engineering equipment; i.e. soil testing, survey, building technology, and electrical and electronic equipment. These workshops and equipment have enabled the institute to expand in enrolment in the two areas of building and civil engineering and electrical and electronics engineering. Our training programs have increased leading to an increase in trainee enrolment. We urge the government to consider giving us more especially in agricultural engineering. We appreciate the construction and commissioning of phase II and the launch of phase III which is currently on construction. With the implementation of competence-based curriculum, cost of material for practical are higher which increases our learning materials cost.

Funding

The institution managed to realize a total revenue of KSh.79,615,020 being Ksh.58,558,094 from rendering of service, Ksh. 190,107 from sale of goods and Ksh. 20,866,819 being transfers from Ministry of Education as at 30th June 2024. Capitation grants were disbursed at the rate of Ksh. 12,000 out of the expected Ksh. 30,000 per student per year for three quarters; Capitation for quarter four was not disbursed. This resulted to a drop in cash flow. We thank the Government for the continuous support in ensuring that our institution is funded.

Public Service commission has employed a good number of technical trainers whom helped in reducing wage bill which could have gone up as the institution is growing. We are expecting additional trainers to caution on the training needs growth.

Challenges

The Institution has continuously had challenges in accessibility due to bad road network. There is need for more classrooms, other training facilities and hostels considering the location of the institution the community are overwhelmed with provision of accommodation for our students and staff. Other challenges include; staff quarters and college bus.

Human capital is a big challenge for as much as Public Service Commission employed technical trainers the number is still low and only one business trainer is employed by PSC. Currently the institution has twenty-six PSC and forty BOG trainers, the population of BOG trainers constrain the institution financially, the government to consider deployment of more trainers both technical and business categories as they both move hand in hand
Late disbursement of capitation, and non-disbursement of Quarter four has its effects since programmes are suspended due to uncertainty of disbursement.

Future outlook

The institute is exploring and improving income generating units like dairy, horticulture, tea, coffee, bananas, building materials production among others to cushion on financial constraints.

The government should also ensure that development grants continue to ensure that all projects are timely completed and ensure smooth learning process. The fund should also be enhanced as there is anticipated increase in the number of trainees in the institution.



.....
Lukuyu Mossop Sallie

7. Statement of Performance against Predetermined Objectives

Aldai Technical Training Institute has thirteen strategic issues and objectives within its Strategic Plan for the FY 2022/2023- 2026/2027. These strategic issues are as follows:

Strategic Issues

1. Curriculum implementation & development
2. Competence Based Courses (CBET)
3. Enrolment
4. Infrastructure
5. ICT integration
6. Transport
7. Improve the welfare of trainees with disabilities
8. Strengthen trainees' leadership
9. Strengthen Quality Assurance Office
10. Innovation, Research and Development
11. Community service
12. Enhance the institute's visibility
13. Promote good corporate governance practices

Aldai T.T.I develops its annual work plans based on the above 13 strategic issues. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The institution achieved its performance targets set for the FY 2023/2024 period for its 13 strategic issues, as indicated in the diagram below:

Thematic Area 1: Access and Participation			
Objective: To offer technical courses that meet the dynamic market needs			
Strategic Activities	Objective	Key Performance indicator	Achievements
1. Curriculum implementation and Development			
To adopt and implement Existing courses			
1. Acquire approved course syllabi 2. Obtain accreditation and licensing from relevant legal and regulatory bodies 3. Implement course content 4. Promote flexible and blended learning 1. Introduce	1. Offer market driven courses implemented in each academic department. 2. Demand driven courses by Government's regulatory bodies offered	1. Market Research report 2. Number of courses offered in priority of demand 3. No. of accredited and licensed courses	<ul style="list-style-type: none"> • Continuous process. • Existing approved courses syllabi acquired. • Blended learning on test run.

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virtual learning			
2. Implement Competence Based courses (CBET) and incorporate Work Place Essential Skills (WPES) in training and develop demand driven courses			
To implement Competence-Based Education and Training (CBET) courses and incorporate Work Place essential Skills (WPES) in training and develop demand driven courses			
1. Develop market needs assessment tool 2. Modify existing course content to meet industry needs 3. Design and develop CBET courses 4. Offer tailor made courses	1. Market needs Assessed 2. Existing courses modified to suit market needs 3. CBET courses Developed and implemented 4. Increased international (national) leverage	1. Records of market needs 2. Evidence of course modification 3. Number of CBET courses	<ul style="list-style-type: none"> • Continuous process. • Market needs assessed
3. Enrollment			
To determine the optimum carrying capacity of every course			
1. Monitor the optimum capacity per course 2. Carry out continuous marketing to maintain visibility Increase the enrolment by 500 students annually to achieve a student population of 4,500 by 2027 3. Commence online courses and	1. Optimum enrollment And quality training 2. Enrollment Increased	carrying capacity report Evidence of marketing Enrollment statistics Number of online courses	<ul style="list-style-type: none"> • Continuous process. • Partially achieved

progressively enroll 50 students per year to have a student population of 250 on online training by end of the SP period			
ii.To increasing the retention rates of students			
Proactively sensitize students on HELB loans and other avenues of financing Conducting guidance and counseling on a continuous basis Introduce Career guiding and counseling services	Increased retention and completion rates a) Guidance and Counseling in place b) Career guidance in Place c) Behavior change	% increase in retention rates List of beneficiaries for loan/bursary allocations Number of guidance and counseling sessions Availability of career information	<ul style="list-style-type: none"> • Continuous process. • Career guiding and counselling services Introduced
4.Infrastructure			
To upgrade and develop new facilities to correspond to standards of training required and expansion in enrolment			
Construction of Hospitality and Institutional Management with classrooms	Increases training capacity	Physical and documentary evidence of completed works	Hospitality and Institutional Management with classrooms constructed
Repair and maintenance	Conduct renovation of existing facilities	Number of renovations and expanded facilities	Continuous process.
Construction of Hostels	Increased student accommodation	More student enrolment	Ladies hostel constructed
Construction kitchen & Dining Hall	Completed kitchen & Dining hall	Physical and documentary of completed works	Not done
Construction of a Library and E-	Increases training capacity	Physical and documentary of completed works	Not done

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learning center			
Construction of Carpentry shade	Increases training capacity	Physical and documentary of completed	Partially done
Construction of a Modern gate and Perimeter wall	Completed gate and perimeter wall	Physical and documentary of completed	Not done
Construction of Automotive and Mechanical Workshop	Increases training capacity	Physical and documentary of completed works	In progress 80% complete
Construction of 20 classrooms	Increases training capacity	Physical and documentary of completed works	Not done
5.ICT Integration			
To enhance information communication technology			
Enhance Internet connectivity to the institution from 7mbps to 10mbps	Improved communication inflow and outflow from frequent down times to relatively none	Perimeter of Internet coverage network	Done
Procurement of more computers for the computer laboratory	To attain improved research and data savings and retrieval	Installed functional modern computers	Partially done
Capacity built the staff with modern technology	Easy and fast adoption of adopted technology by the staff	Improved efficiency in using the technology	Continuous process.
Improve the institutes website	Active and user friendly website	An up-to-date interactive website	Continuous process.
Enhance Aldai TTI online presences	Social media communication updated regularly	Increased online visibility	Continuous process.
Procure smart TVs for training	Continuous use of power points in teaching and presentations.	Adequate functional projectors.	Not done
Enhance Management Information System (MIS)	Tracking and monitoring of Institute functions	Efficiently working management system.	MIS system procured

Establish Information Security Management System (ISMS)	Reliable information storage and retrieval	Operational database	Continuous process.
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6. Transport

i. To provide effective and efficient mobility in the institution

Develop replacement and management policy	Effective and efficient transport management	Maintenance policy document	Not done
Purchase Institute Bus	Effective transport system	Institute Bus	Not done

THEMATIC AREA 2: EQUITY AND INCLUSIVITY

Objective : To ensure there is an equality in gender and disability in all opportunities

1.0 Improve the welfare of trainees with disabilities

To improve the welfare of trainees with disabilities

Sensitize trainees on the rights of PWDs	Conducive environment for PWDs	Well informed trainees	Continuous process.
Monitor and address concerns of PWDs	Conducive environment for PWDs	Level of satisfaction among PWDs	Continuous process.

2.0 Strengthen trainee leadership

To Strengthen trainee leadership

Provide support for review of trainee's constitution	Effective trainee union	Revised constitution in place	Review in progress
Sensitize trainees on gender mainstreaming in leadership	Adherence to 1/3 gender rule in trainee leadership	No. of trainees sensitized	Continuous process.
Provide support during trainee's	Adherence to 1/3 gender rule in	Smooth election process	Continuous process.

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elections	trainee leadership		
Induct and training elected officials on leadership skills	Adherence to 1/3 gender rule in trainee leadership	Induction and training sessions held	Continuous process.
THEMATIC AREA 3: QUALITY AND RELEVANCE			
Objective : To offer quality technical education and training			
3. Strengthen Quality Assurance office			
To Strengthen Quality Assurance office			
Appoint Quality Assurance Officer	Quality delivery of programmes	QA Officer in place	Done
Develop quality assurance policy		Quality assurance policy	On process
Undertake trainers' performance appraisal		Performance appraisal report	Continuous process.
Maintain recommended trainer–trainee ratio		No. of trainees in class (1:25 for practical	On progress
a) Training of trainers (ToT)			
Prepare TOT programme	Quality delivery of programmes /course	TOT training program in place	Done Continuous process.
Implement TOT programme		50% of the targeted trainers trained Improved service delivery	Done
Acquire additional LCD projectors and Laptops		ICT equipment acquired	Partially done
Provide desktops for training		Computers purchased 100% utility	Partially done
THEMATIC AREA 4: RESEARCH AND INNOVATION			
Objective : To offer innovative and relevant academic programmes that meet the dynamic market needs			

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1. Innovation, research and development			
a) To enhance innovations and research over the planned period			
Liaise with NACOSTI for innovations research funds	Identify potential external funding agencies	Availability (access to) of innovations and research funds	Funding agreements Number of funding Agencies identified
			On process.
ii) Encourage innovation and research for generation, transfer and uptake of technology			
Organize innovations research exhibitions	Organized exhibitions	Number of exhibitions organized 10 of innovations presented for TVET Fairs competitions	Continuous process. Done
Train/mentor researchers and innovators who shall be capable of transferring their knowledge to society			Continuous process.

THEMATIC AREA 5: Governance and Accountability

Objective : To formulate policies and practices that promotes effective and efficient performance

1. Community Service

i) To participate in community programs/projects

Promote and participate in community programs/projects	Enhance community relationship	Supported projects in the community by the Institute	Continuous process. Done
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ii) Provide water Kiosk for the community at the shopping Centre

Enhance access point to clean	Enhance community	Availability of water service to community	Not done
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piped water from the institution to the	relationship		
1. Enhance the Institute's visibility			
i.To Increase awareness of the institute			
Develop branding and communication strategy	Increased awareness	Branding and communication strategy in place	Done
Participate in exhibitions, shows and fairs		40% of exhibitions/shows/fairs attended and activities undertaken	Continuous process. Done
Develop a CSR policy		CSR policy in place	On process
Implement CSR policy		No. of CSR activities undertaken	
2.0 Promote good corporate governance practices			
ii.To promote good corporate governance practices			
Undertake capacity assessment for Board members, committees and management	Increased corporate accountability and performance	Capacity needs assessment report	Continuous process. Done
Undertake capacity development for management and Board of Governors	Enhanced capacity, productivity and governance	Number of trainings held on corporate governance. Number of Board members and Management staff trained	Continuous process. Done
Develop an annual calendar of events		Approved Calendar of events in place	Done
Develop annual performance contract		Approved annual performance contract	Continuous process. Done

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Monitor implementation of budgets, performance contract, strategic and adherence internal processes		Implementation status reports	Continuous process. Done
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8. Corporate Governance Statement

In the financial year ended 30th June 2024, Full board, The Finance, Infrastructure and General Administration, Education, Training & Research and Audit, Risk and Governance Committees meetings were held. All members attended their respective committee meetings and full board meetings. There is a Board Charter in place that guides board operations and provide a standard of corporate governance.

The Board of Governors are appointed by the cabinet secretary MoE as per the TVET Act, 2013. They are eligible to serve for a three-year term, which is renewable for only two members for continuity. Member of the Board who is absent for three consecutive BoG meetings without leave, is unable to discharged his/her duties, appointment revoked in case the member is a representative, or the period expires then the member ceases to be a member and is removed from the Board. Board members are entitled to a sitting allowance of Kshs.10,000 each. The Board Chair person and Committee Chairpersons receive Ksh.15,000 and Ksh. 12,000 respectively.

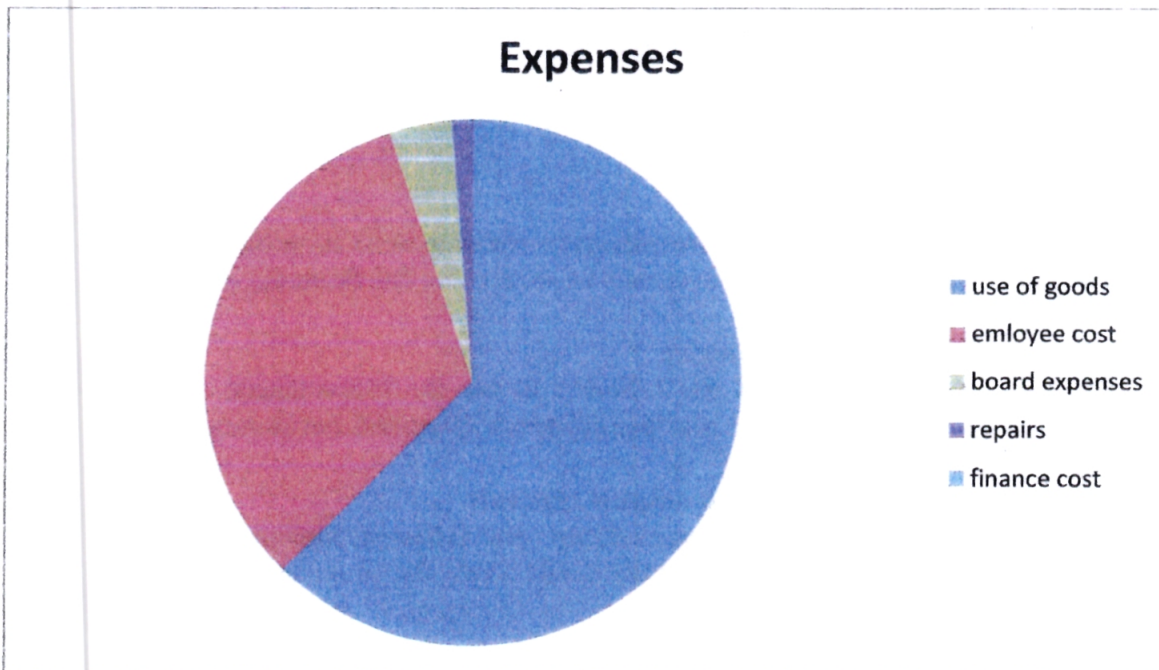
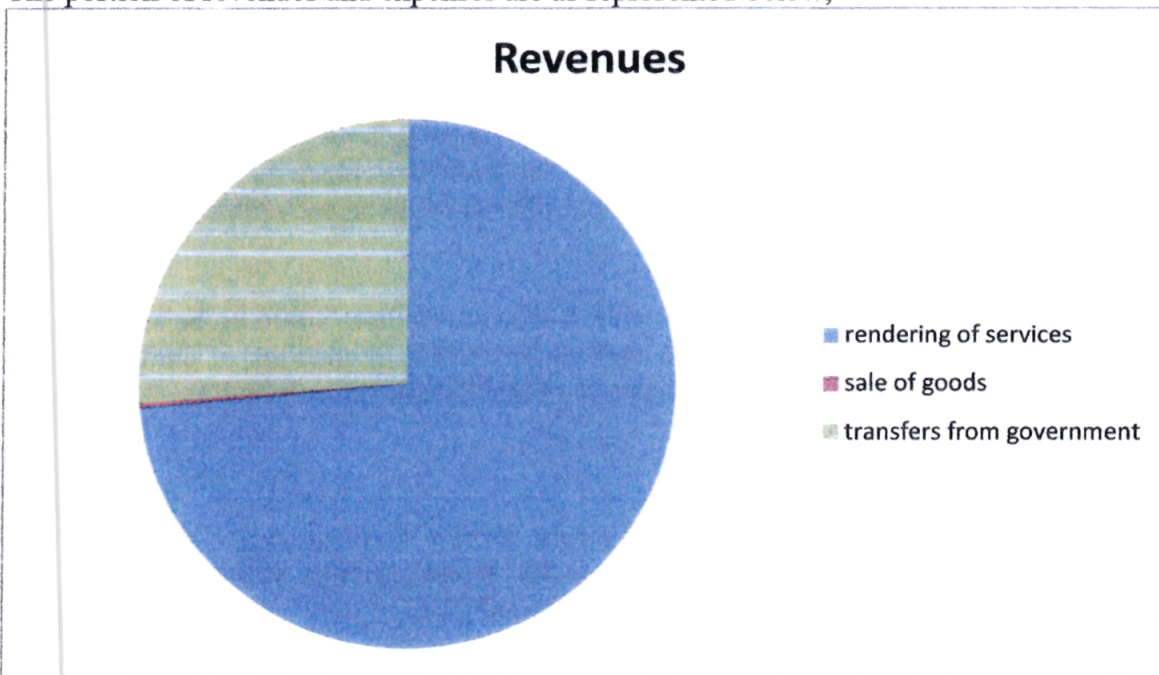
The following are the functions of the Board of Governors:

- a) Overseeing the conduct of education and training in the institution in accordance with the provisions of this Act
- b) Promoting and maintaining standard, quality and relevance in education and training
- c) Administering and managing the property of the institution.
- d) Developing and implementing the institution's strategic plan.
- e) Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institution.
- f) Mobilizing resources for the institution.
- g) Determining fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the TVET Act.
- h) Make regulations governing the institution conduct and discipline of staff and students.

9. Management Discussion and Analysis

The institution is fully operational. For the period ending June, 2024 the institute earned revenue from exchange transactions of Kshs.58,748,201 which is a full recognition of the earnings for the financial year and Capitation grant of Ksh.20,866,819 Registering an underperformance in cashflow majorly caused by under disbursement of capitation Grants and changes in the funding model shifting part of the revenues expected from non-exchange transactions to exchange transactions revenues

The portion of revenues and expenses are as represented below;



Despite steady growth in students' population the institute was unable to fully fund its budget due to cash flow challenges where the ministry of education out of Ksh.7,500 per student per quarter it was able to disburse part of the amount each for first, second and third quarters and none for fourth quarter. This resulted in whereas straining on the available facilities. This warrants the need for expansion of facilities such as classrooms, practical areas and the social amenities.

As at the end year the institute

The institute is compliant with NSSF, NHIF and KRA and there is no statutory arrear as at the end of financial year.

10. Environmental and Sustainability Reporting Statement

Aldai T.T.I exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/citizen first and improving operational excellence. Below is a brief highlight of our achievements in each pillar

Sustainability strategy and profile

In an effort to reduce cost the institution planted kales in institute's farm to be supplied to boarding section. The institution is also looking forward to production of enough milk, building materials, tea and coffee to mitigate on financial constrains in future.

Environmental performance

Aldai T.T.I is keen on the environmental issues. In this financial year alone we have planted eight hundred indigenous trees and more flowers, gabion works was done on areas prone to erosion and landslides on the compound.

Employee welfare

The institution is keen on improving welfare of its staff. A scheme of service is in place and the board is keen on improving on the scheme on timely basis. On the other hand the board has always been keen on provision of protective gear and other working environment key requirements.

Market place practices-

The institution holds awareness and sensitisation meeting with its potential partners on available opportunities prior to advertisement of tenders for the financial year. Through

- a) Responsible competition practice.
Proper tendering processes are followed as per the Procurements Act, whereby competitive bidding is done and due diligence is carried out in order to get value for money.
- b) Responsible Supply chain and supplier relations.
Proper procedures and documentations are followed during the process of procurement and payments are only made when the procedures are followed to the latter.
- c) Responsible marketing and advertisement.

The institute has a marketing committee who perform their duties diligently and as per the public code of ethics and conduct hence are always pursue responsible marketing-outline efforts to maintain ethical marketing practices.

- d) Product stewardship- The institute endeavour to safeguard consumer rights and interests by ensuring that our clients get the necessary information and know-how for the services and products offered at any given time. This is done through various marketing strategies.

Corporate Social Responsibility / Community Engagements

The institute has encouraged community involvement in the growth and impact of its existence through partnering with them in provision of accommodation facilities for students admitted as boarders. Natural spring has been secured by the institution to provide safe and clean water to the community. During tree planting the institute engages the community through the community administration and other corporate bodies like the Equity Bank.

11. Report of the Board of Governors

The Board members submit their report together with the unaudited financial statements for the year ended June 30, 2024, which show the state of the institute's affairs.

Principal activities

The principal activity of the institute continues to provide diversified Vocational, Technical and Industrial Skills, through training.

Results

The results of the institute for the year ended June 30 2024 are set out on page 1 to 9

Board of Governors

The members of the Board who served during the year are shown on page viii and x. During the year ended 30th June, 2024 Mirriam Jeptoo retired on 20th January 2024 and Mary Mengech was appointed on 4th April 2024 to replace her while Ann Wafula and Willy Cheruiyot's tenures were renewed for second three year term.

Auditors

The Auditor General is responsible for the statutory audit of the Institute in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015, or in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on her behalf.

By Order of the Board



.....
Secretary of the Board

Date: 10/04/2025

12. Statement of Board of Governors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 require the Board members to prepare financial statements in respect of the institute, which give a true and fair view of the state of affairs of the institute at the end of the financial year and the operating results of the institute for that year. The Board members are also required to ensure that the institute keeps proper accounting records which disclose with reasonable accuracy the financial position of the institute. The Board members are also responsible for safeguarding the assets of the institute.

The board members are responsible for the preparation and presentation of the institute's financial statements, which give a true and fair view of the state of affairs as at June 30, 2024. This responsibility includes:

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the institute;
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safeguarding the assets of the institute;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for the institute's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and TVET Act. The Board members are of the opinion that the institute's financial statements give a true and fair view of the state of institute's transactions during the financial year ended June 30, 2024, and of the institute's financial position as at that date. The board members further confirm the completeness of the accounting records maintained for the institute, which have been relied upon in the preparation of the institute's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The Aldai TTI financial statements were approved by the Board on 20th September, 2024 and signed on its behalf by:

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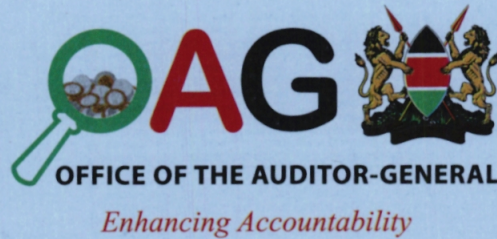

Prof. Sammy K. Chumba
Chairperson of the Board

.....


Sallie Mossop Lukuyu
Accounting Officer/Chief Principal

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON ALDAI TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Aldai Technical training Institute set out on pages 1 to 55, which comprise of the statement of financial position as at 30 June, 2024 and the statement of financial performance, statement of changes in net

Report of the Auditor-General on Aldai Technical Training Institute for the year ended 30 June, 2024

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Aldai Technical Training Institute as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Technical and Vocational Education Training Act, 2013.

Basis for Qualified Opinion

1. Accuracy and Disclosures in the Financial Statements

Review of the financial statements that were submitted for audit revealed the following anomalies;

- i. Note 27(a) reflects current receivables from exchange transactions balance of Kshs.58,269,592. However, an impairment allowance was not made on the outstanding debts. Further, an ageing analysis of each individual debt was not provided for review.
- ii. Property, plant and equipment movement schedule in Note 32 reflects inaccuracies as detailed below and therefore the accuracy of the property, plant and equipment balance of Kshs.331,256,366 and the depreciation amount of Kshs.12,635,259 as per Note 18 could not be confirmed: -
 - a) The value of property, plant and equipment balance of Kshs.331,256,366, as at 30 June, 2024 could not be confirmed because valuation records were not provided for audit.
 - b) Property, plant and equipment movement schedule in Note 32 reflects net book value of the assets as at 30 June, 2024 as Kshs.331,256,366 whereas Note 32(b) reflects net book value of the assets as Kshs.330,787,186 resulting in an unexplained variance of Kshs.469,180.
 - c) The Institution's vehicle has been included under property, plant and equipment reported balance of Kshs.331,256,366 as an addition at a value of Kshs.3,200,000 as per Note 32 to the financial statements. However, the insurance valuation report in support of the addition is dated 17 January, 2025 which is not within the reporting period. Further, the vehicle which was handed over to the institution in August, 2021 from African Development Bank (AfDB) project to the institution and log book changed in the name of the Institution still has a civilian number plate and has not been changed to the blue parastatal number plate.

- d) Depreciation and amortization expense amount of Kshs.13,206,923 as detailed in Note 18 could not be confirmed due to lack of completeness in property, plant and equipment movement schedule.
- iii. Valuation of biological assets balance of Kshs.324,400 as disclosed in Note 35 to the financial statements was not done as at 30 June, 2024 . It was noted that there was a movement in the value of cattle of Kshs.105,000. However, this movement was not supported.
- iv. The statement of financial position as disclosed in Note 37 to the financial statements reflects refundable deposits balance of Kshs.1,873,068. Recast of the ageing analysis provided in the Note revealed a balance of Kshs.1,856,068 resulting in an unexplained variance of Kshs.17,000. Further, comparative balance for customer deposit in the Note is indicated as Kshs.885,572 and not Kshs.820,572 as reflected in the audited financial statements for the prior year.
- v. The statement of financial position reflects net assets balance of Kshs.392,520,450 which is made up of capital Fund balance of Kshs.417,312,507 which is not accurate.
- vi. The statement of changes in net assets reflects under capital fund, capital grant amount of Kshs.3,200,000 received during the year which refers to value of motor vehicle which was donated to the institution in year 2021 with a valuation done in January, 2025 and therefore the correct value of the motor vehicle at the time of donation may have not been captured in the books. Further, the statement reflects an erroneous total surplus amount of Kshs.6,219,565 for the year, instead of Kshs.5,219,707.
- vii. The statement of changes in net assets reflects a total of capital Grants/Fund balance of Kshs.417,312,507, however, recast of the balances downwards revealed a total to Kshs.395,427,243 resulting in an unexplained variance of Kshs.21,885,264. Further, the column for totals reflects a balance of Kshs.392,520,451, however, recast of the balances downwards revealed a balance of Kshs.368,435,057 resulting to an unexplained variance of Kshs.24,085,394. The total balances reflected in the statement of changes in net assets are not accurate.
- viii. The statement of cash flows reflects rendering of services fees from students amount of Kshs.82,042,075 whereas the statement of comparison of budget and actual amounts reflects actual rendering of services fees amount of Kshs.79,293,282 resulting to an unexplained variance of Kshs.2,748,793. Further, the statement of cash flows reflects purchase of property, plant and equipment a balance of Kshs.2,281,350 which is at variance with Note 32 property, plant and equipment addition of Kshs.768,530. Also, the statement reflects net increase/decrease in cash and cash equivalent amount of Kshs.3,312,962 which does not cast.
- ix. The statement of cash flows and Note 47 to the financial statement reflects net cash flow from operating activities amount of Kshs.5,581,492 which is incorrect. Further, Note 47 on cash generated from operations indicates increase in refundable deposit amount of Kshs.1,052,496 instead of Kshs.(17,000) and an unsupported adjustment amount of Kshs.39,137,398 which could not be

confirmed. Also, the Note indicates a comparative balance for increase in deferred income of Kshs.1,004,496 which should have been indicated as a comparative balance for increase in refundable deposits.

- x. The statement of comparison of budget and actual performance reflects total actual revenue on comparable basis amount of Kshs.100,325,878 while a recast of the same revealed a total of Kshs.100,325,787 leading to an unexplained variance of Kshs.100. Similarly, the statement reflects total performance difference amount of Kshs.34,168,801 while a recast of the same revealed a total of Kshs.27,368,801 leading to an unexplained variance of Kshs.6,800,000.
- xi. The trial balance was not presented as per classifications in the financial statements and the accuracy of the balances as reflected in the trial balance could not be confirmed to be in agreement with the financial statement balances

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

2. Variances Between the Financial Statements Amounts and the Notes

The statement of financial performance reflects use of goods expenses amount of Kshs.39,160,872. However, Note 15 to the financial statements and the supporting schedules indicate an amount of Kshs.39,398,645 resulting to an unexplained variance of Kshs.237,773. Further, the statement of budget and actual amounts reflects actual amount for use of goods and services of Kshs.39,411,280 which varies from the reported amount in the statement of financial performance of Kshs.39,160,872 resulting to an unexplained variance of Kshs.250,408.

In the circumstances, the amount reported for use of goods and services of Kshs.39,160,872 in the financial statements could not be confirmed.

3. Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents balance of Kshs.5,148,544 as disclosed in Note 26 to the financial statements. Examination of the cashbook revealed that it was not being checked and signed by the accountant in charge of expenditure as required in the operations manual.

In the circumstances, the accuracy and validity of the cashbook balance of Kshs.5,148,544 could not be confirmed.

4. Inventories Balance

The statement of financial position reflects inventories balance of Kshs.1,041,802 as disclosed in Note 29 to the financial statements. It was noted that the Institution uses COMEMIS information technology system to manage inventories. However, attempts to obtain stock balance report as at 30 June, 2024 from the system was not possible as the system does not indicate running inventory balances. It was not therefore possible to reconcile the physical stock balances and the inventory records. Further, the method used in valuation of the inventories was not established.

In the circumstance, the accuracy and validity of the inventory balance of Kshs.1,041,802 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.95,357,190 and Kshs.100,325,878 resulting into over-realization of Kshs.4,968,597. Similarly, the institution incurred total recurrent expenditure of Kshs.61,188,389 against actual receipts of Ksh.100,325,878 resulting into an under-expenditure of Kshs.39,137,489 or 39% of actual receipts.

Recast of the total performance difference for expenses in statement of comparison of budget and actual amounts revealed a total amount of Kshs.27,368,801 and not Kshs.34,168,801 as reported resulting into a variance of Kshs.6,800,000. It was also noted that the institution budgeted for a capital expenditure of Kshs.6,800,000 out of which a Nil expenditure was incurred. Further it was noted that the institution had an unbalanced budget.

In the circumstances, the underfunding and under-utilization affected overall effectiveness of the Institution's service delivery to the public. Further, the accuracy of the amounts in the statement of comparison of budget and actual amounts could not be confirmed

My report is not modified in respect of these matters.

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. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there were no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under report on Financial Statements, Report on Lawfulness and Effectiveness in the use of Public Resources and Report on effectiveness of Internal Controls, Risk management and Governance. However, they remain unresolved.

Other Information

Management is responsible for the other information set out on page ii to xxviii which comprise of Acronyms and Glossary of terms, Key Institute Information and Management,

The Board of Governors, Key Management Team, Chairman's statement, Report of the Principal, Statement of Performance against Predetermined objectives, Corporate Governance Statement, Management discussion and analysis, Environment and Sustainability Reporting, Report of Board of Governors and Statement of Board of Governor's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Aldai Technical Training Institute financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information; I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON THE LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Presentation of the Financial Statements

Review of the financial statements submitted for audit revealed that the statement of comparison of budget and actual amounts was not prepared in accordance with the reporting template provided by the Public Sector Accounting Standards Board (PSASB) and International Public Sector Accounting Standards (IPSAS) 24 which requires a reconciliation to be provided between statement of financial performance amounts (prepared under accrual basis of accounting) and actual amounts in the statement of comparison of budget and actual amounts (prepared under cash basis of accounting).

In the circumstances Management was in breach of the Public Sector Accounting Standards Board (PSASB) template.

2. Non Compliance with Staff Ethnic Composition

Records provided for audit review revealed that the Institute had eighty-two (82) staff as per the payroll data submitted for audit. Analysis of the data indicated that employees from the dominant ethnic community were sixty-five (65) or (79%). This is contrary Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which requires that public

institutions should not have more than one third of its staff establishment from the same ethnic community

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

3. Lack of Value for Money for the Information Technology System

Review of the institution's Information Technology (IT) Infrastructure revealed that an Information Technology System (COLEMIS) is in place with six (6) Modules which include; Student Management Module, Finance Module and Procurement/store Module, Human Resource Module, Library Module and Examination Module which were meant for automation of its operations. Three modules (Student Management Module, Finance Module and Procurement/store Module) were acquired in the year, 2020 at a cost of Kshs.1,589,000 including installation fees. In the year under review, three other modules (Human Resource Module, Library Module and Examination module) were acquired as additions at a cost of Kshs.1,500,000.

Review of the system operation revealed that there were weaknesses and challenges across all the six (6) modules installed making it difficult to meet the objectives of the system. Further, there was no evidence of due diligence having been made during acquisition of the system. In view of the challenges experienced, the Management made written complaints to the system developer through unreferenced letter dated 21 May, 2024 however no action has so far been taken by the developer.

In the circumstances, value for money may not be realized on the amount of Kshs.3,098,000 incurred by the institution to procure the system.

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

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

Conclusion

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

Basis for Conclusion

Internal Audit Charter

Examination of the internal audit charter for the internal audit department for the year under review revealed that the charter was not signed by the Chief Executive

Officer/Principal. Further, the revised 2022-2025 Internal Audit charter provided did not conform to the Public Sector Accounting Standards Board (PSASB) audit charter template for public sector entities.

In the circumstances, there is lack of commitment by the Management on the internal audit charter which also lacks the inclusion of all the requirements in the internal audit charter as required by the PSASB.

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

Responsibilities of the Management and the Board of Management

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

08 May, 2025

14. Statement of Financial Performance for the Year Ended 30 June 2024

	Notes	2023/2024	2022/2023
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	20,866,819	15,723,000
Grants from donors and development partners	7		
Transfers from other levels of government	8		
Public contributions and donations	9		
		20,866,819	15,723,000
Revenue from Exchange transactions			
Rendering of services- fees from students	10	58,558,094	25,854,660
Sale of goods	11	190,107	1,020,340
Rental revenue from facilities and equipment	12		301,900
Finance income	13		
Miscellaneous income	14		1,050,000
Revenue from Exchange transactions		58,748,201	28,226,900
Total Revenue		79,615,020	43,949,900
Expenses			
Use of goods and services	15	39,160,872	46,637,702
Employee costs	16	18,819,567	19,551,825
Board Expenses	17	2,199,369	1,069,000
Depreciation and amortization expense	18	13,206,923	12,867,452
Repairs and maintenance	19	758,173	1,016,604
Contracted services	20		
Grants and subsidies	21		
Finance costs	22	12,635	19,028
Total Expenses		74,395,312	81,161,610
Other Gains/(Losses)			
Gain on sale of assets	23		
Gain/ Loss on fair value of investments	24		
Impairment loss	25		
Total Other Gains/(Losses)			
Net surplus/(deficit) for the year		5,219,707	(37,211,710)

(The notes set out on pages 10 to 54 form an integral part of the Annual Financial Statements).

Aldai Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2024

The Financial Statements set out on pages 1 to 9 were signed by:



.....
Chairman of Board

Date 10/04/2025



.....
Chief Principal

Date 10/04/2025



.....
Finance Officer
ICPAK No 30401

Date 10/04/2025

Aldai Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2024




15. Statement of Financial Position as At 30th June 2024

Description	Notes	2023/2024	2022/2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	26	5,148,544	1,835,582
Current portion of receivables from exchange transactions	27(a)	58,269,592	24,706,210
Receivables from non-exchange transactions	28		
Inventories	29	1,041,802	915,185
Investments in financial assets	30		
Prepayments	31		
Total Current Assets		64,459,938	27,456,977
Non-Current Assets			
Long term receivables from exchange transactions	27(b)		
Investments	30		
Property, plant, and equipment	32	331,256,366	339,923,096
Intangible assets	33	1,714,992	786,656
Investment property	34		
Biological Assets	35	324,400	219,400
Total Non-Current Assets		333,295,758	340,929,152
Total Assets		397,755,696	368,386,128
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	36	3,362,178	4,280,581
Refundable deposits from customers	37	1,873,068	1,890,068
Current provisions	38		
Finance lease obligation	39		
Deferred income	40		
Employee benefit obligation	41		
Payments received in advance	42		
Current portion of borrowings	43		
Social Benefits	46		

Aldai Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2024

Description	Notes	2023/2024	2022/2023
		Kshs	Kshs
Total Current Liabilities		5,235,246	6,170,649
Non-Current Liabilities			
Finance lease obligation	39		
Deferred income	40		
Non-Current Employee Benefit Obligation	41		
Non- Current Borrowings	43		
Non-Current Provisions	44		
Service Concession Liability	45		
Social benefits	46		
Total non- current liabilities			
Total Liabilities (B)		5,235,246	6,170,649
Net Assets (A-B)		392,520,450	362,215,479
Represented By:			
Revaluation Reserves			
Accumulated Surplus		(24,792,057)	(30,011,764)
Capital Fund		417,312,507	392,227,243
Net Assets		392,520,450	362,215,479

The Financial Statements set out on pages 1 to 9 were signed by:

		
.....
Chairman of Board	Chief Principal	Finance Officer
		ICPAK No 30401
Date 10/004/2025	Date 10/04/2025	Date 10/04/2025

16. Statement of Changes in Net Asset for the Year Ended 30 June 2024

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2022		7,199,946	364,408,449	371,608,395
Revaluation gain			12,818,793	
Surplus/(deficit) for the year		(37,211,710)		(37,211,710)
Capital grants received during the year			15,000,000	15,000,000
Transfer of depreciation/amortisation from capital fund to Retained earnings				12,818,793
At June 30, 2023		(30,011,764)	392,227,243	362,215,492
At July 1, 2023		(30,011,764)	392,227,243	362,215,492
Revaluation gain				
Surplus/(deficit) for the year		5,219,707		6,219,565
Capital grants received during the year			3,200,000	
Transfer of depreciation/amortisation from capital fund to Retained earnings				
At June 30, 2024		(24,792,057)	417,312,507	392,520,451

17. Statement of Cash Flows for the Year Ended 30 June 2024

Description		2023/2024	2022/2023
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities		20,866,819	15,723,000
Grants from donors and development partners			
Transfers from other levels of government			
Public contributions and donations			
Rendering of services- fees from students		82,042,075	35,018,439
Sale of goods		165,686	382,840
Rental revenue from facilities and equipment			51,815
Finance income			
Miscellaneous income			740,000
Total Receipts		103,074,580	51,916,094
Payments			
Use of goods and services		39,398,645	42,963,019
Employee costs		18,819,567	19,551,825
Board Expenses		2,199,369	1,069,000
Repairs and maintenance		758,173	1,016,604
Contracted services			
Finance costs	22	12,635	19,028
Total Payments		61,188,389	64,619,476
Net Cash Flows from operating activities	47	5,581,492	(17,014,515)
Cash flows from investing activities			
Transfers from other National Government entities			15,000,000
Purchase of property, plant, equipment and intangible assets		(2,281,350)	(22,090,922)
Transfer of WIP property plant and equipment		-	-
Proceeds from sale of property, plant and equipment			
Net cash flows used in investing activities		(2,281,350)	(7,090,922)
Cash flows from financing activities			
Proceeds From Borrowing			
Repayment Of Borrowings			
Net cash flows used in financing activities			
Net Increase/(Decrease) in Cash and Cash equivalents		3,312,962	(24,105,437)
Cash and Cash equivalents at 1 JULY	26	1,835,581	25,941,018
Cash and Cash equivalents at 30 JUNE	26	5,148,544	1,835,581

18. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2024

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other National Government entities	45,000,000		45,000,000	20,866,819	24,133,181	54% a
Grants from donors and development partners						
Transfers from other levels of government						
Public contributions and donations						
Rendering of services- fees from students	48,720,000		48,720,000	79,293,282	(30,573,282)	(63%) b
Sale of goods	1,537,190		1,537,190	165,686	1,371,504	89% c
Rental revenue from facilities and equipment	100,000		100,000	-	100,000	100% d
Finance income						
Miscellaneous Income						
Total Income	95,357,190		95,357,190	100,325,878	(4,968,597)	(5%)
Expenses						
Use of goods and services	56,729,745		56,729,745	39,411,280	17,318,465	31% e
Employee costs	25,531,445		25,531,445	18,819,567	6,711,878	26% f
Board Expenses	3,543,000		3,543,000	2,199,369	1,343,631	38% g
Repairs and maintenance	2,753,000		2,753,000	758,173	1,994,827	72% h
Contracted services						
Grants and subsidies						
Use of goods and services						
Total Expenditure	88,557,190		88,557,190	61,188,389	34,168,801	
Surplus For the Period	6,800,000		6,800,000	39,137,398		
Capital Expenditure	6,800,000		6,800,000	-	6,800,000	100%

(Budget notes)

- a) Movement in Transfers from other National Government entities is due to partial disbursement of capitation grants in quarters one to three and non-disbursement of quarter four. Changes in funding model also led to the movement.
- b) Movement in Rendering of services- fees from students is due to changes in funding model where students are placed in bands where they are funded differently by government.
- c) Movement in Sale of goods is due to investment on income generating activities with future cashflows
- d) Movement in Rental revenue from facilities and equipment is due to removal of term breaks leading to facilities being in use by students throughout the year
- e) Movement in Use of goods and services due to cashflow challenges necessitating expenditure cuts
- f) Movement in Employee costs is due to failure to uptake all budgeted positions due to cashflow challenges
- g) Movement in Board Expenses postponement of board retreat due for the year under reporting merged with BoG end of term retreat due for October 2024
- h) Movement in Repairs and maintenance is due to forfeiture of phase II maintenance due to cashflow challenges.

19. Notes to the Financial Statements

1. General Information

The Aldai TTI is established by and derives its authority and accountability from TVET Act. The Institute is wholly owned by the Government of Kenya and is domiciled in Kenya. The Institute's principal activity is training.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the Institute's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Institute. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

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

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

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

Aldai Technical Training Institute**Notes to Annual Report and Financial Statements for the year ended 30th June 2024**

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

iii. Early adoption of standards

The institute did not early adopt any new or amended standards in year 2024

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 Institute and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

The Institute recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

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 Institute.

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2023/2024 was approved by the Board on 26th January 2023. No subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The Institute'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 cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 8 under section 18 of these financial statements.

c) Taxes

Current income tax

The Institute is exempt from paying taxes.

Sales tax/ Value Added Tax

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

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

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

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) 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 or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Institute recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Institute. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Institute also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Institute will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Institute. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible assets

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. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

h) Research and development costs

The Institute expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Institute can demonstrate:

- The technical feasibility of completing the asset so that the asset will be available for use or sale.
- Its intention to complete and its ability to use or sell the asset.
- How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset.
- The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The Institute does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one Institute and a financial liability or equity instrument of another Institute. At initial recognition, the Institute measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets***Classification***

The Institute classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity, or fair value through surplus and deficit on the basis of both the Institute's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an Institute has made an irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the Institute classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/equity are measured at fair value through surplus or deficit. A business model where the Institute manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year-end.

Impairment

The Institute assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The Institute recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL).

Financial liabilities

Classification

The Institute classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

j) 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.

Inventories (Continued)

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Institute.

k) Provisions

Provisions are recognized when the Institute has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Institute expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

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

Contingent assets

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

l) Social Benefits

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

m) Nature and purpose of reserves

The Institute does not create or maintain reserves in terms of specific requirements.

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

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

p) Foreign currency transactions

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

q) Borrowing costs

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

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

r) Related parties

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

s) Service concession arrangements

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

t) 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.

u) Comparative figures

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

v) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2024.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Institute 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 Institute. 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 *Institute*.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available.

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

6. Transfers from other National Government entities

Description	2023/2024	2022/2023
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	14,994,500	15,723,000
Scholarship Grant	5,872,319	
Development grants		
Other Grants		
Total unconditional Grants	20,866,819	15,723,000
Conditional Grants amortised/ recognised in revenue		
Library Grant		
Hostels Grant		
Administration Block Grant		
Laboratory Grant		
Learning Facilities Grant		
Other Organizational Grants		
Total Government Grants and Subsidies		

(a) Transfers from other Government entities (Categorized)

Name of the Institute Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
MoE State Department of TVET	20,866,819			20,866,819	30,723,000
Ministry					
Total	20,866,819			20,866,819	30,723,000

The details of the reconciliation have been included under appendix III

7. Grants from Donors and Development Partners

Description	2023/2024	2022/2023
	Kshs	Kshs
JICA- Research Grant		
World Bank Grants		
In-Kind Donations		
Donations transferred to revenue-conditions met		
Other Grants		
Total Grants from Development Partners		

(a) Reconciliations of grants from donors and development partners

Description	2023/2024	2022/2023
	Kshs	Kshs
Balance unspent at beginning of year		
Current year receipts		
Conditions Met - Transferred to Revenue		
Conditions Yet To Be Met - Remain Liabilities		

8. Transfers from Other Levels of Government

Description	2023/2024	2022/2023
	Kshs	Kshs
Transfer from County		
Transfer from University		
Transfer from Institute		
Total Transfers		

9. Public Contributions and Donations

Description	2023/2024	2022/2023
	Kshs	Kshs
Public Donations		
Donations from Local Leadership		
Donations from Religious Institutions		
Donations from Alumni		
Other Donations		
Total Donations and Contributions		

10. Rendering of Services

Description	2023/2024	2022/2023
	Kshs	Kshs
Tuition Fees	42,693,796	9,767,982
Activity Fees	3,588,098	784,800
Examination Fees	6,165,590	9,495,290
Boarding Fees	2,636,100	4,374,000
Insurance		
Registration Fees	378,500	186,500
Industrial Attachment Fees	1,785,510	1,246,088
KUCCPS Fees	1,135,500	
TVETA Fees	175,000	
Total Revenue from The Rendering of Services	58,558,094	25,854,660

These revenues are payments chargeable to trainees as training and related costs as per the approved fee structure less Government scholarship amount.

11. Sale of Goods

Description	2023/2024	2022/2023
	Kshs	Kshs
Sale of Blocks	9,750	839,750
Sale of water	32,290	51,815
Sale of Farm Produce	62,658	89,875
Computer packages	60,990	17,900
Sale of tender	-	1,000
Sale of electricity	24,420	20,000
	-	
Total Revenue from Sale of Goods	190,107	1,020,340

Sale of goods includes revenues earned from sale of goods produced within the institution.

12. Rental revenue from facilities and equipment

Description	2023/2024	2022/2023
	Kshs	Kshs
Hire of Facilities and Equipment	-	301,900
Contingent Rentals		
Operating Lease Revenue		
Others		
Total	-	301,900

Rental revenue include hire grounds, institutional facilities and equipment like halls, kitchen survey equipment etc

13. Finance Income

Description	2023/2024	2022/2023
	Kshs	Kshs
Cash investments and fixed deposits		
Interest income from treasury bills		
Interest income from treasury bonds		
Interest from outstanding debtors		
Others		
Total finance income		

14. Miscellaneous Income

Description	2023/2024	2022/2023
	Kshs	Kshs
Insurance recoveries		
Consultancy fees		
Income from sale of tender		
Services concession income		
Reimbursements and refunds		
Graduation fees		1,050,000
Bad debts recovered		
Income written back		
Others		
Total other income		1,050,000

15. Use of Goods and Services

Description	2023/2024	2022/2023
	Kshs	Kshs
Training materials, stationeries and cleaning materials	8,778,263	6,285,752
Local Transport and travel	2,267,800	1,473,200
Boarding	5,205,709	8,352,726
Electricity, Water & Conservancy	2,192,593	2,412,557
Activity	1,759,056	1,441,190
Examinations	8,471,909	14,862,581
Reference Materials	34,041	190,798
Annual Subscriptions	689,400	117,600
Marketing & Advertisements	1,086,005	1,172,828
TVETs Fairs & Robotics	1,064,020	139,800
Performance Contracting	547,800	1,154,400
Industrial Attachment	997,107	723,240
Students Welfare	628,700	496,583
Insurance	1,033,713	735,785
Postage & Airtime	281,000	383,056
Block Production	171,000	663,500
MoE/ KATTI Workshops	762701	670,350
Fuel	579,455	633,550
Internet Cost	461,844	624,416
KUCCPS subscriptions	117,000	513,000
Social Contribution	15,000	20,000
Farm	1,487,429	549,547
Students ID	-	54,440
Rental Expenses	-	203,780
CAPA	158,000	-
Tendering Expenses	96,000	-
Firewood/Timber Harvesting	-	10,650
Graduation Cost	4,000	1,726,733
Commissioning expenses	-	229,400
Capacity Building	509,100	796,240
Other		
Total good and services	39,398,645	46,637,702

16. Employee Costs

Description	2023/2024	2022/2023
	Kshs	Kshs
Salaries and wages	17,597,216	18,530,955
Employee related costs - contributions to pensions and medical aids	998,835	1,020,870
Travel, motor car, accommodation, subsistence and other allowances		
Housing Levy	212,566	
NITA Levy	10,950	
Social contributions		
Employee Costs	18,819,567	19,551,825

17. Board Expenses

Description	2023/2024	2022/2023
	Kshs	Kshs
Board Expenses	2,109,369	1,069,000
Chairpersons Honoraria	90,000	
Other Allowances		
Other Board Expenses		
Total	2,199,369	1,069,000

18. Depreciation and Amortization expense

Description	2023/2024	2022/2023
	Kshs	Kshs
Property, plant and equipment	12,635,259	12,605,233
Intangible assets	571,664	262,219
Investment property carried at cost		
Total depreciation and amortization	13,206,923	12,867,452

19. Repairs and Maintenance

Description	2023/2024	2022/2023
	Kshs	Kshs
Repairs, Maintenance and improvement	758,173	1,016,604
Investment property – earning rentals		
Equipment and machinery		
Vehicles		
Furniture and fittings		
Computers and accessories		
Total Repairs and Maintenance	758,173	1,016,604

20. Contracted Services

Description	2023/2024	2022/2023
	Kshs	Kshs
Actuarial valuations		
Investment valuations		
Property valuations		
Other		
Total contracted services		

21. Grants and Subsidies

Description	2023/2024	2022/2023
	Kshs	Kshs
Community Development		
Education Initiatives and Programs		
Social Development		
Social benefits expenses		
Community Trust		
Sporting Bodies		
Others		
Total Grants and Subsidies		

22. Finance Costs

Description	2023/2024	2022/2023
	Kshs	Kshs
Borrowings (Amortized Cost)*		
Finance Leases (Amortized Cost)		
Unwinding of Discount from lease liabilities		
Bank Charges	12,635	19,028
Interest on Loans from Commercial Banks		
Others		
Total Finance Costs	12,635	19,028

23. Gain On Sale of Assets

Description	2023/2024	2022/2023
	Kshs	Kshs
Property, Plant and Equipment		
Intangible Assets		
Other Assets not capitalised		
Total Gain On Sale of Assets		

24. Gain/(loss) on Fair Value Investments

Description	2023/2024	2022/2023
	Kshs	Kshs
Fair value on equity investments		
Fair value arising from investment property		
Fair value arising from biological assets		
Fair value- other financial assets		
Total Gain		

25. Impairment Loss

Description	2023/2024	2022/2023
	Kshs	Kshs
Property, Plant and Equipment		
Intangible Assets		
Total Impairment Loss		

26. Cash and Cash Equivalents

Description	2023/2024	2022/2023
	Kshs	Kshs
Current Account	5,148,385	1,835,389
Cash in Hand	159	193
Fixed Deposits Account		
Staff Car Loan/ Mortgage		
Others		
Total Cash and Cash Equivalents	5,148,544	1,835,582

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

Financial Institution	Account number	2023/2024	2022/2023
		Kshs	Kshs
a) Main Account			
Kenya Commercial Bank	1169120555	3,524,596	117,928
Equity Bank, etc.			
Sub- Total			
b) Operations Account			
Kenya Commercial Bank	1169120717	1,193,266	286,938
Equity Bank – etc.			
Sub- Total			
c) Development Account			
Kenya Commercial Bank	1169120210	430,523	1,430,523
Bank B			
Sub- Total			
d) Staff Car Loan/ Mortgage			
Kenya Commercial Bank			
Bank B			
Sub- Total			
e) Others			
Cash in Transit			
Cash in Hand		159	193
Mobile Money account			
Sub- Total		159	193
Grand Total		5,148,544	1,835,582

27. Receivables from Exchange transactions

27 (a) Current Receivables from Exchange transactions

Description	2023/2024	2022/2023
	Kshs	Kshs
Current Receivables		
Student Debtors	58,269,592	23,809,810
Rent Debtors		
Consultancy Debtors		
Other Exchange Debtors		896,400
Less: Impairment Allowance		
Total Current Receivables	58,269,592	24,706,210

27 (b) Long- term Receivables from Exchange transactions

Description	2023/2024	2022/2023
	Kshs	Kshs
Non-Current Receivables		
Refundable Deposits		
Advance Payments		
Public Organizations		
Less: Impairment Allowance		
Total		
Current Portion Transferred To Current Receivables		
Total Non-Current Receivables		
Total Receivables		

27 (c) Ageing Analysis of Receivables from Exchange transactions

Description	2023/2024		2022/2023	
	Kshs	% of total	Kshs	% of total
Less than 1 year	58,269,592	%	22,747,946	92%
Between 1- 2 years		%	1,958,264	8%
Between 2-3 years		%		%
Over 3 years		%		%
Total (a+b)	58,269,592		24,706,210	

27 (d) Reconciliation for impairment Allowance on Receivables from Exchange Transactions

Description	2023/2024	2022/2023
	Kshs	Kshs
At the beginning of the year		
Provisions during the year		
Recovered during the year		
Write offs during the year		
At the end of the year		

28. Receivables from Non-Exchange transactions

Description	2023/2024	2022/2023
	Kshs	Kshs
Current Receivables		
Capitation Grants*		
Transfers from Other Govt. entities		
Undisbursed Donor Funds		
Other Debtors (Non-Exchange Transactions)		
Less: Impairment Allowance		
Total Current Receivables		

28 (a) Ageing Analysis on Receivables from Non-Exchange Transactions

Description	2023/2024		2022/2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year		%		%
Between 1- 2 years		%		%
Between 2-3 years		%		%
Over 3 years		%		%
Total		%		%

28 (b) Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions

Description	2023/2024	2022/2023
	Kshs	Kshs
At the beginning of the year		
Additional provisions during the year		
Recovered during the year		
Written off during the year		
At the end of the year		

29. Inventories

Description	2023/2024	2022/2023
	Kshs	Kshs
Consumable stores	284,450	346,830
Maintenance stores	-	121,750
Fuels	71,760	230,560
Electrical stores	-	9,100
Cleaning Materials stores	73,360	76,945
Farm stores	84,110	-
Catering stores	528,122	130,000
Less: Impairment allowance		
Total Inventories at lower of Cost and Net Realizable Value	1,041,802	915,185

30. Investments in financial assets

Description	2023/2024	2022/2023
	Kshs	Kshs
a) Investment in Treasury Bills and Bonds		
Financial Institution		
CBK		
CBK		
Sub- Total		
b) Investment with Financial Institutions/ Banks		
Bank		
Bank		
Sub- Total		
c) Equity Investments		
Equity/ Shares		
Sub- Total		
Grand Total		

d) Shareholding in other entities

For investments in equity shares listed under note 30 (c) above, list down the equity investments under the following categories:

Name of Entity where Investment is Held	No of Shares				Fair Value of Shares	Fair Value of Shares
	Direct Shareholding	Indirect Shareholding	Effective Shareholding	Nominal Value of Shares	Insert Current FY	Insert Comparative FY
	%	%	%	Kshs	Kshs	Kshs

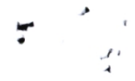
31. Prepayments

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Prepaid Rent		
Prepaid Electricity Costs		
Other Prepayments		
Total		

Aldai Technical Training Institute
Notes to Annual Report and Financial Statements for the year ended 30th June 2024

32. Property, Plant and Equipment

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Other Assets	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 July 2022	7,500,000	300,490,134		4,826,495	3,848,000	95,819,977		10,070,584	422,555,190
Additions		3,842,855		913,200	92,500			17,242,367	22,090,922
Disposals									
Prior year adjustments		(889,187)						2,067,104	1,177,917
Transfers/Adjustments		28,910,875						(28,910,875)	
At 30 th June 2023	7,500,000	332,354,677		5,739,695	3,940,500	95,819,977		469,180	445,824,029
Additions				271,030	158,000	339,500			768,530
Disposals									
Transfer/Adjustments			3,200,000						3,200,000
At 30 th June 2024	7,500,000	332,354,677	3,200,000	6,010,725	4,098,500	96,159,477		469,180	449,792,559
Depreciation And Impairment									
At 1 July 2022	-	24,811,627	-	2,660,623	2,285,390	63,538,061			93,295,701
Depreciation		7,688,576	-	384,884	496,533	4,035,239			12,640,082
Disposals									
Impairment									
At 30 Jun 2023	-	32,500,203	-	3,045,507	2,781,923	67,573,301			105,900,933
Depreciation		7,496,362	800,000	370,652	394,973	3,573,272			12,635,259
Disposals									
Impairment									
Transfer/Adjustment									
At 30 th Jun 2024	-	39,996,565	800,000	3,416,159	3,176,896	71,146,573			118,536,193
Net Book Values									
At 30 th Jun 2024	7,500,000	292,358,112	2,400,000	2,594,566	921,604	25,012,904		469,180	331,256,366
At 30 th Jun 2023	7,500,000	299,854,474	-	2,694,188	1,158,577	28,246,676		469,180	339,923,096



Aldai Technical Training Institute

Notes to Annual Report and Financial Statements for the year ended 30th June 2024

Work in progress includes;

- 1. Carpentry shade Ksh. 381,270
- 2. Welfare room Ksh. 87,910

Notes to the Financial Statements (Continued)

Valuation

As per National Treasury guidelines, Land and buildings were identified but yet to be valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020).

32 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	7,500,000		7,500,000
Buildings	332,354,677	39,996,565	292,358,112
Plant And Machinery	96,159,477	71,146,573	25,012,904
Motor Vehicles including Motorcycles	3,200,000	800,000	2,400,000
Computers and Related Equipment	4,098,500	3,176,896	921,604
Office Equipment, Furniture, And Fittings	6,010,725	3,416,159	2,594,566
Total	449,323,379	118,536,193	330,787,186

33. Intangible Assets

Description	2023/2024	2022/2023
	Kshs	Kshs
Cost		
At beginning of the year	1,598,500	1,598,500
Additions	1,500,000	
At end of the year	3,098,000	1,598,500
Additions–internal development		
At end of the year	3,098,000	1,598,500
Amortization and impairment		
At beginning of the year	811,844	549,625
Amortization	571,664	262,219
At end of the year	1,383,508	811,844
Impairment loss		
At end of the year	1,383,508	811,844
NBV	1,714,992	786,656

34. Investment Property

Description	2023/2024	2022/2023
	Kshs	Kshs
At beginning of the year		
Additions		
Disposal during the year		
Depreciation		
Impairment		
Gain or loss on fair value- if fair value is elected		
At end of the year		

35. Biological Assets

	2023/2024	2022/2023
	Kshs	Kshs
Cattle	215,000	110,000
Tea	67,400	67,400
Coffee	42,000	42,000
Total	324,400	219,400

36. Trade and Other Payables

Description	2023/2024		2022/2023	
	Kshs		Kshs	
Trade payables	3,362,178		3,674,683	
Fees paid in advance			605,898	
Salary deductions				
Third-Party Payments				
Other Payables				
Total Trade and Other Payables	3,362,178		4,280,581	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	3,362,178	100%	4,280,581	100%
1-2 years		%		
2-3 years		%		
Over 3 years		%		
Total (to tie to totals above)	3,362,178		4,280,581	

Aldai Technical Training Institute
Notes to Annual Report and Financial Statements for the year ended 30th June 2024

37. Refundable Deposits from Customers/Students

Description	2023/2024		2022/2023	
	Kshs		Kshs	
Consumer deposits				
Caution money	803,572		885,572	
Other refundable deposits –retention money	1,069,496		1,069,496	
Total Deposits				
	1,873,068		1,890,068	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year		%	1,069,496	%
1-2 years	1,069,496	%		%
2-3 years		%		%
Over 3 years	786,572	100%	885,572	100%
Total (to tie to totals deposits above)	1,873,068	%	1,890,068	%

38. Current Provisions

Description	Leave provision	Bonus provision	Gratuity Provisions	Other provision	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance at The Beginning of The Year					
Additional Provisions					
Provision Utilised					
Change Due To Discount And Time Value For Money					
Transfers From Non -Current Provisions					
Total Provisions					

39. Finance Lease Obligation

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
At the start of the year		
Discount interest on Lease Liability		
Paid during the year		
At end of the year		

Maturity Analysis

Period	Amount
	Kshs
Year 1	
Year 2	
Year 3	
Year 4	
Year 5 and Onwards	
Less: Unearned Interest	
Total	

Analysed as:

Description	Amount
	Kshs
Current	
Non- Current	
Total	

40. Deferred Income

Description	2023/2024	2022/2023
	Kshs	Kshs
National Government		
International Funding Bodies		
Public Contributions and Donations		
Total Deferred Income		

The deferred income movement is as follows:

Description	National government	International funders/donors	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance brought forward				
Additions during the year				
Transfers to capital fund				
Transfers to income statement				
Other transfers				
Balance carried forward				

Analysed as:

Description	Amount
	Kshs
Current	
Non- Current	
Total	

41. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	2023/2024	2022/2023
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation					
Non-Current Benefit Obligation					
Total Employee Benefits Obligation					

Retirement benefit Asset/ Liability

The Institute does not operate a defined benefit scheme for all full-time employees from July 1, 2023.

Description	2023/2024	2022/2023
	Kshs	Kshs
Discount Rates	%	%
Future Salary Increases	%	%
Future Pension Increases	%	%
Mortality (Pre- Retirement)	%	%
Mortality (Post- Retirement)	%	%
Withdrawals		
Ill Health		
Retirement	years	years

Recognition of Retirement Benefit Asset/ Liability

- a) Amounts recognised under other gains/ Losses in the statement of Financial Performance:

Description	2023/2024	2022/2023
	Kshs	Kshs
The return on defined plan assets		
Actuarial gains/ losses arising from changes in demographic assumptions		
Actuarial Gains/ Losses Arising From changes In Financial Assumptions		
Actuarial gains and losses arising from experience adjustments		
Others		
Adjustments for restrictions on the defined benefit asset		
Remeasurement of the net defined benefit liability (asset)		

- b) Amounts recognised in the Statement of Financial Position

Description	2023/2024	2022/2023
	Kshs	Kshs
Present value of defined benefit obligations(a)		
Fair value of plan assets(b)		
Funded status(=a-b)		
Restrictions on asset recognised		
Others		
Net asset or liability arising from defined benefit obligation		

Aldai Technical Training Institute**Notes to Annual Report and Financial Statements for the year ended 30th June 2024**

The Institute contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Institute's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at 12% of gross salary per employee per month. . Employees contribute 6% while employers contribute 6% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

42. Payments received in advance.

Description	2023/2024		2022/2023	
	Kshs		Kshs	
Fees received in advance				
Others				
Total				
Ageing analysis:	2023/2024	% of the Total	2022/2023	% of the Total
Under one year		%		%
1-2 years		%		%
2-3 years		%		%
Over 3 years		%		%
Total		%		%

43. Borrowings

Description	2023/2024		2022/2023	
	Kshs		Kshs	
Balance at beginning of the year				
External borrowings during the year				
Domestic borrowings during the year				
Repayments of external borrowings during the year				
Repayments of domestic borrowings during the year				
Balance at end of the year				

43 a) Analysis of External and Domestic Borrowings

Description	2023/2024	2022/2023
	Kshs	Kshs
External borrowings		
Dollar denominated loan		
Sterling pound denominated loan		
Euro denominated loan		
Domestic borrowings		
Kenya shilling loan		
Total balance at end of the year		

43 b) Breakdown of Long and Short-Term Borrowings

Description	2023/2024	2022/2023
	Kshs	Kshs
Short Term Borrowings (Current Portion)		
Long Term Borrowings		
Total		

44. Non-Current Provisions

Description	Long service leave	Bonus Provision	Gratuity	Other Provisions	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance at the beginning of the year					
Additional Provisions					
Provision utilised					
Change due to discount and time value for money					
Less: Current portion					
Total deferred income					

45. Service Concession Arrangements

Description	2023/2024	2022/2023
	Kshs	Kshs
Fair value of service concession assets recognized under PPE		
Accumulated depreciation to date		
Net carrying amount		
Service concession liability at beginning of the year		
Service concession revenue recognized		
Service concession liability at end of the year		

46. Social Benefit Liabilities

Description	2023/2024	2022/2023
	Kshs	Kshs
Health social benefit scheme		
Unemployment social benefit scheme		
Orphaned and vulnerable benefit scheme		
People Living with disabilities benefit scheme		
Elderly social benefit scheme		
Bursary social benefits		
Total		
Current social benefits		
Non- current social benefits		
Total (tie to totals above)		

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47. Cash generated from operations.

Surplus for the year before tax	2023/2024	2022/2023
	Kshs	Kshs
Adjusted for:	39,137,398	(12,703,382)
Depreciation		
Non-Cash grants received		
Contributed assets		
Impairment		
Gains and Losses on Disposal of Assets		
Contribution to provisions		
Contribution to impairment allowance		
Finance Income		
Finance Cost		
Working Capital Adjustments		
Increase in Inventory	(126,617)	(83,415)
Increase in Receivables	(33,563,382)	(8,257,660)
Increase in Deferred Income		1,004,496
Increase in Payables	(918,403)	3,025,446
Increase in refundable deposits	1,052,496	
Net Cash Flow from Operating Activities	5,581,492	(17,014,515)

48. Financial Risk Management

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

(i) Credit risk

The Institute 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 Institute's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2023				
Receivables from exchange transactions				
Receivables from non-exchange transactions				
Bank balances				
Total				
At 30 June 2024				
Receivables from exchange transactions				
Receivables from non-exchange transactions				
Bank balances				
Total				

Financial risk management (continued)

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The Institute has significant concentration of credit risk on amounts due.

The board of Governors sets the Institute’s credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Institute’s directors, who have built an appropriate liquidity risk management framework for the management of the Institute’s short, medium and long-term funding and liquidity management requirements. The Institute manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the company under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023				
Trade Payables				
Current Portion Of Borrowings				
Provisions				
Deferred Income				
Employee Benefit Obligation				
Total				
At 30 June 2024				
Trade Payables				
Current Portion Of Borrowings				
Provisions				
Deferred Income				
Employee Benefit Obligation				
Total				

(iii) Market risk

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

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

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

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

a) Foreign currency risk

The Institute has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The carrying amount of the Institute's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2024			
Financial Assets (Investments, Cash, Debtors)			
Liabilities			
Trade and Other Payables			
Borrowings			
Net Foreign Currency Asset/(Liability)			

The Institute manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

Foreign currency sensitivity analysis

The following table demonstrates the effect on the company's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
2024			
Euro	10%		
Usd	10%		
2024			
Euro	10%		
Usd	10%		

b) Interest rate risk

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

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Sensitivity analysis

The Institute does not analyse its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant.

iv) Capital Risk Management

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

Description	2023/2024	2022/2023
	Kshs	Kshs
Revaluation Reserve		
Retained Earnings	(24,794,057)	(30,011,764)
Capital Reserve	417,312,507	392,227,243
Total Funds	392,520,450	362,215,479
Total Borrowings	-	-
Less: Cash and Bank Balances	5,145,544	1,835,582
Net Debt/(Excess Cash and Cash Equivalents)	387,734,906	360,379,897
Gearing	0%	99.15%

49. Related Party Balances

Nature of related party relationships

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

- i) The National Government;
- ii) The Ministry of Education;
- iii) Key management;
- iv) Board of Governors;

The transactions and balances with related parties during the year are as

Description	2023/2024	2022/2023
	Kshs	Kshs
Transactions with Related Parties		
a) Sales to related parties		
Sales of electricity to govt agencies		
Rent income from govt. agencies		
Water sales to govt. agencies		
Others		
Total		
B) Purchases from related parties		
Purchases of electricity from kplc		
Purchase of water from govt service providers		
Rent expenses paid to govt agencies		
Training and conference fees paid to govt. agencies		
Others		
Total		
b) Grants /Transfers from the Government		
Grants from National Govt		
Grants from County Government		
Donations in Kind		
Total		
c) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for Employees		
Payments for Goods and Services for		
Total		
d) Key Management Compensation		

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Description	2023/2024	2022/2023
	Kshs	Kshs
Directors' emoluments		
Compensation to Key Management		
Total		

50. Segment Information

51. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	2023/2024	2022/2023
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements		
Assets arising from determination of Court Cases		
Reimbursable Indemnities and Guarantees		
Others		
Total		

Contingent Liabilities

Description	2023/2024	2022/2023
	Kshs	Kshs
Contingent Liabilities		
Court Case		
Bank guarantees in favour of subsidiary		
Contingent liabilities arising from Contracts including PPPs		
Others		
Total		

52. Capital Commitments

Capital Commitments	2023/2024	2022/2023
	Kshs	Kshs
Authorised for		
Authorised and Contracted for		
Total		

53. Events After The Reporting Period

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

54. Ultimate And Holding Institute

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

55. Currency

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

Aldai Technical Training Institute
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20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

The following is the summary of issues raised by the external auditor related to the financial year 2021/2022, and management comments that were provided to the auditor. As at the time of reporting financial year 2022/2023 is yet to be audited.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
5	Property plant and equipment	The management noted the observation seriously. The value of land was estimated using the current market rate and the completion certificate certificate is yet to be issued by public works.	Resolved	
6	Biological assets	The management noted the observation seriously. The values were derived from initial cost of acquisition.	Resolved	
7	Budgetary control and performance	The management noted the observation. The under expenditure resulted from late disbursement of capitation grant portraying the same as unspent.	Resolved	



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Lukuyu Mossop Sallie
Chief Principal/Accounting Officer

Date 10th April 2025

Appendix II: Projects Implemented by the Institute

Projects

There were no Projects implemented by the institute Funded by development partners.

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1						
2						

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1							
2							
3							

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Appendix III- Inter-Institute Confirmation Letter


Name of transferring Entity; **Ministry of Education State Department for Technical, Vocational Education and Training**

Name of beneficiary Entity; **Aldai Technical Training Institute**

Confirmation of amounts received by Aldai Technical Training Institute as at 30 th June 2024							
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Capitation (C)	Scholarship (D)	Total (C)=(A+B+C+D)	Remarks
FT23271ZYHV1	28/09/2023			4,592,000		4,592,000	
FT24018X6DQF	18/01/2024			4,854,500		4,854,500	
FT24031JYG8P	31/01/2024			5,548,000		5,548,000	
FT240040QFS5N	09/02/2024				5,590,125	5,590,125	
FT24058PH190	27/02/2024				282,194	282,194	
Total				14,994,500	5,872,319	20,866,819	

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

Head of Accounts Department - Disbursing Institute:
 Name Sign Date

Head of Accounts Department - Beneficiary Institute:
 Name **PETER SAGGAS** Sign  Date **10TH APRIL 2025**

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Appendix IV: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

Appendix V: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments