

REPUBLIC OF KENYA



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REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 27 JUN 2023

DAY: TUESDAY

TABLED
BY:

Hon Owen Bayo, MP
Deputy leader, Majority

OF
THE TABLE:

Inzoga mwale

THE AUDITOR-GENERAL

ON

**ALDAI TECHNICAL
TRAINING INSTITUTE**

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



ALDAI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30TH JUNE 2022

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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, 3rd Medium Term Plan (2018-2022), 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 2022 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	SALLIE C. MOSSOP LUKUYU
2.	Deputy principal	KAREN KOGO
3	Ag. Registrar	TITUS KIBET ROTICH
4	Ag. Dean of Students	ABRAHAM KORIR YEGO
5	Head of Finance	IRENE CHIRCHIR
6	Head of Procurement	DANCAN KOECH

(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.

Key Institute Information and Management (Continued)

- (f) Aldai Technical Training Institute**
P.O. Box 149-30305
KOBUJOI, KENYA
- (g) Contacts**
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Website: www.aldaitti.ac.ke
- (h) Bankers**
Kenya Commercial Bank
P.O Box 164-30300
Kapsabet, Kenya
- (i) Independent Auditors**
Auditor-General
Office of Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya
- (j) Principal Legal Adviser**
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

I. The Board of Governors




No.	Member	Details
1.	 <p>PROF. CHUMBA SAMMY Date of Birth: 24/10/1971 BOG CHAIRPERSON</p>	<p>Qualification: PhD Educational Administration (Moi University), Masters in Education Administration and Planning (University of Eastern Africa-Baraton), Bachelor of Education (Science) Egerton University and National Senior Management Course in Education Management at Kenya Education Management Institute. Experience: B.O.G Aldai technical training institute, lecturer at Moi University, former Principal Kapkures secondary school and Meteitei boys, once a Treasurer Nandi South Sec Heads Association, Educational research consultant in Smai Company limited</p>
2.	 <p>NYABOGA DAVID OGEGA Date of Birth: 10/01/1963</p>	<p>Qualification: Bachelors of Commerce from University of Poona Mahastra India. 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. Chairperson; Finance, Infrastructure and General Administration Committee</p>
3.	 <p>CHERUIYOT WILLY Date of Birth: 06/06/1977</p>	<p>Qualification: Bachelor of Laws (LL.B Hons) Moi University, Post Graduate Diploma in Law (Kenya School of Law). Experience: Senior Magistrate Vihiga Law Courts, Practicing Advocate 2007-2010. NANDI COUNTY GOVT. REPRESENTATIVE Chairperson; Risk, Audit and Governance Committee</p>

4.	 <p>AYIEYE BENARD OKOTH Date of Birth: 09/01/1984</p>	<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>
5.	 <p>MWANGI FESTUS KARURI Date of Birth: 4/10/1967</p>	<p>Qualification: Masters of Computer Application (KU) Higher Diploma in Computer Application and Diploma in Business Management</p> <p>Experience: ICT Administrator Rift Valley Bottlers and heads ICT Committee and Operations Manager.</p>
6.	 <p>NGUI CHRISTOPHER MAINGI Date of Birth: 17/01/1965</p>	<p>Qualification: Masters in Organic Chemistry from Jomo Kenyatta University of Agriculture and Technology, Bachelor of Science (Chemistry) from Kenyatta University.</p> <p>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.	 <p>WAFULA ANN Date of Birth: 01/11/1975</p>	<p>Qualification: Mastery HRM Cardean University/GM university, B. ED (Arts) Kenyatta University</p> <p>Experience: HRM Consultant Afrique Consult Ltd</p> <p>Chairperson; Education Training and Research Committee</p>

8.	 MIRRIAM JEPTOO Date of Birth: 01/01/1979	<p>Qualification: B. ED Arts Kampala University (Special needs), Diploma in Special Education (KISE), P1 certificate Machakos TTC</p> <p>Experience: Head teacher St. Joseph Kapseret, Kapkorio Primary School and Kemeloi Boarding Primary School.</p>
9.	 LUKUYU MOSSOP SALLIE Date of birth: 21/04/1970 PRINCIPAL/ B.O.G SECRETARY	<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>
10.	 MR MUTULILI GICHURU	<p>COUNTY DIRECTOR TVET/MEMBER</p>

II. Management Team

Name of the Staff		Responsibility
<p>LUKUYU MOSSOP SALLIE B.ED (Home Economics)</p>		<p>Principal</p>
<p>KAREN J. KOGO B.ED ARTS</p>		<p>Deputy Principal</p>
<p>TITUS ROTICH B. ED (Electrical And Electronics Engineering)</p>		<p>Ag. Registrar</p>
<p>ABRAHAM YEGO B. SC (Networks And Communication Systems) + PGDE</p>		<p>Ag. Dean of Students</p>

<p>IRENE CHIRCHIR B. COM. (Banking And Finance) CPA-K</p>		<p>Accountant I</p>
<p>PETER SAGGAS CPA-K</p>		<p>Accountant II</p>
<p>DANCAN KOECH Diploma in Purchasing and Supply Chain Management</p>		<p>Procurement Officer</p>

III. Chairman's Statement

The Government through the Ministry of Education has continuously supported the institution in many ways and has lifted the institution to a higher level. In this regard, on behalf of the Board I sincerely convey our appreciation. Five board members were appointed in October 2021 after their term expired.

The institute got funding for phase one and two under the AfDB/GoK projects, the institute was equipped with building and civil engineering 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. We urge the government to consider giving us more especially in agricultural engineering, hospitality, mechanical, automotive engineering and related courses. We appreciate the construction and commissioning of phase II and now look forward to launching phase III.

Public Service commission has employed a good number of technical trainers who helped in reducing the wage bill which could have gone up as the institution is growing.

The Ministry has not disbursed development grant balance meant of Kshs.2,313,216 for One Storeyed 8 No. Classroom project. The project is completed and in operation. Nevertheless, part of development grant meant for the construction of Institutional Management classrooms, hospitality restaurant & kitchen at a cost of Ksh. 30,003,695.00 was disbursed and the board approved its construction. We thank the ministry for the funding. The board also approved the construction of the 8 door ablution block which was completed and in use.

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 resource is a big challenge for as much as Public Service commission employed technical trainers the number is still low and only one business trainer has been employed by PSC. The population of BOG trainers constrain the institution financially, the government to consider deployment of more trainers.

Late disbursement has always led to programmes being suspended or delayed due to uncertainty of disbursement.

The Board is exploring other cash generating units to cushion on financial constraints. The government should also ensure continuity of development grants to ensure that all projects are completed timely hence smooth running of the learning process the fund should also be enhanced as there is anticipated increase in the number of trainees in the institution.

Signed: 

Prof. Chumba Sammy

IV. Report of the Principal

Management

The institute has a board of Governors comprising of eight 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 five board members expired in October 2021. The new board members were appointed for a term of three years.

Training

The institute is accredited to offer fifty (50) courses spread in seven departments namely: Building & Civil Engineering, Business Studies, Agriculture & Environmental Science, Electrical & Electronics, ICT, Hospitality & Institutional Management and Liberal Studies. Courses offered ranges from diploma, certificate, artisan level and Levels taking a period of 1 year for artisan, 2 years for craft certificate and 3 years for diploma. The institute offers programs in artisan, Craft Certificate and Diploma Levels Examined by KNEC, KASNEB, NITA and CBET Courses.

The institute got funding for phase one and two 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, mechanical and automotive engineering, and related courses. We appreciate the construction and commissioning of phase II and looking forward to the launch of phase III. With the implementation of competence based curriculum, cost of material for practical are on the higher side making hard for a young institution like ours to carry out their practical.

Funding

The institution managed to realize a total revenue of KSh.91,361,771 being Ksh.47,492,296 from rendering of service, Ksh. 226,975 from sale of goods and Ksh.43,642,500 being transfers from Ministry of Education as at 30th June 2022. 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.

The Ministry of Education has not disbursed KSh. 2,313,216 development grant balance meant for One Storeyed 8 No. classroom project. This amount is now a pending bill.

The Ministry of Education has disbursed Ksh. 15,000,000 development grant, for the construction of Classrooms, Hospitality Restaurant & Kitchen with an estimated cost of Ksh.30, 003,695. Ground breaking and site handover was done on 6th January, 2022, the construction process is on-going. The contractor is schedule to complete the project in September 2022.

The ablution block was contracted for Kshs.1,124,300. It was completed and handed over on 12th January 2022. The ablution block is to ease congestions in the existing facilities.

Capitation for quarter four anticipated at Kshs.9,232,500 was not received, and it's reported as a receivable at the end of the period by the trainees.

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 no business trainer has been employed by PSC. Currently the institution has twenty six PSC and forty four 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/or 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 continues 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

V. Statement of Performance against Predetermined Objectives

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the Accounting officer to include in the financial statement, a statement of the national government entity's performance against predetermined objectives.

Aldai Technical Training Institute has sixteen strategic pillars and objectives within its Strategic Plan for the FY 2018/2019- 2021/2022. These strategic pillars are as follows:

- Pillar 1: Infrastructure
- Pillar 2: Information communication Technology
- Pillar 3: Quality Assurance
- Pillar 4: Community Service
- Pillar 5: Human resource management
- Pillar 6: Teachers Welfare
- Pillar 7: Support staff Welfare
- Pillar 8: Students welfare
- Pillar 9: Energy
- Pillar 10: Water
- Pillar 11: Income Generating Activity& Resource mobilization
- Pillar 12: Transport
- Pillar 13: Security
- Pillar 14: Environment
- Pillar 15: Sports
- Pillar 16: Image of the Institution

Aldai T.T.I develops its annual work plans based on the above 16 pillars. 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 2021/2022 period for its 16 strategic pillars, as indicated in the diagram below:

Strategic Issue	Objectives	Strategies/ Actions	Target Output	Performance Indicator	Achievements
Infrastructure	To upgrade facilities so as to correspond to standards of training required and expansion in enrolment	Repair and maintenance	Well refurbished facilities	Developed Functional program	Recurrent
		Construction of Electrical/ICT complex	Well refurbished Lab facilities and Classes	Practical classes and Lecture rooms	Already commissioned and now in used.
		Construct Hostels	Increase student enrolment	More student enrolment	initiated
		Build modernized kitchen &	Increase student enrolment	More student enrolment in all courses	Not done

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		Dining Hall			
Information communication Technology	To ensure digitalization of modern information communication technology	Train the staff with up to date modern technology	Easy and fast adoption of adopted technology by the staff	Improved efficiency in using the technology	MIS modules installed Bulk SMS used.
Quality Assurance	To ensure quality adherence	Adopt performance contracting (PC) standards	Quality improvement	PC guidelines & standards implemented	Quality assurance team instituted, Standard procedures developed
Community Service	To be socially responsible to the community well being Provide one water point for the community	Promote and participate in community programs/ projects	Enhance community relationship	Operational funded projects in the community by the Institute	Some community members supplied with water as per application Potholes on the feeder road occasionally filled
Human Resource Management	To formulate policies and practices that promotes effective and efficient performance	Conduct job evaluations	Proper staff placement and training needs identification	Approved job evaluation reports	HR management policy implemented to guide on HR issues
		Conduct internal staff appraisal	Identification of staff job related needs.	Appraisal reports	Increased staff productivity
		Timely replacement of vacant position	To ensure continuous smooth flow of work.	New recruitment list/appointment letters.	Continuous process, implemented
		Provide incentives to performing teachers	Enhance teachers moral/motivation	List of incentives given out.	Promotions. Certificate awards for good performance Yearly appreciation e.g. Christmas package etc.
Teachers Welfare	To promote growth and development of teachers well-being	Support teachers' training capacity.	Enhanced teaching capacity	Training programs done or attended	Trainings on-going
		Provide Protective equipment's	Enhanced employee safety	Protective equipment bought and issued	Protective gear provided

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		to the support staff			
Support staff Welfare	To promote growth and development of support staff well-being working in the in the institution	Organize tours for the support staff	Enhanced morale /efficiency of the workers	Number of tours organized and attended	Continuous process. Done
		Provide uniforms to the support staffs	Neatness and easy identification	Uniforms purchased	Uniforms provided, protective gear provided.
Students welfare	To ensure students cohesiveness and responses to problems promptly	Establish student welfare policy in the institution	Provision of balanced diet and boarding facilities -Assisting students during bereavements	Maintain balanced diet, student organization and leadership	Social contribution provided for in the budget. Students union constitution adopted
Energy	To ensure efficient use of renewable energy	Plant more trees for future supply of firewood	Constant own supply of firewood	Institute tree plantations day	1,000 seedlings planted
		Use energy saving bulbs and equipment	Reduced cost of energy	All-round Installed energy savers	Energy savers installed, solar water pump used.
		Harvest rain water	Continuous supply of water to all points required	Availability of water	Water supplied to all points
Water	To ensure adequate supply and efficient usage of clean and safe water	Erect water tanks at different sections	Adequate Storage of water	Water tanks installed	Continuous supply of water
Income Generating Unit & Resource Mobilization	To provide sustainable projects for the institutions' growth	Host exhibitions	Attract more students, programs and trainings.	Number of exhibitions held	In progress
		Hire out institute's infrastructure to the community activities.	Increased income	Hire out records (receipts/accounting records)	In progress
		Sale of milk	Enhanced income generation	Sales income	Milk supplied to the institute.
		Institute fees	Collection of tuition fees	Fees collection & bursary awards &	Continuously done

				HELB loan award	
		Central Government Funding	Collection of Grants and Capitation	Receipts of Grants, Capitation, HELB loan and CDF funding	All grants, Helb Loans and bursaries received
		Constituency Development Fund (CDF)	Funding of projects by CDF and student sponsorship	Receipts of CDF funding for projects and student tuition sponsorship	Received
		Development partners	Partnership with funding organization e.g., African Development Bank(ADB) Writing of funding proposals	Receipts of funding of partnership by partnership organization e.g., ADB.	Continuous process
Transport	To provide effective and efficient mobility in the institution	Continuous review of transport need	Identification of arising needs	Transport needs' report.	Continuous process
		Develop replacement and management policy	Effective and efficient transport management	Maintenance policy document	In progress
		Build car park and bus park	Good and orderly safe parking	Good parking site	Car park completed
Security	To ensure there is adequate protection of property and the stakeholders within the institution	Employ more security guards	Safety and protection of property and individuals.	Increased number of security personnel	Two personnel employed
		Train the staff and students on first aid and fire fighting/ Disaster preparedness	Enhanced disaster management within the institution	Number of trainings done	Security staff benchmarked with Kaiboi TTI
Environment	To provide an eco-friendly environment for posterity	Plant ornamental trees near the administration block	Enhanced beautification	Number of planted trees	1,000 seedlings planted
Sports	To promote sporting activities and ensure	Introduce new sports	Increased co – curricular activities	No of new sports introduced	Rugby and basketball introduced
		Construct a	Improved	Constructed pitch	Not done

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	realization of talents	football pitch	sporting facilities		
Image of the Institution	To brand the institution for its uniqueness	Renovate and paint the institution	Enhance institutes' face lift Reach out for more students	Well renovated structures	Phase one renovated
		Advertise the Institution in the media	joining the institution	Number of advertisements aired	Two on local daily newspaper several on social media
		Published.	Reach out for more students joining the institution	brochures and magazines published	

VI. Corporate Governance Statement

In the financial year ended 30th June 2022, the Board held Full board, The Finance, Infrastructure and General Administration and Education, Training & Research Committees meetings were held. Audit, Risk and Governance Committee could not meet as it was not fully constituted, the internal auditor was later employed in the year end to fully constitute the committee. All members attended their respective committee meetings and full board meetings. The board members were inducted and trained during the year, so as to enhance their governance skills. There is a Board Charter in place that guides board operations and provide a standard of corporate governance.

The Board of Governors are appointed as per the TVET Act, 2013. They are eligible to serve for a three year term by the cabinet secretary MoE, 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.

VII. Management Discussion and Analysis

The institution is fully operational and is in the post Covid -19 recovery. As at the end of June, 2022 the institute earned revenue from exchange transactions of Kshs.47,492,296 which is a full recognition of the earnings for the financial year, Development grant of Ksh.15,000,000. and Capitation grant of Ksh.28,642,500

The Aldai T.T.I has over the last few years recorded a steady growth in students' population hence giving a positive effect on the cash flows whereas straining on the available facilities. These warrants the need for expansion of facilities such as classrooms, practical areas and the social amenities.

VIII. 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 were planted on the compound.

Employee welfare

The institution is keen on improving welfare of its staff. A scheme of service development has been initiated this financial year and the board is committed to seeing through to completion soonest. On the other hand the board has always been keen on provision of protective gear and other working environment key requirements during the budget preparation period.

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 persue 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.

IX. Report of the Board of Governors

The Board members submit their report together with the unaudited financial statements for the year ended June 30, 2022, which show the state of the institute's affairs.

Principal activities

The principal activities of the institute continue to be provision of diversified Vocational, Technical and Industrial Skills, through training.

Results

The results of the institute for the year ended June 30, 2022 are set out on page 1.


Board of Governors

The members of the Board who served during the year are shown on page viii and ix. During the year ended 30th June, 2022 five board members retired on rotation upon expiry of their three year term and the new members were appointed with effect from 3rd November, 2021. The Chairperson maintained his position.

Auditors

The Auditor General is responsible for the statutory audit of the Aldai Technical Training Institute in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 to carry out the audit of the institute for the year ended June 30, 2022, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

.....

Secretary to the Board

Date: 05/05/2023

X. 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, 2022. 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, 2022, 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 institute's financial statements were approved by the Board on 26th September, 2022 and signed on its behalf by:


Prof. Sammy Chumba


Lukuyu Mossop Sallie

Chairperson of the Board

Accounting Officer/Principal

REPUBLIC OF KENYA

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HEADQUARTERS
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NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Aldai Technical Training Institute set out on pages 1 to 50, which comprise of the statement of financial position as at

30 June, 2022, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison 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 the Aldai Technical Training Institute as at 30 June, 2022, 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 Public Finance Management Act, 2012 and Technical and Vocational Education and Training Act, 2013.

Basis for Qualified Opinion

1. Presentation and Disclosures in the Financial Statements

The following observations were noted on review of the financial statements: -

- i. Note 44 on Financial risk management has not provided an analysis on liquidity risk and capital risk management.
- ii. Summary of significant accounting policies does not indicate policies on debtors and creditors which have been applied in the preparation of the financial statements.
- iii. Related party disclosures have not been made under Note 46 to the financial statements.

In the circumstances, the financial statement does not comply with the Public Sector Accounting Standards Board financial reporting template and the International Public Sector Accounting Standards.

2. Statement of Changes in Net Assets

The statement of changes in net assets reflects revaluation gain amounting to Kshs.23,584,424 which was not analyzed and supported with valuation report. Further, depreciation has not been transferred from the capital fund to retained earnings.

In the circumstances, the accuracy of revaluation gain amounting to Kshs.23,584,424 could not be confirmed.

3. Inaccuracy of the Statement of Comparison of Budget and Actual Amounts

The statement of comparison of budget and actual amounts reflects total actual expenses amounting to Kshs.81,021,381 which differ with total expenditure of Kshs.81,959,349

reflected in the statement of financial performance resulting to unexplained variance of Kshs.937,968.

In the circumstances, the accuracy of the statement of comparison of budget and actual amounts could not be confirmed.

4. Unconfirmed Current Portion of Receivables from Exchange Transactions

The statement of financial position reflects current portion of receivables from exchange transactions amounting to Kshs.16,448,550 in respect of student debtors as disclosed in Note 27(a) to the financial statements. However, ageing analysis of the debtors and a movement schedule indicating the movements in debtors was not provided for audit review.

In addition, the statement of financial position reflects current portion of receivables from exchange transactions prior year comparative balance of Kshs.23,162,373 which differ with the prior year audited financial statements balance of Kshs.21,342,750 resulting to unexplained variance of Kshs.1,819,523.

In the circumstances, the accuracy and completeness of current portion of receivables from exchange transaction amounting to Kshs.16,448,550 could not be confirmed.

5. Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment amounting to Kshs.329,259,489. The amount includes land balance of Kshs.7,500,000 as disclosed in Note 31 to the financial statements. However, no valuation report was provided to support the land value. Further, the amount includes work-in-progress of Kshs.9,911,189 transferred to buildings which was not supported with a completion certificate.

In the circumstances, the property, plant and equipment amounting to Kshs.17,411,189 could not be confirmed.

6. Biological Assets

The statement of financial position reflects biological assets amounting to Kshs.219,400. However, no valuation report was provided to support the actual value of the biological assets.

In the circumstances, the accuracy of biological assets amounting to Kshs.219,400 could not be confirmed.

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects a final revenue budget of Kshs.84,899,000 against an actual performance of Kshs.91,361,771 resulting to over collection of revenue of Kshs.6,462,771. Similarly, the statement reflects actual expenditure of Kshs.81,021,381 resulting to under expenditure of Kshs.3,877,619 or 5% of the budget.

The under-expenditure affected the planned activities and may have impacted negatively, on service delivery to the public.

2. Unresolved Prior Year Audit Matters

The audit report for the year ended 30 June, 2021 raised several issues relating to presentation of financial statements and lawfulness and effectiveness in use of resources. Management has in the report on follow-up of auditor's recommendations appended to the financial statements for the year under review indicated that all the issues have been resolved. However, the actual status of the issues shall be confirmed after they are discussed by Parliament.

In the circumstances, the issues remain outstanding.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Failure to Issue Imprests for Travelling Expenses

The statement of financial performance reflects use of goods and services amounting to Kshs.47,364,343. The amount includes local transport and travel expenses of Kshs.2,053,625 as disclosed in Note 15 to the financial statements. Review of records revealed that cash advances were made to officers while on official duty. However, the cash was not issued in the form of imprest. This is contrary to Regulation 92(3) of the Public Finance Management (National Government) Regulations, 2015 which states that temporary imprests shall be issued mainly in respect of official journeys and are intended to provide officers with funds with which they can meet travelling, accommodation and incidental expenses.

In the circumstances, the Management was in breach of the Public Finance Management Act, 2012.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Preparation of Payroll without Job Groups and Designations

The statement of financial performance reflects employee costs amounting to Kshs.16,793,451. Review of documents revealed that the Institute has an approved Human Resource Policy with established job groups and salary structure in place. However, it was noted that the Institution was preparing payroll without including the employees details such as job groups and designations.

In the circumstances, the correctness of the pay rate for each employee in line with the salary structure could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal 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 Management and the Board of Governors

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that

might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Institute to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Institute and to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

30 May, 2023

ALDAI TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2022

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

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	28,642,500	28,372,500
Grants from donors and development partners	7		
Transfers from other levels of government	8		
Public contributions and donations	9		
		28,642,500	28,372,500
Revenue from Exchange transactions			
Rendering of services- fees from students	10	47,519,296	13,786,462
Sale of goods	11	226,975	323,390
Rental revenue from facilities and equipment	12		
Finance income	13		
Other income	14		1,000
Revenue from Exchange transactions		47,719,271	14,110,852
Total Revenue		76,361,771	42,483,352
Expenses			
Use of goods and services	15	47,364,343	25,894,328
Employee costs	16	16,793,451	12,214,806
Board Expenses	17	3,031,250	1,624,200
Depreciation and amortization expense	18	13,009,107	23,451,723
Repairs and maintenance	19	1,744,099	3,563,557
Contracted services	20		
Grants and subsidies	21		
Finance costs	22	17,099	14,974
Total Expenses		81,959,349	66,763,588
Other Gains/(Losses)			
Gain on sale of assets	23		
Unrealized gain on fair value of investments	24		
Impairment loss	25		
Total Other Gains/(Losses)		-	-
Net surplus for the year		(5,597,578)	(24,280,236)
Attributable to:			
Surplus/(deficit) attributable to minority interest		-	-
Surplus attributable to owners of the controlling entity		-	-
		(5,597,578)	(24,280,236)

(The notes set out on pages 6 to 54 form an integral part of the Annual Financial Statements)

The Financial Statements set out on pages 1 to 5 were signed by:

.....


Chairman of the Board

Date: 05/05/2023

.....


Finance Officer

ICPAK No 30401

Date: 05/05/2023

.....


Principal

Date: 05/05/2023

ALDAI TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2022

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

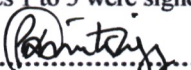
Description	Notes	2021-2022 Kshs	2020-2021 Kshs
Assets			
Current Assets			
Cash and cash equivalents	26	25,941,018	13,059,451
Current portion of receivables from exchange transactions	27(a)	16,448,550	23,162,273
Receivables from non-exchange transactions	28	-	-
Inventories	29	831,770	819,600
Investments	30	-	-
		43,221,338	21,342,750
Non-Current Assets			
Long term receivables from exchange transactions	27(b)		
Investments	30		
Property, plant, and equipment	31	329,259,489	317,990,602
Biological assets	32	219,400	-
Intangible assets	33	1,048,875	600,000
Total Non-Current Assets		330,527,764	318,590,602
Total Assets		373,749,103	339,933,352
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	34	1,255,135	299,230
Refundable deposits from customers	35	885,572	1,012,572
Current provisions	36		
Finance lease obligation	37		
Employee benefit obligation	39		
Payments received in advance			
Total Current Liabilities		2,140,707	1,311,802
Non-Current Liabilities			
Finance lease obligation	37	-	-
Non-Current Provisions	40	-	-
Borrowings	41	-	-
Deferred Tax Liabilities	49	-	-
Total Liabilities		2,140,707	1,311,802
Net Assets		371,608,396	338,621,550
Reserves		-	-
Accumulated Surplus		7,199,946	12,797,524
Capital Fund		364,408,449	325,824,026
Total Net Assets and Liabilities		371,608,396	339,933,352

The Financial Statements set out on pages 1 to 5 were signed by:



Chairman of the Board

Date: 05/05/2023



Finance Officer

ICPAK No 30401

Date: 05/05/2023



Principal

Date: 05/05/2023

ALDAI TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2022

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

Description	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/Development Grants/Fund	Total
At July 1, 2020	-	-	37,077,760	7,822,424	44,911,184
Revaluation gain	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-
Total comprehensive income	-	-	(24,280,236)	-	(24,280,236)
Capital/development grants received during the year	-	-	-	317,990,602	317,990,602
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-	-
At June 30, 2021	-	-	12,797,524	325,824,026	338,621,549
At July 1, 2021	-	-	12,797,524	325,824,026	338,621,549
Revaluation gain	-	-	-	23,584,424	10,575,316
Fair value adjustment on quoted investments	-	-	-	-	-
Total comprehensive income	-	-	(5,597,578)	-	(5,597,578)
Capital/development grants received during the year	-	-	-	15,000,000	15,000,000
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-	-
At June 30, 2022	-	-	7,199,946	364,408,449	371,608,395

ALDAI TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2022

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

Description	Note	2021-2022	2020-2021
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other government entities/govt. Grants	6	28,642,500	28,372,500
Rendering of services- fees from students	10	47,519,296	13,787,462
Sale of goods	11	226,975	323,390
Other income			1,000
Total Receipts		76,361,771	42,484,352
Payments			
Compensation of employees	16	16,793,451	12,214,806
Use of goods and services	15	47,364,343	25,894,328
B.O.G Reimbursement/ Expenses	17	3,031,250	1,624,200
Finance cost	22	17,099	14,974
Repairs Maintenance & Improvements	19	1,744,099	3,563,557
Grants and subsidies paid			
Total Payments		68,950,242	43,311,865
Net Cash Flows from operating activities	44	7,411,529	(827,513)
Cash flows from investing activities			
Transfers from other government entities/govt. Grants	6	15,000,000	
Purchase of property, plant, equipment and intangible assets		(17,060,420)	(4,600,102)
Increase in investment			-
Decrease /(Increase) in current receivables		6,713,723	1,139,410
Increase /(Decrease) in trade & other payables		955,905	(2,228,879)
Increase in Inventories		(12,170)	-
Increase /(Decrease) in Refundable Deposits		(127,000)	-
Net cash flows used in investing activities		5,470,038	(5,689,571)
Cash flows from financing activities			
Deposits receipts		-	-
Net cash flows used in financing activities		-	-
Net Increase/(Decrease) in Cash and Cash equivalents		12,881,567	(6,517,084)
Cash and Cash equivalents at 1 JULY	26	13,059,451	19,576,535
Cash and Cash equivalents at 30 JUNE	26	25,941,018	13,059,451

The Financial Statements set out on pages 1 to 5 were signed by:



Chairman of Board

Date: 05/05/2023



Finance Officer

ICPAK No. 30401

Date: 05/05/2023



Principal

Date: 05/05/2023

ALDAI TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2022

XVI. Statement of Comparison of Budget & Actual amounts for the year ended 30 June 2022

Description	Original budget 2021-2022	Adjustments 2021-2022	Final budget 2021-2022	Actual on comparable basis 2021-2022	Performance difference 2021-2022	Utilization Difference 2021-2022
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other govt entities and govt grants	40,500,000		40,500,000	43,642,500	3,142,500	8%
Rendering of services - fees from students	42,147,000		42,147,000	47,492,296	5,345,296	13%(a)
Sale of goods	2,252,000		2,252,000	226,975	(2,025,025)	90%(b)
Total Income	84,899,000		84,899,000	91,361,771	(6,462,771)	
Expenses						
Compensation of employees	19,586,326		19,586,326	16,793,451	2,792,875	14%(c)
Use of goods and services	52,456,674		52,456,674	48,328,281	4,128,393	8%
Remuneration of directors	2,186,000		2,186,000	3,031,250	(845,250)	39%(d)
Repairs Maintenance & Improvement	3,770,000		3,770,000	1,744,099	2,025,901	54%e
Block making machines	1,000,000		1,000,000	1,704,800	(704,800)	70%(f)
Ablution block	900,000		900,000	1,124,300	(224,300)	25%(g)
College bus	1,000,000		1,000,000	-	(1,000,000)	100%(h)
Classrooms Project	5,000,000		5,000,000	-	(5,000,000)	100%(h)
Hospitality project	-		-	10,926,770	10,926,770	
Total Expenditure	84,899,000		84,899,000	81,021,381	3,897,688	
Surplus For the Period	-		-	10,360,459	(10,360,459)	

(Budget notes)

- a) Movement in revenue from rendering services is due to increased student's enrolment and payment for the KNEC Exams which is not included in budget. This was due to the post effects of Covid 19 pandemic since most students deferred exams.
- b) Movement in revenue from sale of goods due to delayed production of block production leading to earnings being realized in the financial year 2022/2023
- c) Movement in compensation of employees is due to partial uptake of vacancies provided for in the budget.
- d) Movement on remuneration of directors is due approved capacity building of the Board and Board induction for the new board members not budgeted.
- e) Movement in Repairs Maintenance and improvement is due to late disbursement and subsequent failure in quarter four disbursement of capitation necessitating expenditure cut down.
- f) Movement in block making machines is due to anticipated market of blocks in hospitality project
- g) Movement on ablution block is due to need for improvements from to meet standards.
- h) Movement in college bus and Classroom project is due to failure to raise the targeted revenues.

XVII. 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 judgement 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 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.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42:	Applicable: 1st January 2023

Standard	Effective date and impact:
Social Benefits	<p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the Entity;</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.</p>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement

Standard	Effective date and impact:
	Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1 st January 2023.
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

iii. Early adoption of standards

The institute did not early-adopt any new or amended standards in year 2022.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

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

Sale of goods

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

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the entity's right to receive payments is established.

4 Summary of Significant Accounting Policies (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions (continued)

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 2021/2022 was approved by the Board on 19/03/2021. There are no subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. In case of any additional appropriations, they are added to the original budget by the institute upon receiving the respective Board's approvals in order to conclude the final budget. Accordingly, the institute did not record additional appropriations on the FY 2021/2022.

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 a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented 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. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over its useful life.

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

Depreciation is charged annually on straight-line basis as follows;

- Buildings 2.5%
- Furniture and fittings 12.5%
- Computers 30% and
- Plant and equipment 12.5%
- Intangible assets 20%

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

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 so as 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

h) Research and development costs

The Entity 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.

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

i) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Institute determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the institute has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The institute assesses at each reporting date whether there is objective evidence that a financial asset or an institute's financial assets is impaired. A financial asset or an institute's financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the Institute's financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

4 Summary of Significant Accounting Policies (Continued)

i) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

- The debtors or an entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

Inventories (Continued)

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

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

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

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.

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

l) Nature and purpose of reserves

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

m) 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.

n) Employee benefits

Retirement benefit plans

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

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

o) 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.

p) 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.

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

q) Related parties

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

r) 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.

s) 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.

t) Comparative figures

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

u) 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, 2022.

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. The Institute does not have provisions during this financial year.

ALDAI TECHNICAL TRAINING INSTITUTE
Notes to the Annual Report and Financial Statements for the year ended 30th June 2022
Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

Description	2021-2022	2020-2021
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	28,642,500	28,372,500
Operational Grant		
Other Grants		
	28,642,500	28,372,500
Conditional Grants		
Library Grant		
Hostels Grant		
Administration Block Grant		
Laboratory Grant		
Learning Facilities Grant	15,000,000	
Other Organizational Grants		
Total Government Grants and Subsidies	43,642,500	28,372,500

(a) Transfers from other Government entities (Categorized)

Name Of The Entity Sending The Grant	Amount recognized to Statement of Comprehensive Income Kshs	Amount deferred under deferred income Kshs	Amount recognised in capital fund.	Total grant income during the year	2020-2021
			Kshs	Kshs	Kshs
Ministry of Education	28,642,500		15,000,000	43,642,500	28,372,500
Total	28,642,500		15,000,000	43,642,500	28,372,500

7. Grants from Donors and Development Partners

Description	2021-2022	2020-2021
	Kshs	Kshs
JICA- Research Grant		
World Bank Grants		
In-Kind Donations		
Other Grants		
Total Grants from Development Partners		

Reconciliations of grants from donors and development partners

Description	2021-2022	2020-2021
	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	2021-2022	2020-2021
	Kshs	Kshs
Transfer from County		
Transfer from University		
Transfer from Institute		
Total Transfers		

9. Public Contributions and Donations

Description	2021-2022	2020-2021
	Kshs	Kshs
Public Donations		
Donations from Local Leadership		
Donations from Religious Institutions		
Donations from Alumni		
Other Donations		
Total Donations and Contributions		

ALDAI TECHNICAL TRAINING INSTITUTE
Notes to the Annual Report and Financial Statements for the year ended 30th June 2022
Notes to the Financial Statements (Continued)

10. Rendering of Services

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition fees	32,562,830	8,270,385
Activity fees	2,162,700	416,700
Examination fees	4,553,749	3,606,050
Boarding Fees	4,500,420	565,200
Attachment	3,433,487	661,627
Registration fees	306,110	266,500
Others (<i>Specify</i>)		
Total Revenue from The Rendering Of Services	47,519,296	13,786,462

These are revenues realized from provision of training services as per the approved fees structure.

11. Sale of Goods

Description	2021-2022	2020-2021
	Kshs	Kshs
Sale of Farm Produce	108,280	174,330
Sale of Tender	3,000	-
Sale of Blocks	29,125	147,560
Sale of Water	59,570	1,500
Other	27,000	
Total Revenue from Sale of Goods	226,975	323,390

This is revenues received on sale of farm and dairy produced, sale of blocks, computer packages and sale of water during the year.

12. Rental revenue from facilities and equipment

Description	2021-2022	2020-2021
	Kshs	Kshs
Hire of facilities and equipment		
Contingent rental		
Operating Lease Revenue		
Total		

Notes to the Financial Statements (Continued)

13. Finance Income

Description	2021-2022	2020-2021
	Kshs	Kshs
Cash investments and fixed deposits		
Interest income from treasury bills		
Interest income from treasury bonds		
Interest from outstanding debtors		
Total finance income		

14. Other Income

Description	2021-2022	2020-2021
	Kshs	Kshs
Insurance recoveries		
Consultancy fees		
Income from sale of tender		1,000
Services concession income		
Reimbursements and refunds		
Graduation fees		
Miscellaneous (<i>specify</i>)		
Total other income		1,000

Notes To The Financial Statements (Continued)

15. Use Of Goods And Services

Description	Period ended	30/06/2021
	June 30, 2022	
	KShs	KShs
Training materials, stationeries and cleaning materials	10,610,332	9,947,252
Local Transport and travel	2,053,625	1,043,580
Boarding	9,130,680	3,787,756
Electricity, Water & Conservancy	2,395,065	782,083
Activity	1,942,566	334,288
Examinations	9,891,376	5,420,414
Reference Materials	720,700	-
Annual Subscriptions	328,400	191,200
Marketing & Advertisements	990,860	731,370
TVETs Fairs & Robotics	833,745	38,200
Performance Contracting	543,800	866,059
Industrial Attachment	846,040	166,000
Students Welfare	903,625	97,284
Postage & Airtime	310,915	-
Block Production	1,704,800	553,015
MoE/ KATTI Workshops	1,646,960	702,382
Automation	25,000	406,850
Internet Cost	622,412	444,127
Social Contribution	30,000	35,000
Farm	254,860	215,988
Students ID	302,820	94,380
CBET Implementation	-	31,100
Tendering Expenses	110,920	6,000
Firewood/Timber Harvesting	24,176	-
Phase II Commissioning	566,716	-
Capacity Building	573,950	-
Total Good and Services	47,364,343	25,894,328

ALDAI TECHNICAL TRAINING INSTITUTE
Notes to the Annual Report and Financial Statements for the year ended 30th June 2022
Notes to the Financial Statements (Continued)

16. Employee Costs

Description	2021-2022	2020-2021
	Kshs	Kshs
Salaries and wages	15,911,493	10,486,704
Employee related costs - contributions to pensions and medical aids	881,958	1,728,102
Travel, motor car, accommodation, subsistence and other allowances		
Housing benefits and allowances		
Overtime payments		
Performance and other bonuses		
Social contributions		
Employee Costs	16,793,451	12,214,806

17. Board Expenses

Description	2021-2022	2020-2021
	Kshs	Kshs
Chairman's Honoraria		
BOG Reimbursements	3,031,250	1,624,200
Other Allowances		
Other Board/Council Expenses		
Total	3,031,250	1,624,200

18. Depreciation and Amortization expense

Description	2021-2022	2020-2021
	Kshs	Kshs
Property, plant and equipment	12,659,482	23,251,723
Intangible assets	349,625	200,000
Investment property carried at cost	-	-
Total depreciation and amortization	13,009,107	23,451,723

19. Repairs and Maintenance

Description	2021-2022	2020-2021
	Kshs	Kshs
Property	-	-
Investment property – earning rentals	-	-
Equipment and machinery	-	-
Vehicles	-	-
Furniture and fittings	-	-
Computers and accessories	-	-
Repairs, Maintenance & Improvements	1,744,099	3,563,557
Total Repairs and Maintenance	1,744,099	3,563,557

Notes to the Financial Statements (Continued)

20. Contracted Services

Description	2021-2022	2020-2021
	Kshs	Kshs
Actuarial valuations	-	-
Investment valuations	-	-
Property valuations	-	-
Total contracted services	-	-

21. Grants and Subsidies

Description	2021-2022	2020-2021
	Kshs	Kshs
Community Development	-	-
Education Initiatives and Programs	-	-
Social Development	-	-
Community Trust	-	-
Sporting Bodies	-	-
Total Grants and Subsidies	-	-

22. Finance Costs

Description	2021-2022	2020-2021
	Kshs	Kshs
Borrowings (Amortized Cost)*	-	-
Finance Leases (Amortized Cost)	-	-
Unwinding of Discount	-	-
Bank Charges	17,099	14,974
Interest on Loans from Commercial Banks	-	-
Total Finance Costs	17,099	14,974

(*Borrowing costs that relate to interest expense on acquisition of non- current assets and do not qualify for Capitalisation as per IPSAS 5: on borrowing costs should be included under this note.)

23. Gain On Sale of Assets

Description	2021-2022	2020-2021
	Kshs	Kshs
Property, Plant and Equipment		
Intangible Assets		
Other Assets not capitalised		
Total Gain On Sale of Assets		

Notes to the Financial Statements (Continued)

24. Unrealized Gain on Fair Value Investments

Description	2021-2022	2020-2021
	Kshs	Kshs
Investments at Fair Value		
Total Gain		

25. Impairment Loss

Description	2021-2022	2020-2021
	Kshs	Kshs
Property, Plant and Equipment		
Intangible Assets		
Total Impairment Loss		

26. Cash and Cash Equivalents

Description	2021-2022	2020-2021
	Kshs	Kshs
Current Account	25,940,817	13,058,511
On - Call Deposits	-	
Fixed Deposits Account	-	
Staff Car Loan/ Mortgage	-	
Cash in Hand	201	940
Total Cash and Cash Equivalents	25,941,018	13,059,451

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

		2021-2022	2020-2021
Financial Institution	Account number	Kshs	Kshs
a) Current Account			
Main Account			
Kenya Commercial bank	1169120555	10,189,526	2,360,884
Operations Account			
Kenya Commercial bank	1169120717	11,174,483.85	10,271,993
Development Account			
Kenya Commercial bank	1169120210	4,576,807.30	425,615
Sub- total		25,941,817.15	13,058,492
b) On - Call Deposits			
Kenya Commercial Bank			
Equity Bank – etc.			
Sub- Total			
c) Fixed Deposits Account			
Kenya Commercial Bank			
Bank B			
Sub- Total			
d) Staff Car Loan/ Mortgage			
Kenya Commercial Bank			
Bank B			
Sub- Total			
e) Others(Specify)			
Cash in Transit			
Cash in Hand		201	940
Mobile Money account			
Sub- Total		201	940
Grand Total		25,941,018.15	13,059,451

Notes to the Financial Statements (Continued)

27. Receivables from Exchange transactions

27(a) Current Receivables from Exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Current Receivables		
Student debtors	16,448,550	23,092,573
Imprest	-	70,000
Consultancy debtors		
Other exchange debtors		S
Less: impairment allowance		
Total Current Receivables	16,448,550	23,162,273

27(b) Long- term Receivables from Exchange transactions

Description	2021-2022	2020-2021
	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) Reconciliation for impairment Allowance on Receivables from Exchange Transactions

Description	2021-2022	2020-2021
	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	-	-

ALDAI TECHNICAL TRAINING INSTITUTE

Notes to the Annual Report and Financial Statements for the year ended 30th June 2022

Notes to the Financial Statements (Continued)

28. Receivables from Non-Exchange transactions

Description	2021-2022	2020-2021
	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 (b) Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions

Description	2021-2022	2020-2021
	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	2021-2022	2020-2021
	Kshs	Kshs
Consumable stores	389,610	484,470
Maintenance stores	83,935	233,150
Health unit stores		-
Electrical stores	84,500	-
Cleaning materials stores	144,225	66,000
Catering stores	129,500	35,980
Total Inventories at lower of Cost and Net Realizable Value	831,770	819,600

30. Investments

Description	2021-2022	2020-2021
	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 (Specify)		
Equity/ Shares in Company		
Sub- Total		
Grand Total		

d) Shareholding in other entities

For investments in equity share 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			Nominal Value of Shares	Fair Value of Shares	Fair Value of Shares
	Direct Shareholding	Indirect Shareholding	Effective Shareholding			
	%	%	%	Kshs	Kshs	Kshs
Entity						
Entity						

ALDAI TECHNICAL TRAINING INSTITUTE
Notes to the Annual Report and Financial Statements for the year ended 30th June 2022

Notes to the Financial Statements (Continued)

31. Property, Plant and Equipment

	Buildings Kshs	Motor vehicle s Kshs	Furniture and fittings Kshs	Computers Kshs	Land Kshs	Plant and equipment Kshs	Capital Work in progress Kshs	Total Kshs
At 1 July 2021	288,371,080	-	3,656,200	2,881,000	-	94,892,987	8,992,003	398,626,820.00
Additions								
Disposals								
Transfers/Adjustments								
At 30 th June 2022	288,371,080	-	3,656,200	2,881,000	-	94,892,987	8,992,003	398,626,820
Additions	2,207,865	-	1,170,295	967,000	-	926,990	10,989,770	16,261,920
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	9,911,189	-	-	-	7,500,000	-	(9,911,189)	7,500,000
At 30 th June 2022	300,490,134	-	4,826,495	3,848,000	7,500,000	95,819,977	10,070,584	422,555,190
Depreciation And Impairment	2.5%		12.5%	30%		12.5%		
At 1 July 2021	17,742,947	-	2,351,212.50	1,615,700	-	58,926,359	-	80,636,218.50
Depreciation	7,068,680	-	309,410	669,690	-	4,611,702	-	12,659,482
Impairment	-	-	-	-	-	-	-	-
At 30 June 2022	24,811,626	-	2,660,623	2,285,390	-	63,538,061	-	93,295,701
Depreciation	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
At 30 th June 2021	24,811,626	-	2,660,623	2,285,390	-	63,538,061	-	93,295,701
Net Book Values								
At 30 th June 2022	275,678,507	-	2,165,872	1,562,610	7,500,000	32,281,915	10,070,584	329,259,489
At 30 th June 2021	270,628,133	-	1,304,988	1,098,850	-	35,966,628	8,992,003	317,990,602

ALDAI TECHNICAL TRAINING INSTITUTE**Notes to the Annual Report and Financial Statements for the year ended 30th June 2022****Notes to the Financial Statements (Continued)****31 (a) Capital work in progress**

Description	2020-2021	Adjustments	2021-2022
	Kshs	Kshs	Kshs
Eight number one storeyed classrooms project	8,992,003	(9,911,189)	-
Hospitality restaurant, kitchens and classrooms	-	10,926,770	10,926,770
Welfare room	-	33,000	33,000
Hostel (BoQs)		30,000	30,000
Total			10,989,770

31 (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	300,490,134	24,811,627	275,678,507
Plant And Machinery	95,819,977	63,538,061	32,281,916
Motor Vehicles including Motorcycles	-	-	-
Computers and Related Equipment	3,848,000	2,285,390	1,562,610
Office Equipment, Furniture, And Fittings	4,826,495	2,660,623	2,165,872
Total	422,551,190	93,295,701	329,259,489

Valuation

The institute has 20.23 hectares (50 acres) of land whose cost has been estimated using the current market price which ranges between Sh.150,000 and Sh.200,000 taking into consideration the lower of;

32. Biological Assets

Description	2020-2021	Additional	2021-2022
	Kshs	Kshs	Kshs
Dairy cow	-	110,000	110,000
Tea plantation (5200 seedlings)	67,400	-	67,400
Coffee Plantation (1000 bushes)	42,000	-	42,000
Total	109,400	-	219,400

ALDAI TECHNICAL TRAINING INSTITUTE
Notes to the Annual Report and Financial Statements for the year ended 30th June 2022

Notes to the Financial Statements (Continued)

Sh 109,400 being preliminary expenses on acquisition of biological assets and additional dairy cow acquired during the financial year.

33. Intangible Assets

Description	2021-2022	2020-2021
	Kshs	Kshs
Cost		
At beginning of the year	800,000	0
Additions	798,500	800,000
At end of the year	1,598,500	800,000
Additions–internal development	-	-
At end of the year	1,598,500	800,000
Amortization and impairment	25%	25%
At beginning of the year	200,000	
Amortization	349,625	200,000
At end of the year	549,625	
Impairment loss	-	
At end of the year	-	200,000
NBV	1,048,875	600,000

34. Investment Property

Description	2021-2022	2020-2021
	Kshs	Kshs
At beginning of the year		
Additions		
Disposal during the year		
Depreciation		
Impairment		
At end of the year		

35. Trade and Other Payables from Exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade payables	-	-
Fees paid in advance	1,255,135	299,230
Salary deductions	-	-
Third-Party Payments	-	-
Other Payables	-	-
Total Trade and Other Payables	1,255,135	299,230

ALDAI TECHNICAL TRAINING INSTITUTE**Notes to the Annual Report and Financial Statements for the year ended 30th June 2022****Notes to the Financial Statements (Continued)****36. Refundable Deposits from Customers/Students**

Description	2021-2022	2020-2021
	Kshs	Kshs
Consumer deposits	-	-
Caution money	885,572	1,012,572
Other refundable deposits	-	-
Total Deposits	885,572	1,012,572

37. 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					

38. Finance Lease Obligation

Description	2021-2022	2020-2021
	Kshs	Kshs
At the start of the year		
Discount interest on Lease Liability		
Paid during the year		
At end of the year		

ALDAI TECHNICAL TRAINING INSTITUTE**Notes to the Annual Report and Financial Statements for the year ended 30th June 2022****Notes to the Financial Statements (Continued)****Maturity Analysis**

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

Analysed as:

Description	Amount
	Kshs
Current	
Non- Current	
Total	

39. Deferred Income

Description	2021-2022	2020-2021
	Kshs	Kshs
National Government		
International Funding Bodies		
Public Contributions and Donations		
Total Deferred Income		

Notes to the Financial Statements (Continued)

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	

40. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	2021-2022	2020-2021
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation					
Non-Current Benefit Obligation					
Total Employee Benefits Obligation					

Notes to the Financial Statements (Continued)

Retirement benefit Asset/ Liability

The institute does not operates a defined benefit scheme for all full-time employees.

Description	2021-2022	2020-2021
	Kshs	Kshs
Discount Rates		
Future Salary Increases		
Future Pension Increases		
Mortality (Pre- Retirement)		
Mortality (Post- Retirement)		
Withdrawals		
Ill Health		
Retirement		

Recognition of Retirement Benefit Asset/ Liability

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

Description	2021-2022	2020-2021
	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 (<i>specify</i>)		
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	2021-2022	2020-2021
	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 the Annual Report and Financial Statements for the year ended 30th June 2022

Notes To The Financial Statements (Continued)

The institute also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs.6% of the Gross salary up to a maximum of Kshs.18,000 per employee per month.

41. 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					

42. Borrowings

Description	2021-2022	2020-2021
	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		

42 a) Analysis of External and Domestic Borrowings

Description	2021-2022	2020-2021
	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		

ALDAI TECHNICAL TRAINING INSTITUTE

Notes to the Annual Report and Financial Statements for the year ended 30th June 2022

Notes to the Financial Statements (Continued)

42 b) Breakdown of Long and Short-Term Borrowings

Description	2021-2022	2020-2021
	Kshs	Kshs
Short Term Borrowings(Current Portion)		
Long Term Borrowings		
Total		

43. Service Concession Arrangements

Description	2021-2022	2020-2021
	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		

Notes to the Financial Statements (Continued)

44. Cash generated from operations

	2021-2022	2020-2021
Surplus for the year before tax	Kshs	Kshs
Adjusted for:	(5,597,578)	(24,280,236)
Depreciation	13,009,107	23,452,723
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		
Increase in Receivables		
Increase in Deferred Income		
Increase in Payables		
Increase in Payments received in advance		
Net Cash Flow from Operating Activities	7,411,529	(827,513)

45. 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 entity'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

ALDAI TECHNICAL TRAINING INSTITUTE**Notes to the Annual Report and Financial Statements for the year ended 30th June 2022****Notes to the Financial Statements (Continued)**

the company's management based on prior experience and their assessment of the current economic environment.

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2021				
Receivables from exchange transactions	7,463,699	7,463,699		
Receivables from non-exchange transactions	-	-		
Bank balances	13,059,451	13,059,451		
Total	20,523,150	20,523,150		
At 30 June 2022				
Receivables from exchange transactions	16,448,550	16,448,550		
Receivables from non-exchange transactions	-	-		
Bank balances	25,941,018	25,941,018		
Total	42,389,568	42,389,568		

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 directors sets the company'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 BoG, who have built an appropriate liquidity risk management framework for the management of the entity'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.

Notes to the Financial Statements (Continued)

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 2021				
Trade Payables				
Current Portion Of Borrowings				
Provisions				
Deferred Income				
Employee Benefit Obligation				
Total				
At 30 June 2022				
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 entity on an ongoing 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 entity'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.

Notes to the Financial Statements (Continued)

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 entity'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 2022			
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.

(iii) Market risk (Continued)

a) Foreign currency risk (Continued)

	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30th June 2022			
Financial Assets (Investments, Cash, Debtors)			
Liabilities			
Trade and Other Payables			
Borrowings			
Net Foreign Currency Asset/(Liability)			

a) 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.

Notes to the Financial Statements (Continued)

	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
2021			
Euro	10%		
Usd	10%		
2022-			
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.

(iii) Market risk (Continued)**b) Interest rate risk(continued)*****Sensitivity analysis***

The institute analyses 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. The analysis has been performed on the same basis as the prior year.

Notes to the Financial Statements (Continued)

50. Deferred Tax Liability

Deferred tax is calculated on all temporary differences under the liability method using the enacted tax rate, currently 30%. The net deferred tax liability at year end is attributable to the following items:

Description	2021-2022	2020-2021
	Kshs	Kshs
Accelerated Capital Allowances		
Unrealised Exchange Gains/(Losses)		
Revaluation Surplus		
Tax Losses carried forward		
Provisions for Liabilities and Charges		
Net Deferred Tax Liability/(Asset)		
The movement on the deferred tax account is as follows:		
Balance at beginning of the year		
Credit to revaluation reserve		
Under provision in prior year		
Income statement charge/(credit)		
Balance at end of the year		

51. Events After The Reporting Period

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

52. Ultimate And Holding Entity

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

53. Currency

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

Notes to the Financial Statements (Continued)

48. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	2021-2022	2020-2021
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements		
Assets arising from determination of Court Cases		
Reimbursable Indemnities and Guarantees		
Others		
Total		

Contingent Liabilities

Description	2021-2022	2020-2021
	Kshs	Kshs
Contingent Liabilities		
Court Case against Institute		
Bank guarantees in favour of subsidiary		
Contingent liabilities arising from Contracts including PPPs		
Others		
Total		

49. Capital Commitments

Capital Commitments	2021-2022	2020-2021
	Kshs	Kshs
Authorised for	0	
Authorised and Contracted for	28,910,875	
Total	28,910,875	

ALDAI TECHNICAL TRAINING INSTITUTE
Notes to the Annual Report and Financial Statements for the year ended 30th June 2022

Notes to the Financial Statements (Continued)

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

Description	2021-2022	2020-2021
	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		
Total		
d) Key Management Compensation		
Directors' emoluments		
Compensation to Key Management		
Total		

47. Segment Information

Notes to the Financial Statements (Continued)

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 do not comprise of any debt:

Description	2021-2022	2020-2021
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings		
Capital Reserve		
Total Funds		
Total Borrowings		
Less: Cash and Bank Balances		
Net Debt/(Excess Cash and Cash Equivalents)		
Gearing		

46. 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) The Board of Governors;
- iv) The Key Management;

ALDAI TECHNICAL TRAINING INSTITUTE
Notes to the Annual Report and Financial Statements for the year ended 30th June 2022

XVIII. Appendices
Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1				
2	Unvalued and unreported property plant and equipment	Procurement process has been initiated on identification of the valuer	Evaluation of quotations	31 st December, 2022
3	Lack of Internal Audit Function	The Board of Governors approved recruitment of an Internal Auditor	Resolved	31 st July, 2022
4	Lack of Imprest warrants	To be implemented immediately	Resolved	Done

.....


Name Lukyuu Mossop Sallie
 Accounting Officer/ Principal
 Date: 05/05/2023

ALDAI TECHNICAL TRAINING INSTITUTE
Notes to the Annual Report and Financial Statements for the year ended 30th June 2022

Appendix II: Projects Implemented by the Institute

Projects

Projects implemented by the State Corporation/ SAGA 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)
Hospitality Complex	1	MOE	9 Months	K.shs. 30,000,000	No	Yes

Status of Projects completion

Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1 Hospitality Complex	30,003,695	11,806,235	20.6%	30,000,000	15,000,000	MOE
2						

ALDAI TECHNICAL TRAINING INSTITUTE
Notes to the Annual Report and Financial Statements for the year ended 30th June 2022

Appendix III- Inter-Entity Confirmation Letter

The [insert SC/SAGA/Fund name here] wishes to confirm the amounts disbursed to you as at 30th June 2022 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30th June 2022				Total (D)=(A+B+C)	Amount Received by [beneficiary Entity] (KShs) as at 30 th June 2021 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)				
	29/9/2021		15,000,000		15,000,000	15,000,000		
	18/11/2021	9,705,000			9,705,000	9,705,000		
	2/3/2022	9,705,000			9,705,000	9,705,000		
	6/6/2022	9,232,500			9,232,500	9,232,500		
Total		28,642,500	15,000,000		43,642,500	43,642,500		

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

Head of Accountants department of beneficiary Entity:

Name Peter Saggas Sign ...  **.....Date 05/05/2023**

ALDAI TECHNICAL TRAINING INSTITUTE
Notes to the Annual Report and Financial Statements for the year ended 30th June 2022

Appendix IV: Reporting of Climate Relevant Expenditures

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

ALDAI TECHNICAL TRAINING INSTITUTE

Notes to the Annual Report and Financial Statements for the year ended 30th June 2022

Appendix V: Disaster Expenditure Reporting Template

Date: 30th June 2022

Aldai Technical Training Institute

Year 2022		Quarter				
Period to which this report refers (FY)	Year	Quarter				
Name of Reporting Officer	Lukuyu M. Sallie					
Contact details of the reporting officer:	Email aldaiti@gmail.com	Telephone (254) 700746828				
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