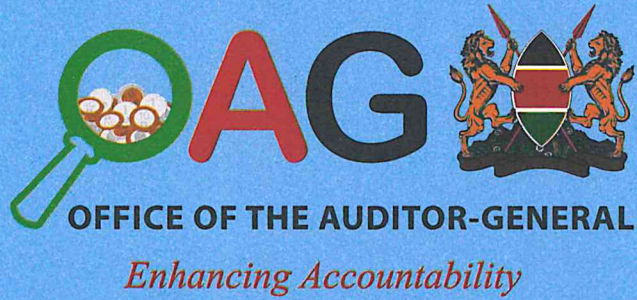


REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON

BANDARI MARITIME ACADEMY

**FOR THE YEAR ENDED
30 JUNE, 2023**

OFFICE OF THE AUDITOR GENERAL
P.O. Box 95202, MOMBASA
19 FEB 2024
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COAST REGIONAL OFFICE



BANDARI MARITIME ACADEMY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30 JUNE, 2023

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

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1 ACRONYMS, ABBREVIATIONS AND GLOSSARY OF TERMS

1.1. Acronyms and Abbreviations

BMA	Bandari Maritime Academy
CEO	Chief Executive Officer
DG	Director General
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MD	Managing Director
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
WB	World Bank
VC	Vice Chancellor

1.2. Glossary of Terms

Fiduciary Management- Members of Management directly entrusted with the responsibility of financial resources of the organisation

Comparative Year- Means the prior period.

Academy – Bandari Maritime Academy

2. KEY ENTITY INFORMATION AND MANAGEMENT

2.1 Background information

Bandari Maritime Academy (BMA) was established under the Legal Notice No 233 of 28th November 2018. Bandari Maritime Academy is domiciled in Kenya. The Board is in charge of giving strategic direction and the Director/CEO is in charge of the day-to-day affairs of the Academy.

2.2 Principal Activities

The Academy is the successor to the Bandari College whose principal activity is to be an institution of excellence in teaching, training, scholarship, innovation and research in maritime skills. The Academy will generate employable skills in the maritime sector to support the development of the Blue Economy. The Academy in addition thereto fosters partnerships with multiple institutions both at the local and international level to ensure the highest international maritime standards in maritime human resource development are established and maintained.

Vision Statement

A World Class Centre for Maritime Education and Training

Mission Statement

To Provide Competent Maritime Human Resource for Sustainable Blue Economy

Mandate

BMA's mandate is to develop academic and vocational skills, and provide the maritime labour needed for sustainable growth of the Blue Economy.

BMA functions are specified under clause 4(1) of the legal notice No. 233 dated 28 November 2018 and published under gazette Notice No. 233 dated 28 November 2018. The functions are:

1. Be an Institution of excellence in teaching, training, scholarship, innovation and research in maritime skills;
2. Provide and advance education and training to appropriately qualified candidates, leading to the award of diplomas and certificates and such other qualifications as the Board may, from time to time prescribe;
3. Conduct examinations for such academic awards as the Board may, from time to time prescribe;
4. Implement government policy on maritime education and training;
5. Ensure the highest international maritime standards in maritime human resource development;
6. Recommend and advise the Government on the development of relevant legislation to facilitate successful implementation of maritime education and training;
7. Serve as the Regional Maritime Centre of Excellence for training for ports, terminals, logistics and maritime transport skills;
8. Establish centres of excellence in maritime education and training based on international maritime standards in maritime human resource development;
9. Partner with other institutions in furtherance of maritime education and training;
10. Serve as a national centre for motion simulator training for seagoing competencies; and

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11. Perform any other functions necessary or incidental to achieving the functions of the Academy.

2.3 Key Management

The Academy's Day to day management is under the following key organs:

- Board of Directors
- Chief Executive Officer (CEO)
- Management

2.3.1 The Board of Directors

No.	Name	Designation	Date of appointment	Duration of tenure
1.	Prof. Kinandu Muragu	Chairman	13th July 2022 - 12th July 2025	3 years
2.	Mrs. Nancy Karigithu	Principal Secretary and Special envoy, State Department for Shipping and Maritime Affairs	Legal Notice No. 233 of 28 th November 2018	-
	Mr. Shadrack Mwadime, EBS, MBS	Ministry of Mining, Blue Economy and Maritime Affairs, State Department for Shipping and Maritime Affairs	Ministry renamed after change of Government	-
3.	Mr. Francis Muraya	Director/CEO	30 th June 2022 - Present	-
4.	CPA. Judith Nyakawa	Alt. Director to the PS the National Treasury	17 th July 2020 - Present	-
5.	Mr. Archer Arina	Alt. Director to the PS State Department for Vocational and Technical Training	26 th April 2021 - Present	-
6.	Capt. Moses Muthama	Alt. Director to the MD Kenya Ports Authority	19 th August 2021- Present	-
7.	Capt. Ahmed Ali	Independent Director	13 th July 2022 - 12 th July 2025	3 years
8.	CPA. Cathrine Juma	Independent Director	13 th July 2022 - 12 th July 2025	3 years
9.	Rtd. Maj Nishit Maru	Independent Director	13 th July 2022 - 12 th July 2025	3 years
10.	Mr. Duncan Ndegwa	Independent Director	13 th July 2022 - 12 th July 2025	3 years

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2.3.2 Senior Management Team

No	Designation	Name	Period
1.	Ag. CEO	Francis Muraya	1 st July 2022 – 30 th June 2023
2.	Ag. Deputy Director Maritime Education Training	Abdalla Boto	1 st July 2022 – 30 th April 2023
	Deputy Director Maritime Education Training	Eng. Titus Kilonzi	1 st May 2023 – 30 th June 2023
3.	Ag. Deputy Director Corporate Services	Joseph Okhako	1 st July 2022 – 30 th April 2023
	Deputy Director Corporate Services	CPA. Evans Oyieyo	1 st May 2023 – 30 th June 2023
4.	Ag. Assistant Director Finance and Accounts	Rollyn Chebosi	1 st July 2022 – 30 th June 2023
5.	Ag. Assistant Director Supply Chain Management	Samuel Muthama	1 st July 2022 – 30 th June 2023
6.	Ag. Registrar	Christine Muli	1 st July 2022 – 30 th April 2023
	Registrar	Dr. Irene Mugo	1 st May 2023 – 30 th June 2023
7.	Ag. Deputy Director Maritime Transport Operations and Training	Zipporah Otworu	1 st July 2022 – 30 th June 2023
8.	Ag. Corporation Secretary and Head of Legal Services	Katherine M. Kithikii	1 st July 2022 – 30 th May 2023
	Corporation Secretary and Head of Legal Services	CS Said Swalehe Gongo	1 st – 30 th June 2023

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2.4 Fiduciary Management

The Key Management personnel who held office during the Financial Year ended 30th June 2023 and who had direct Fiduciary responsibility were:

No	Designation	Name	Period
1.	Ag. CEO	Francis Muraya	1 st July 2022 – 30 th June 2023
2.	Ag. Deputy Director Maritime Education Training	Abdalla Boto	1 st July 2022 – 30 th April 2023
	Deputy Director Maritime Education Training	Eng. Titus Kilonzi	1 st May 2023 – 30 th June 2023
3.	Ag. Deputy Director Corporate Services	Joseph Okhako	1 st July 2022 – 30 th April 2023
	Deputy Director Corporate Services	CPA. Evans Oyieyo	1 st May 2023 – 30 th June 2023
4.	Ag. Assistant Director Finance and Accounts	Rollyn Chebosi	1 st July 2022 – 30 th June 2023
5.	Ag. Assistant Director Supply Chain Management	Samuel Muthama	1 st July 2022 – 30 th June 2023
6.	Ag. Registrar	Christine Muli	1 st July 2022 – 30 th April 2023
	Registrar	Dr. Irene Mugo	1 st May 2023 – 30 th June 2023
7.	Ag. Deputy Director Maritime Transport Operations and Training	Zipporah Otworu	1 st July 2022 – 30 th June 2023
8.	Ag. Corporation Secretary/Head of Legal Services	Katherine M. Kithikii	1 st July 2022 – 30 th May 2023
	Corporation Secretary/Head of Legal Services	CS Said Swalehe Gongo	1 st – 30 th June 2023

2.5 Fiduciary Oversight Arrangement

Board Committees

2.5.1 Finance and Human Resource Committee

S/No.	Name of Director	Position
1.	Maj. (Rtd.) Nishit D Maru	Chair
2.	PS. Shadrack M. Mwadime, EBS, MBS	Member
3.	CPA Judith A. M. Nyakawa Alt Director to the PS, National Treasury	Member
4.	Mr. Duncan Ndegwa	Member
5.	Capt. Moses Muthama, Alt. Director to the MD, KPA	Member
6.	Mr. Francis M. Muraya, Ag. CEO	Member

2.5.2 Risk and Audit Committee

S/No.	Name of Director	Position
1.	CPA Cathrine Juma	Chair
2.	PS. Shadrack M. Mwadime, EBS, MBS	Member
3.	CPA Judith A M Nyakawa Alt Director to the PS, National Treasury	Member
4.	Mr. Archer Arina Alt. Director to the PS, TVETs	Member
5.	Capt. Mohamed A Ali	Member

2.5.3 Strategy and Business Development Committee

S/No.	Name of Director	Position
1.	Mr. Duncan Ndegwa Masai	Chair
2.	PS. Shadrack M. Mwadime, EBS, MBS	Member
3.	CPA Cathrine Juma	Chair
4.	Mr. Archer Arina Alt. Director to the PS, State Department for TVETs	Member
5.	Capt. Moses Muthama, Alt. Director to the MD, KPA	Member
6.	Mr. Francis M. Muraya, Ag. CEO	Member

2.5.4 Strategy Technical and Operations Committee

S/No.	Name of Director	Position
1.	Capt. Mohamed A Ali	Chair
2.	PS. Shadrack M. Mwadime, EBS, MBS	Member
3.	Mr. Archer Arina Alt. Director to the PS, State Department for TVETs	Member
4.	Maj. (Rtd.) Nishit D Maru	Member
5.	Capt. Moses Muthama, Alt. Director to the MD, KPA	Member
6.	Mr. Francis M. Muraya, Ag. CEO	Member

2.6 BMA Headquarters

Bandari Maritime Academy Complex
P.O. Box 99469-80107
Bishop Makarios Road
Mombasa

2.7 BMA Contact

Telephone Contact: +254 111 773 811 / +254 100 404 438
Email: bandarimaritime@gmail.com or info@bma.ac.ke
Website: www.bma.ac.ke

2.8 BMA Bankers

Kenya Commercial Bank,
Kilindini Branch,
P O Box 90300,
Mombasa


2.9 Independent Auditors



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



2.10 Principal Legal Adviser,



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



3. DETAILS OF THE BOARD OF DIRECTORS



<p>1.</p>	 <p>FCPA Prof. Kinandu Muragu PHD</p> <p>Key Profession – Finance Consultant</p> <p>Academic Qualifications</p> <ol style="list-style-type: none"> 1. Ph.D. in Finance from the University of Glasgow 2. MBA – Finance & Accounting - University of Nairobi 3. B. Com (Hons) Accounting - University of Nairobi <p>D.O.B - 1957</p>	<p>Chairman of the Board - Independent</p> <p>Prof. Kinandu Muragu, has experience that includes working for the Central Bank of Kenya. He has held the following positions; the Executive Director of the Kenya School of Monetary Studies, Dean of Finance and Administration and Chief Finance Officer at the United States International University (USIU)-Africa, an Associate Professor of Finance at USIU, Senior lecturer in the Department of Accounting and Finance at the University of Nairobi.</p> <p>He has consulted with a variety of international organizations such as the World Bank, World Food Programme and UNICEF. He has carried out consulting assignments in Kenya, Uganda, Tanzania, Malawi, Zimbabwe and Swaziland as a Senior Consultant for the Eastern and Southern African Management Institute (ESAMI).</p> <p>Prof. Muragu is also a Fellow of the Institute of Certified Public Accountants of Kenya</p>
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<p>2.</p>	 <p>Mr. Shadrack Mwangolo Mwadime, EBS, MBS</p> <p>Key Profession – PS, State Department for Shipping and Maritime at the Ministry of Mining, Blue Economy and Maritime Affairs.</p> <p>Academic Qualifications</p> <ol style="list-style-type: none"> 1. PhD is On-going 2. Master of Science in Leadership and Governance - JKUAT 3. Master of Business Administration, Moi University – Eldoret, Kenya 4. Post Graduate Diploma, Business Communications, Business Training Limited (U.K.) 5. Bachelor of Arts, University of Nairobi, Kenya 6. Kenya Advanced Certificate of Education, Parklands Secondary School 7. Kenya Certificate of Education, The Aga Khan High School Mombasa <p>D.O.B - 1968</p>	<p>Director – PS - SDSM</p> <p>PS Mwadime is a senior level Public Administrator with 30 years’ experience offering leadership and coordinating government’s development projects in various districts across the nation. He demonstrated capacity to mobilize resources and goodwill from various local stakeholders and spearhead common development agenda. He has excellent resource planning skills as demonstrated by successful completion of various government projects in the work-stations assigned. Ability to foster peace initiatives by application of appropriate intelligence gathering mechanisms and adopting multi-tiered negotiation approaches.</p> <p>Proven track record of discharging assigned responsibilities with commitment, diligence and integrity which have earned him recognition and promotion through the ranks. Able to disseminate and implement government policies through careful planning and involvement of the local stakeholders.</p> <p>He was a member of the Task Force on Provincial Administration Policy that stipulates Code of Conduct and Terms and Conditions of service for Public Administrators.</p> <p>Chairman Vision 2030 District Implementation committee that co-ordinates all development stakeholders at the District.</p>
<p>3</p>	 <p>Dr. Chris K. Kiptoo, CBS PS - National Treasury.</p>	<p>Director - Executive</p> <p>In his working career, Dr. Kiptoo has acquired a rich wealth of experience in economic policy analysis, mainly gained at the Central Bank of Kenya, Capital Market Authority and the International Monetary Fund, where he has served in various capacities. His expertise especially relates to the design and implementation of monetary policy; balance of payments and exchange rates; fiscal operations and policy;</p>


		<p>financial sector matters including capital markets; national accounts/real sector and macroeconomic accounting, and modelling and forecasting.</p> <p>He has proven experience in environment and climate change policies, trade policy and regional integration, private sector development and advocacy, infrastructure development, institutional development of Government institutions and organisational management, all mainly gained at the Ministry of Environment and Forestry, State Department of Trade as well as Trade Mark East Africa. Noteworthy, he also has four years of experience in economic policy coordination gained while working at the then Office of the Prime Minister.</p>
	 <p>CPA Judith A. M Nyakawa Key Profession – Deputy Director, Pensions Department of the National Treasury and Planning Academic Qualifications</p> <ol style="list-style-type: none"> 1. MA, (Counselling Psychology) Daystar University; 2. USIU- Africa (MBA); 3. B. COM - University of Nairobi <p>D.O.B - 1969</p>	<p>Alternate Director - Executive CPA Judith A M Nyakawa is currently the Senior Deputy Director, Pensions Department of the National Treasury and Planning.</p> <p>She has spent over two decades in Public Financial Management and has managed the Finance Department of various ministries in Government.</p> <p>She is also trained in PPPs by the IP3 Institute in Washington DC and has attended courses for Senior Managers in Government at the Harvard University in Boston Massachusetts in the USA.</p> <p>She is a member of the ICPAK and the ICSK, and sits on various Boards in her private capacity and represents the Principal Secretary, National Treasury and Planning officially.</p>
4	 <p>Dr. Esther Thaara Muoria</p>	<p>Director - Executive</p> <p>Dr. Esther Thaara Muoria formerly worked as a Registrar at the Jomo Kenyatta University of Agriculture and Technology (JKUAT) and boasts of a vast experience in management of education sector in the country.</p>

	<p>PS, State Department for Technical, Vocational Education and Training.</p>	
	 <p>Mr. Archer Arina</p> <p>Key Profession – Deputy Director, Technical Training at the State Department Vocational and Technical Training under the Ministry of Education.</p> <p>Academic Qualifications</p> <ol style="list-style-type: none"> 1. Master Degree in Technology Economics and Management (Southwest Jiaotong University China); 2. Bachelor’s Degree in Agricultural Education and Extension (Egerton University) <p>D.O.B – 1966</p>	<p>Alt. Director – Executive</p> <p>Mr. Archer Arina is currently serving as the Deputy Director Technical Training at the State Department Vocational and Technical Training under the Ministry of Education.</p> <p>Mr Arina previously served in various capacities as an education officer over the last twenty-eight years in various regions of the Country.</p> <p>He has acquired vast knowledge and skills in leadership and Strategic Development. He is a linguist.</p>
<p>5</p>	 <p>Mr. Francis M Muraya</p> <p>Key Profession – Ag CEO/Director BMA</p> <p>Academic Qualifications</p>	<p>Director - Executive</p> <p>Mr. Francis Mubia Muraya is currently the Ag. Chief Executive Officer, Bandari Maritime Academy.</p> <p>Mr Francis Mubia Muraya was an Alternate in the Board of Directors in Kenya Maritime Authority for the Principal Secretary State Department for Shipping and Maritime Affairs – Mr. Shadrack Mwadime, MBS.</p> <p>Mr. Muraya has vast experience of over 30 years working in the Public Sector having served in the ministries of Education, Interior and Labour in various senior positions.</p>


	<p>1. Master of Education in Policy & Leadership Moi University; 2. B. ED (Botany & Zoology) Kenyatta University and 3. Higher Diploma Human Resource Management - IHRM D.O.B - 1962</p>	<p>Before his appointment as the Ag. CEO BMA, Mr. Muraya was the Director and Head of Human Resource Management at the State Department for Shipping and Maritime Affairs</p>
<p>6</p>	 <p>Captain William K. Ruto Managing Director</p>	<p>Director - Executive</p> <p>Captain Ruto was appointed as the Managing Director Of Kenya Ports Authority on 10th March 2023, after successful interviews. He takes over from Amb. John Mwangemi who has been the MD on an acting capacity since 2022.</p> <p>Captain, holds an (MBA in Strategic Management from the Jomo Kenyatta University of Agriculture and Technology (JKUAT) and a Class 1 Master Mariner seafarer qualification from South Tyneside Marine College, UK.</p> <p>He is also an associate fellow of the Nautical Institute (AF-NI) and a member of the International Harbour Master’s Association, UK.</p> <p>He has also attended various local and international seminars and workshops on shipping, maritime, transport and logistics matters. He has done Port Security course at the University of Maryland (USA), IMO course on Port Management and Operations, in France - Port du Havre and several other short courses on port maritime and management.</p>
	 <p>Capt. Moses Muthama Master Class 1 COC</p>	<p>Alt. Director -Executive</p> <p>Capt. Moses Muthama has 19 years’ experience as a Senior Pilot at Kenya Ports Authority. His career entails safe piloting of ships calling at Port of Mombasa, training of pilot apprentices, draft survey, Ship and cargo damage surveys Salvage and towing operations and deputizing the Chief pilot</p> <p>Captain has HND Nautical Science + Master Class 1 COC from South Tyneside Marine college – UK.</p>

<p>7</p>	 <p>Captain A M Ali,</p> <p>Key Profession – Master Mariner & Accredited Marine Surveyor, Society of Accredited Marine Surveyors of U.S.A</p> <p>Academic Qualifications</p> <ol style="list-style-type: none"> 1. Certificate of Competency (Deck Officer) 1ST Class Mariner issued by the Department of Trade under the Maritime Coastguard (MCA) UK; <p>D.O.B – 1953</p>	<p>Director - Independent</p> <p>Capt. Ali has garnered a variety of Certificates over his entire educational study period in different study areas such as Maritime Labour Inspection, Maritime Security, Maritime Auditor, Marine Surveying, Master Mariner and many others.</p> <p>He has over 30 years’ experience in the marine industry with career achievements such as working as a Dock Master and Marine Pilot with Kenya Ports Authority, non-Exclusive Surveyor - Bahamas Maritime Authority Flag State Inspector - Alba Petroleum Limited Operations Manager, Company Director with Condor Maritime Services (K) among other top positions.</p> <p>Some of his professional membership include; member of the International Register of Certified Auditors, member of the International Association of Marine Investigators (USA), member of the International Institute of Marine Surveyors (UK), Nautical Institute (UK) and finally member of the Associate Fellow of the Royal Institute of Navigation (UK).</p>
<p>8</p>	 <p>C.P.A. Cathrine W. Juma,</p> <p>Key Profession – Consultant and Trainer in Financial Management</p> <p>Academic Qualifications</p> <ol style="list-style-type: none"> 1. Bachelor of Commerce – Panjab University India 2. MBA (Entrepreneurship) from 	<p>Director -Independent</p> <p>Mrs. Catherine Juma is currently the Managing Consultant and Trainer in Financial Management at Centwise Business Consulting. She is also a certified public accountant (CPAK).</p> <p>She has previously been the Shared Services Centre Manager in Oxfam, Horn East and Central Africa Region (HECA) from May 2014 to March 2017 before taking up the role of a global corporate financial trainer in Oxfam until March 2018. She has held various positions in external and internal audit, accounting in public and private sectors and international NGOs in Kenya and internationally. She is a member of Professional Trainers Association of Kenya (PTAK) and Institute of Certified Public Accountants of Kenya (ICPAK).</p> <p>Catherine is an experienced finance professional</p>

	<p>London Metropolitan University D.O.B -1958</p>	<p>with over 25 years of experience in Financial Management, Audit and Business planning as well as in independent consultancy. She has hands-on experience in designing and running Shared Services Centre (SSC) having pioneered and redesigned the SSC Business Model</p>
9	 <p>Major (Rtd) Nishit Dhanvantrai Maru L.L.M (MALTA), LL. B (PUNE), Dip KSL, ICPSK</p> <p>Key Profession – Advocate of the High Court of Kenya</p> <p>Academic Qualifications</p> <ol style="list-style-type: none"> 1. Master of Laws in International Maritime Law from the IMO-International Maritime Law <p>D.O.B ~ 1973</p>	<p>Director – Independent Academic Qualification (Continued)</p> <ol style="list-style-type: none"> 1. Institute, Malta 2. Bachelor of Law from University of Pune 3. Diploma from Kenya School of Law. <p>Maj Maru is an advocate of the High Court of Kenya and currently a partner at CMS Daly Inamdar.</p> <p>Besides practice Major Maru also lecturers at the University of Nairobi (Mombasa Law Campus) where he teaches Public International Law, International Law of the Sea and International Shipping Law</p> <p>He is a Member of the Institute of Certified Company Secretaries of Kenya and a Notary Public.</p>
10	 <p>Mr. Duncan Ndegwa Masai</p> <p>Key profession - Regional Sales Manager at Brookside Dairy Ltd in-charge of the North Eastern Region.</p> <p>Academic Qualifications</p> <ol style="list-style-type: none"> 1. PHD – Strategic management (ongoing UON) 2. Master’s in Business Administration 3. Bachelor of Science Communication and Public 	<p>Director - Independent</p> <p>Duncan Ndegwa is the Regional Sales Manager at Brookside Dairy Ltd in-charge of the North Eastern Region. He has experience in executive business negotiations and has received recognition in completion of projects in the Coast region, Zanzibar and Pemba.</p> <p>Mr. Ndegwa has a wealth experience well over 22 years in marketing, establishment of business relations, strategy development and implementation among other areas.</p> <p>Duncan Ndegwa is the founding member of Operational Management Society of Kenya</p>

	Relations – Moi University	
	D.O.B - 1974	
11	 <p>Ms. Katherine M Kithikii Key profession- Advocate of the high court Academic Qualifications</p> <ol style="list-style-type: none"> 1. Master Degree in International Maritime Law, from IMLI, Malta 2. Graduate Certificate in Maritime Studies, from ANCORS, Australia, 3. Bachelor's Degree in English Law from Kent University, UK <p>D.O.B - 1981</p>	<p>Ag. Corporation Secretary - Executive Ms. Katherine Kithikii is an advocate of the High Court of Kenya of more than 10 years of legal practice both in the private and in public sector.</p> <p>Ms Kithikii pursued the Legal Practice Course (Solicitors Course) from the Guildford College of Law, UK, Diploma in Law (Advocates Training Programme) from Kenya School of Law and is a Commissioner for Oaths, Notary Public and Certified Public Mediator</p> <p>Before her deployment as the Ag. Corporation Secretary and Head of Legal Services, BMA, Ms. Kithikii was a Legal Officer at the Kenya Maritime Authority.</p> <p>Ms. Kithikii previously worked at the Office of the Director of Public Prosecutions, as a Principal Prosecution Counsel.</p>

4. DETAILS OF KEY MANAGEMENT TEAM

Name of The Staff/Picture	Responsibility
 <p>Mr. Francis M Muraya</p> <p>Academic Qualifications</p> <p>Mr. Muraya has a Master of Education in Policy & Leadership Moi University B. ED (Botany & Zoology) Kenyatta University and Higher Diploma Human Resource Management KIM.</p>	<p>Ag. Director/CEO</p> <p>Mr. Muraya has vast experience of over 30 years working in the Public Sector having served in the Ministries of Education, Interior and Labour in various Senior Positions.</p> <p>The Office undertakes the day-to-day management of the Academy through management of funds, property, staff and affairs of the Academy. The office ensures there is proper implementation of the policies, programmes and objectives of the Academy. The office oversees the preparation of the strategic plan, annual plan, budget and audited accounts of the Academy. The office ensures effective implementation of the Board's directives.</p>



Mr. Abdalla Boto

Academic Qualifications

Mr. Abdalla Boto holds a Bachelor of Education degree from Moi University, with 25 years of working experience in teaching and training. He has worked as a Training Officer in the former Bandari College now Bandari Maritime Academy.

Responsible for Maritime Education and Training Department.

Mr. Boto has performed several functional roles while at Bandari College, from Public Service Integrity Officer and Trainer, Quality Management System (QMS) Departmental Management Representative and QMS Internal Auditor, and Performance Management Trainer.

The department coordinates the following Schools: -Nautical Science; Marine Engineering; STCW Safety & Ancillary and Commercial Diving;

The department implements for the following functions:

- a. Ensure adherence to the provisions of the Legal notice 233 of November 2018, Merchant Shipping Act, 2009 (No. 4 of 2009) and any other international Conventions and national legislation relating to training in the maritime sector
- b. Developing training plans and learning strategies in line with maritime education and training goals, objectives, policies
- c. Preparing schemes of work and lesson plans
- d. Preparing training & learning materials in accordance with the set syllabi
- e. Teaching, lecturing and instructing
- f. Demonstrating and conducting practical exercises
- g. Monitoring and evaluation of training programs
- h. Research and consultancy
- i. Undertaking training need assessment
- j. Co-ordinate the implementation of policies relating to training in maritime affairs and promote the integration of such policies into the national development plan
- k. Oversee matters pertaining to the training of seafarers
- l. Plan, monitor and evaluate training programs to ensure conformity with standards laid down in international maritime conventions
- m. Oversee examination and certification processes; and,
- n. Implement training programmes according to the set syllabus



Eng. Titus M. Kilonzi

Eng Titus M. Kilonzi is a highly skilled and experienced Chief Marine Engineer with a strong background in marine engineering and project management. With over 30 years sea-time experience, Eng. Titus extensive professional experience includes over 9,000 sea days as a Chief Marine Engineer on board various sea going vessels. This experience has given him valuable insights into the practical aspects of marine operations and further enhances his ability to contribute to the field of maritime Education and training at the BMA

Eng. is well versed in maritime laws, regulations, and safety compliance, and has extensive knowledge of maritime policies in line with the IMO, STCW regulations as espoused in the Kenya Merchant Shipping Act 2009.

He holds a Class 1 Chief Marine Engineer's Certificate of Competency (Honduras), from Hellenic Maritime Institute in Greece.

Deputy Director Maritime Education and Training Department.

He is an alumnus of Kenyatta University B.Ed. (Science) and hold a Diploma in Mechanical Engineering from the then Kenya Polytechnic under the aegis of the Railways Training Institute, a Fellow IASMP and an invited member to the IAMCS (under process).

In his current role as Deputy Director at Bandari Maritime Academy, Titus provides advisory services to the Director/CEO on matters related to Maritime Education and Training.

Prior to his current position, he played a role in Curriculum Development, and he was an Instructor at the academy.

Eng. Titus Kilonzi is a highly competent and knowledgeable professional in the maritime industry.

With his vast experience, educational background, and leadership skills, he is well equipped to make significant contributions to the management team in his role as Deputy Director of Maritime Education and Training.

The department coordinates the following Schools: -Nautical Science; Marine Engineering; STCW Safety & Ancillary and Commercial Diving;

The department implements for the following functions:

- a. Ensure adherence to the provisions of the Legal notice 233 of November 2018, Merchant Shipping Act, 2009 (No. 4 of 2009) and any other international Conventions and national legislation relating to training in the maritime sector
- b. Developing training plans and learning strategies in line with maritime education and training goals, objectives, policies
- c. Preparing schemes of work and lesson plans
- d. Preparing training & learning materials in accordance with the set syllabi
- e. Teaching, lecturing and instructing
- f. Demonstrating and conducting practical exercises

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	<ul style="list-style-type: none">g. Monitoring and evaluation of training programsh. Research and consultancyi. Undertaking training need assessmentj. Co-ordinate the implementation of policies relating to training in maritime affairs and promote the integration of such policies into the national development plank. Oversee matters pertaining to the training of seafarersl. Plan, monitor and evaluate training programs to ensure conformity with standards laid down in international maritime conventionsm. Oversee examination and certification processes; and,n. Implement training programmes according to the set syllabus
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Ms. Zipporah Otworu

Academic Qualifications

Ms. Zipporah Otworu holds a Masters Degree in Economics with specialization in Regional Planning and Economic growth (RPEG) from Bhopal Barkatullah University.

Responsible for Maritime Transport and Operations Training Department

Ms. Otworu has 27 years of working experience in teaching and training on Container Terminal and Conventional Port Operations Programmes. She has worked as an instructor Cargo handling, as the Assistant Training Officer (Documentation), and a Training Officer (Operations) in the former Bandari College now Bandari Maritime Academy.

Ms. Otworu has performed several functions and roles while at Bandari college in line with implementation of courses on safety in cargo handling operations, transport Logistics, Port worker development programmes supervision of container terminal operations, management of loose, unitized and bulk cargo operations, documentation of import and export cargoes, cargo operations planning and safety among others.

The Department coordinates the following Schools: - Port Operations and Logistics and BMA Driving School.

The department implements for the following functions:

- a. Develop and deliver courses that ensure adherence to the provisions of the Legal notice 233 of November 2018, Merchant Shipping Act, 2009 (No. 4 of 2009) and any other international Conventions and national legislation relating to training in the maritime;
- b. Co-ordinate the implementation of policies relating to training in maritime affairs and promote the integration of such policies into the national development plan;
- c. Develop and deliver courses on Oversee matters pertaining to the training of cargo handling equipment operators and port operations and logistics;

	<ul style="list-style-type: none">d. Plan, monitor and evaluate training programs to ensure conformity with international maritime standards;e. Facilitate issuance of Certificates of Competency and Certificates of Proficiency to graduates;f. Development of quality training standard systems and periodical independent evaluation as to meet International Maritime requirements;g. Implement curricula for maritime transport logistics in collaboration with relevant government agencies and other stakeholders;h. Promote the maritime transport logistics, port operations, and safety training programs;i. Initiating development and review of policies, strategies and plans;j. Preparing, implementing and monitoring of the Department's budget;k. Overseeing staff development function of the Department;l. Handling of the Department's disciplinary matters;m. Undertaking resource mobilization for training and research programmes;n. Supervising, guiding and appraising staff in the Department;o. Overseeing examination and certification processes; and,p. Implementing training programmes according to the set syllabi.
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Ms. Christine Muli

Ms Christine Muli holds a Bachelor of Education Degree from Kenyatta University and has 24 years of experience in management and administration both at Kenya Ports Authority and Bandari Maritime Academy.

Responsible for the Registrars Department

The Department coordinates the following divisions: - Curriculum Development, Academic Quality Assurance, Research & Development, Library Services and E-Resource, Students Admissions and Examinations, Student's Welfare (Chaplaincy, Nursing, Guidance and Counselling and Sports).

The department implements for the following functions:

- a. Formulate and coordinate admission policies, procedures, strategies and plans for all divisions, sections, and units in the department.
- b. Formulate, coordinate and implement examinations policies, strategies, and plans.
- c. Facilitate institutional and industrial research and publications.
- d. Design, compile and disseminate tailor-made curriculum for implementation.
- e. Observe the provisions of gender mainstreaming policies.
- f. Organize and facilitate academic ceremonies
- g. Initiate the development and implementation of students' rules and regulations in the Academy,
- h. Develop and deliver a strategy for student recruitment at the Academy.
- i. Monitor student experience and progress at the academy.
- j. Develop and implement a policy for quality standard system on training.
- k. Ensure compliance with academic regulatory framework.
- l. Develop proactive relationships with relevant external stakeholders and monitor development of best practice within the maritime sector.
- m. Formulate and disseminate information on courses offered.
- n. Develop and implement procedures for student clearance for issuance of transcripts and certificates
- o. Coordinate the activities of the student's



Dr. Irene Mugo

Registrar

Dr. Irene Mugo holds a Doctorate degree in Business Administration– Strategic Management Option, Master’s degree in Business Administration- Strategic Management and a Bachelor’s degree in Business Administration- Human Resource Management Option amongst other qualifications.


She is also a licensed Human resource practitioner and a full member of Institute of Human Resource Management.

Dr. Irene holds over 20 years working experience in academic institutions with 15 years being in the higher education sector.

The Registrar’s Department coordinates the following divisions: - Curriculum Development, Academic Quality Assurance, Research & Development, Library Services and E-Resource, Students Admissions and Examinations, Student’s Welfare (Chaplaincy, Nursing, Guidance and Counselling and Sports).

The departmental functions include:

- a. Formulating and coordinating admission policies, procedures, strategies and plans for all divisions, sections, and units in the department;
- b. Formulating, coordinating and implementing examinations policies, strategies, and plans;
- c. Facilitating institutional and industrial research and publications;
- d. Designing, compiling and disseminating tailor-made curriculum for implementation.
- e. Observe the provisions of gender mainstreaming policies;
- f. Organizing and facilitating academic ceremonies;
- g. Initiating the development and implementation of students’ rules and regulations in the Academy;
- h. Developing and delivering a strategy for student recruitment at the Academy;
- i. Monitoring student experience and progress at the academy;
- j. Developing and implementing a policy for quality standard system on training;
- k. Ensure compliance with academic regulatory framework;
 - a. Develop proactive relationships with relevant external stakeholders and monitor development of best practice within the maritime sector;
 - b. Formulate and disseminate information on courses offered;
 - c. Develop and implement procedures for student clearance for issuance of transcripts and certificates;
 - d. Coordinate the activities of the student’s welfare and

	<p>co-curricular activities;</p> <p>e. Coordinate the provision of library services;</p> <p>f. Coordinate the establishment of student database; and,</p> <p>g. Maintain students' database.</p>
 <p>Mr. Joseph Patterson Okhako</p> <p>Mr. Okhako holds a Master's Degree in Business Administration (MBA) - Strategic Business Management, a first degree in Human Resource Management, a Diploma in Law and a Postgraduate Certificate in Corruption Studies.</p> <p>He is a member of the Institute of Human Resource Management - Kenya and Ethics Institute of South Africa and a Certified Ethics Officer and Trainer.</p>	<p>Responsible for Corporate Support Services</p> <p>Mr. Okhako has over 15 years' experience in Public Service.</p> <p>The office provides overall management and coordination of corporate support services of the Academy in finance and accounts, strategy and planning, human resource and administration, information technology, hospitality and maintenance.</p> <p>The division has six (6) departments;</p> <ol style="list-style-type: none"> a. Department of Planning and Strategy. b. Department of Finance and Accounts. c. Department of Human Resource and Administration; d. Department of Hospitality; e. Department of ICT; and, f. Department of Maintenance.



CPA. Evans Oyieyo

Deputy Director Corporate Support Services;

CPA. Evans is a seasoned professional with over 20 years' experience in management, administration, human resource, audit, accounting and finance. He is a certified accountant and holds an undergraduate degree in Bachelor of Commerce Finance Option together with a Master's Degree in Business Administration from University of Nairobi. He has broad experience and exposure to a number of organizations in the region and the world.

The office of Deputy Director Corporate Support Services provides overall management and coordination of corporate support services of the Academy in finance and accounts, strategy and planning, human resource and administration, information technology, hospitality and maintenance.

The division has six (6) departments;

- a. Department of Planning and Strategy
- b. Department of Finance and Accounts
- c. Department of Human Resource and Administration
- d. Department of Hospitality
- e. Department of ICT; and,
- f. Department of Maintenance



Ms. Katherine M Kithikii


Ag. Corporation Secretary and Head of Legal Services

Ms. Kithikii is a holder of LLB (Kent University), LLM (IMLI), (Graduate Certificate in Maritime Studies (ANCORS), LPC (Guildford College of Law), Dip in Law KSL and Commissioner for Oaths/Notary Public.

Ms. Kithikii has over 10 years of legal work experience in both the public and private sector.

The office provides the following services: -

- a. legal advisory, represent the Academy in any civil or criminal proceedings, draft and/or review contracts, agreements and other legal instruments;
- b. liaise with ministries and government

	<p>departments on legal matters pertaining MET;</p> <ul style="list-style-type: none"> c. Initiate and/or progress drafting of laws and regulations on matters pertaining MET; d. Provide guidance to the Board on their duties and responsibilities and on matters of governance; e. Arrange and conduct periodic and special meetings of the Board, preparing agenda and board papers and ensuring all board members receive agenda before scheduled meetings; and f. Make administrative arrangement for board meetings among other aspects.
 <p>CS. Saidi Swalehe Gongo</p>	<p>Corporation Secretary and Head of Legal Services</p> <p>Mr. Saidi Swalehe Gongo is an Advocate of the High Court of Kenya and Commissioner for oaths. He has over 10 years' experience in the practice of Law.</p> <p>He holds a bachelor's degree in laws (LLB) and a post graduate Diploma in Law from the Kenya School of Law. Mr. Gongo also holds a master's degree in law (LLM) and is a member of the Institute of Certified Public Secretaries.</p> <p>He also holds a Diploma in Human Resources Management from the Kenya Institute of Management (KIM).</p> <p>Mr. Saidi has over 15 years' experience in both in the Public and the Private Sector.</p> <p>The office provides the following services: -</p> <ul style="list-style-type: none"> a. legal advisory, represent the Academy in any civil or criminal proceedings, draft and/or review contracts, agreements and other legal instruments; b. liaise with ministries and government departments on legal matters pertaining MET; c. Initiate and/or progress drafting of laws and regulations on matters pertaining MET; d. Provide guidance to the Board on their duties and responsibilities and on matters of governance; e. Arrange and conduct periodic and special meetings of the Board, preparing agenda and board papers and ensuring all board members receive agenda before scheduled meetings; and, f. Make administrative arrangement for board meetings among other aspects.



Mr. Samuel Muthama

Responsible for Supply Chain Management Division

Mr. Muthama holds an MBA, from Maastricht School of Management – ESAMI, a Degree in B’COM from the University of Nairobi, CIPS - UK & H/Diploma Human Resource Management – Institute of HRM – Kenya.

Mr Muthama has more than 15 years’ work experience in Government and State Agencies in Procurement Matters.

The Supply Chain Management Department undertakes the following tasks.

- a. Compilation and preparation of yearly Procurement Plan.
- b. Implementation of the Procurement Plan.
- c. Preparation, advertisement, and evaluation of Tenders.
- d. Advising the Director/CEO on appointment of Ad hoc procurement committees.
- e. Rendering of Procurement professional advice to the Director/CEO.
- f. Overseeing the implementation of awarded contracts; and
- g. Receipt of stores and store management.

5. CHAIRMAN’S STATEMENT

The Academy was launched with a new mandate as a Centre of excellence by H.E. President Uhuru Kenyatta on the 8th of July, 2019, with the objective of developing skills for the growth of the blue economy for Kenya and the Region.

The Institution in the respective financial year has finalised the development of the Strategic Plan which is awaiting launch. This together with a series of other policy documents will play a critical role in enhancing strategic development, growth of the Academy.

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The Academy has further progressed the development of its legal framework namely the Bandari Maritime Academy Bill with the involvement of stakeholders. The BMA Bill was reviewed by a wider stakeholder forum and is now in Parliament for finalization.

The Academy has further registered its Logo for legitimacy purposes as a training and educational institution for issuance of certificates and other testimonials. The Academy has engaged various institutions for the development of a collaborative and/or supportive framework with a number of stakeholders from both the public and private sector.

In addition, the Academy is establishing operation framework with various Institutions to ensure effective delivery of training which include: KENET; KNQA; TVETA; CMA CGM; Coast Guard service: Kenya Navy among others. Collaboration with Pioneer University, Technical University of Mombasa, Jaramogi Oginga Odinga University among others are at an advanced stage.

The Academy is also gearing for long-term development and is in the process of developing a 25-year masterplan which will guide its long term development.

The Academy appreciates the continued support from the State Department for Shipping and Maritime and partner institutions notably Kenya Maritime Authority, Kenya Ports Authority, the Kenya Coast Guard Service, National Treasury among others. The technical and financial support provided is critical in this new field of economic development.

Some of the notable challenges experienced include the operationalization of the Academy which is slow due to various reasons including inadequate staff capacity, inadequate funding, completion of the transition phase. The rapid changes in the Maritime sector has also seen the need to expand the scope of training to address the global maritime sector skills need.

It is hoped that the plan to conduct the recruitment process will provide the Academy with the necessary skills that are vital for training and the Academy long term development agenda.


Prof. Kinandu Muragu
CHAIRMAN

6. REPORT OF THE CHIEF EXECUTIVE OFFICER

The Academy in the Financial Year conducted several key activities including recruitment of management staff. The Academy also enhanced its course portfolio to include the Go Blue Courses and student population grew due demand for maritime training.

The Academy also registered students for various examinations for the January/February and July/August National Examinations. The current enrolment stands at over 400 students, which is increasing due to the KUCCPS selection.

Students in the Academy pursued various technical aspects of training including Industrial attachment and technical visits to various maritime installations to familiarise with the various

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activities in the sector. There has been the positive development where an additional six (6) BMA Alumni have been able to acquire sea time activities.

The Academy engaged in the following activities among others;

- i. Developed and approved an additional 6 curricular for seafaring courses;
- ii. Finalised the launch of the strategic plan and planned for the new Financial Year;
- iii. Engaged SRC and finalised the remuneration structure for the Academy which was adopted for recruitment of staff;
- iv. Commenced the development of the BMA Masterplan for the Academy long term development;
- v. Conducted several STCW training programmes and revalidation courses to support employability. The Kenya Fisheries Service and other Government Institutions partnered with the Academy to train their personnel
- vi. Conducted tailor made courses for specialized agencies such as KPA on cargo and equipment handling; and,
- vii. Members of staff in the Academy participated in several workshops and international visits to expand collaboration and strategic development.

There has been slow absorption of funds in the Academy due to the lack of personnel to implement programmes and development activities. The recruitment for senior management which has been completed, is expected to increase the absorption and utilization of funds.



Francis M. Muraya
Ag. Chief Executive Officer

**7. STATEMENT OF THE ACADEMY'S PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES
FOR FY 2022/23**

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.

Bandari Maritime Academy has five (5) objectives within the current Strategic Plan for the FY 2022/2023. These are:

- Maritime Skills Development
- Internal Capacity Development
- Research, Innovation and Development
- Industry Linkages and Partnerships
- Policy, Legal and Institutional Framework

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Bandari Maritime Academy develops its annual work plans based on the above objectives. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Academy achieved its performance targets set for the FY 2022/2023 period for its five (5) Strategic pillars as indicated in the diagram below:

Delivery Unit	Key Outputs	Key Performance Indicators	Target 2022/23	Achievement 2022/23	Target(Baseline) 2023/24	Target 2024/25	Target 2025/26	Target 2026/27
Bandari Maritime Academy	Graduates in Maritime Courses	Number of graduates in Maritime Courses	3000	4,446	6,000	6,500	7,000	7,500
	Curriculum development	No of Curricula developed	4	4	4	6	8	9
	Human Resource Capacity	Technical and non-Technical staff recruited	40	11	59	70	30	20
	Survival Training Centre Established	% of completion	50	-	20	50	75	100
	Advanced Firefighting Centre Established	% of completion	100	-	0	25	50	100
	Review BMA Strategic Plan	% of completion	100	100	100	-	-	-

8. CORPORATE GOVERNANCE STATEMENT

In accordance with the Board Charter and Code of best practices, the Academy has adopted high standards and applies strict rules of conduct in the discharge of its functions. As part of this commitment, the Board adheres to good Corporate Governance by embracing the principles of high standards of ethical and moral behaviour, acting in the best interest of the Academy while recognizing that the Academy acts as an exemplary good corporate citizen. The Board of Directors have also undergone training in matters pertaining Corporate Governance on diverse dates.

8.1 Role and Function of the Board of Directors

The role and functions of the Board *inter alia* includes, to:

- i. Set and oversee the overall strategy and approve significant policies of the Academy;
- ii. Approve the organizational structure;
- iii. Approve the annual budget of the organization;
- iv. Monitor the Academy's performance and ensure sustainability;

- v. Ensure availability of adequate resources for the achievement of the Academy's objectives

The Board also reviews and approves the Academy's strategic and financial plans respectively.

8.2 Performance Evaluation and Governance Audit

The Board conducts an annual self – evaluation process to measure its own performance, to ensure that it is constantly adhering to the objectives and mandate of the Academy. The last Board evaluation was conducted by State Corporation Advisory Committee on 27th August 2022. The Director is an ex officio member of the Board and is accountable to the Board for the management of the Academy as prescribed in the Legal Notice and more specifically in the Board Charter and Code of best practice. The Board monitors the performance of the Academy's senior Management by reviewing the financial performance on a quarterly and annual basis. The Academy in terms of performance embarked on undertaking a performance contract which was undertaken for the FY 2022/23. The Academy also embarked on the progression of the development of its Strategic Plan to ensure that the Academy executes its mandate in accordance with the Legal Notice and the Merchant Shipping Act provisions and appurtenant regulations. The Academy in accordance with the Mwongozo Code scheduled a Legal and Governance Audit for the FY 2021/22 which is ongoing.

8.3 Conflict of Interest

The Board is under obligation to act in the best interest of the Academy and uphold the fiduciary responsibilities and duty of care. This obligation involves not disclosing confidential information, avoiding real and perceived conflicts of interest, and favouring the interests of the Academy over other interests. Board members are expected to act honestly and in good faith so as to create a culture built on principles of integrity accountability and transparency.

8.4 Corruption Prevention

BMA Board of Directors executed the Code of Conduct and Ethics in respect of dealings with the Academy. The Academy has in place a Conflict of Interest Register for purposes of implementation of the Anti- Corruption and Economic Crimes Act, 2003, Public Officer Act, 2003 and the Leadership and Integrity Act, 2012.

8.5 Board Structure

The Board presently has a Chairman and four (4) independent Directors appointed in accordance with section 5 (1) (g) of the Bandari Maritime Academy Order, 2018 and representatives of the Government as per section 5 (1) (b-e) of the Bandari Maritime Academy Order, 2018. The members have diverse qualifications suitable for leading the Academy in the execution of its

mandate. Directors' terms of appointment to office are governed by the Bandari Maritime Academy Order, 2018, State Corporations Act, 1986 and the *Mwongozo* Code of Governance for State Corporations, 2015 among other government circulars and directives.

8.6 Appointment and Removal of the members of the Board

The Chairman is appointed by the President whereas the members of the Board were appointed by the Cabinet Secretary of the Ministry of Transport, Infrastructure, Housing, Urban Development and Public Works for a duration of three years, renewable for a further three-year term renewable upon satisfactory performance of duties. The members of the Board going forward shall be appointed at different times so that the respective expiry dates of their terms of office fall at different times.

The Bandari Maritime Academy Order, 2018 provides that Board may vacate office through written resignation to the Cabinet Secretary. There are specified circumstances under which

Board may be removed from Office and includes absence from three consecutive meetings of the Board without permission from the Chairperson, where a member is adjudged bankrupt or enters into a composition scheme or arrangement with his creditors, or where a member is convicted of an offence involving dishonesty or fraud is convicted of a criminal offence.

8.7 Board Induction

Most of the Board members have undergone the compulsory induction training by the State Corporations Advisory Committee (SCAC). Directors appointed subsequently will undergo an induction training in the FY 203/24.

8.8 Board Remuneration

The Directors are remunerated as per prevailing government circulars and official directives.

8.9 Board Meetings

The Board discharges its responsibilities through the Finance and Human Resource Committee, Technical and Operations Committee, the Risk and Audit Committee and the Strategy and Business Development Committee. In the Financial Year 2022/2023, the Board held the following meetings:

8.9.1 Full Board Meetings

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During the period under review a total of five (6) (with one being a continued) meetings were held. The attendance to the meetings during the financial year are as summarised below;

S/No.	Name Of Director	Position	Meetings Held	Attendance	%Age
1.	Prof. Kinandu Muragu	Chairman	6	6	100%
2.	PS Nancy Karigithu/ PS Shadrack Mwadime	Director	-	-	-
	Enock Okemwa	Alt. Director		1	16.67%
	F.M.Shisia	Alt. Director		1	16.67%
	Linda Kitavi	Alt. Director		3	50%
	CFO Joel Ngao	Alt. Director		1	16.67%
3.	Mr. Archer Arina	Alt. Director	6	6	100%
4.	CPA Judith A M Nyakawa	Alt. Director	6	6	100%
5.	Capt. Moses Muthama	Alt. Director	6	6	100%
6.	CPA Cathrine Juma	Director	6	6	100%
7.	Capt. Mohamed Ali	Director	6	6	100%
8.	Rtd. Maj Nishit Maru	Director	6	6	100%
9.	Mr. Duncan Ndegwa	Director	6	6	100%
10.	Mr. Francis M Muraya	Ag. CEO	6	6	100%

8.9.2 Special Board Meetings

A total of thirteen (13) Special Board meetings (Special Finance and Human Resource Committee (3), Special Strategy and Business Development Committee meeting (1), Special Technical Operations Committee meeting (1), and Special Board (8) were held during the period under review and the attendance of the members were as summarised below;

S/No.	Name of Director	Position	Meetings Held	Attendance	%Age
1.	Prof. Kinandu Muragu	Chairman	13	8	61.5%
2.	Francis M Muraya	Ag. CEO	13	11	84.6%
3.	CPA Judith A M Nyakawa	Alt. Director	13	11	84.6%
4.	Mr. Archer Arina	Alt. Director	13	12	92.3%
5.	Capt. Moses Muthama	Alt. Director	13	11	84.6%
6.	CPA Cathrine Juma	Director	13	9	69.23%
7.	Capt Mohamed Ali	Director	13	9	69.23%
8.	Rtd. Maj Nishit Maru	Director	13	12	92.3%
9.	Mr. Duncan Ndegwa	Director	13	12	92.3%
10.	PS Nancy Karigithu	PS	13	3	23.07%
	Mr. Fredrick Shisia	Alt. Director		5	38.5%
	Linda Kitavi	Alt. Director		2	15.4%
	CFO Joel Ngao	Alt. Director		1	14.5%

8.9.3 Technical and Operations Committee Meetings

During the period under review the TOC held a total of four (4) meetings. The attendance to the meetings during the period when members were appointed are as summarised below;

S/No.	Name of Director	Position	Meetings Held	Attendance	%Age
1.	Capt. Mohamed Ali	Chair	4	4	100%
2.	Mr. Duncan Ndegwa	Member	4	2	50%

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3.	Rep PS SDSM	Alt. Director	4	1	25%
	Daniel Mwaura				
	Linda Kitavi	Alt. Director		1	25%
	Simon Mungai	Alt. Director		1	25%
4.	CPA Judith A M Nyakawa	Alt. Director	4	2	50%
5.	Mr. Archer Arina	Member	4	4	100%
6.	CPA Cathrine Juma	Member	4	2	50%
7.	Rtd Maj Nishit Maru	Member	4	4	100%
8.	Francis M Muraya	Ag. CEO/Member	4	1	25%
9.	Zipporah Otworu	Ag. CEO	4	1	25%
10.	Christine Muli	Ag. CEO	4	1	25%
11.	Abdalla Boto	Ag. CEO	4	1	25%

8.9.4 Finance and Human Resource Committee Meetings

During the period under review the FHRC held a total of four (4) meetings. The attendance to the meetings during the period are as summarised below;

S/No.	Name of Director	Position	Meetings Held	Attendance	%AGE
1.	Mr. Duncan Ndegwa/ Rtd. Maj Nishit Maru	Chair	4	4	100%
2.	PS Nancy Karigithu	Member	4	-	-
	Mr. Jim Chira	Alt. Director		1	25%
	Mr. Simon Mungai	Alt. Director		1	25%
	CFO Joel Ngao	Alt. Director		1	25%
3.	CPA Judith Nyakawa	Member	4	3	75%
4.	Mr. Archer Arina	Member	4	2	50%
5.	Rtd. Maj Nishit Maru	Member	4	4	100%
6.	Francis M Muraya	Ag. CEO/Member	4	4	100%

8.9.5 Risk and Audit Committee Meetings

During the period under review RAC held a total of two (2) meetings. The attendance to the meetings are as summarised below:

S/No.	Name of Director	Position	Meetings Held	Attendance	%Age
1.	CPA Cathrine Juma	Chair	2	2	100%
2.	PS Nancy Karigithu/Shadrack Mwadime	Member	2	2	100%
	Linda Kitavi	Alt Director			
3.	CPA Judith Nyakawa	Member	2	2	100%
4.	Mr. Archer Arina	Member	2	2	100%
5.	Capt. Mohamed Ali	Member	2	2	100%

The Academy during the period under review was not able to hold the scheduled meetings due to the unavailability (work excecencies) of the internal auditor who had been temporarily deployed

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not being able to continue with the service. The Academy has however engaged the Internal Auditor from the Ministry to assist in discharging the mandate of the Internal Audit Office at the Academy.

8.9.6 Strategy and Business Continuity Committee Meetings

During the period under review, SBDC held a total of two (2) meetings. The committee was introduced after reconstitution of the Board committees in the 2nd Quarter meeting. The attendance to the meetings are as summarised below:

S/No.	Name of Director	Position	Meetings Held	Attendance	%Age
1.	Duncan Ndegwa	Chair	2	2	100%
2.	CPA Cathrine Juma	Member	2	2	100%
	PS Nancy Karigithu/Shadrack Mwadime	Member	-	-	-
	Simon Mungai	Alt. Director	2	1	50%
	Linda Kitavi	Alt. Director	2	1	50%
3.	Mr. Archer Arina	Member	2	2	100%
4.	Capt. Moses Muthama	Member	2	2	100%

9. MANAGEMENT DISCUSSION AND ANALYSIS

9.1 The Academy Operational and Financial performance

The Management of the Academy is headed by the Executive which directs the entire operations and is headed by the Director who is also the Chief Executive Officer. The Academy has several departments namely; Corporation Secretary and Legal Services, Corporate Services, and Maritime Education and Training, Maritime Transport and Operations Training Department, Office of the Registrar and the Advancement and Placement Department and Supply Chain Management Division. Other than the latter, all the other Departments have been actualised and institutionalised.

The Maritime Education Training Department, the Maritime Transport and Operations Training Department, the Office of the Registrar and the Advancement and Placement department make the core mandate of the Academy and coordinates all training and development programmes. The Corporation Secretary and Legal Services Department provides legal and policy guidance and advice to the core department while the Corporate Services Department provides support services to the Academy. It facilitates the other departments in the delivery of their mandate by providing finance and administrative support.

9.2 Academy Compliance with statutory requirements

The Academy operates under the following key statutes, Legal Notice No 233 of 28th November 2018, State Corporations Act, 1986, Public Finance Management Act, 2012, Income Tax Act, 1996, Public Procurement and Asset Disposal Act, 2015 among other statutes. Management ensures that the Academy complies with all the relevant sections of these statutes. During the period under review the Academy complied with all the statutes.

9.3 Key Projects and investment decision the Academy is planning/Implementing

The Academy had allocation of Ksh 389 Million for infrastructural development. It is however noted that the project did not take off due to withdrawal of funds through a Government directive on new projects. There are however a wide range of critical infrastructural needs that require to be in place for the success of the Academy in achieving the core mandate. It was expected that these were to be partially supported by the Kenya Ports Authority to the tune of kshs

519 million out of the total of **Kshs. 2.38 Billion (Kenya Shillings Two Billion, three hundred eighty million)**

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The list of the projects is as tabulated below;

STATUS OF PROJECTS COMPLETION						
	Project	Total Project Cost	Project PIMIS Serial No.	Completion % To Date	Budget	Sources
1	Equipment for port operators	200,000,000	1093100501	0%	200,000,000	GOK Funding
2	Advanced Firefighting Training Centre	130,000,000	1093100601	0%	130,000,000	GOK Funding
3	Two, 3 –Storey building hostel	968,000,000	1093100701	0%	968,000,000	GOK Funding
4	Marine Engineering and Nautical workshops	56,000,000	1093100801	0%	56,000,000	GOK Funding
5	Three storey, Multipurpose complex	499,000,000	1093100901	0%	499,000,000	GOK Funding
6	Survival Training Centre	527,000,000	1093101001	0%	527,000,000	GOK Funding
Total Capital Budget		2,380,000,000			2,380,000,000	

The projects have been identified as major infrastructural requirements for the Academy to support seafarers training. The project proposals are undergoing processing by the National Treasury awaiting funding for Implementation.

9.4 Key Projects and investment decision the Academy Major risks facing the Academy.

The Academy faces a major risk of staff stability. The current staff other than the senior Management are mostly seconded from State Department of various Ministries, Kenya Ports Authority and Kenya Maritime Authority. The Academy will proceed with recruitment of additional staff in a phased approach to ensure availability of required staff. Human Resource Instruments were approved by the State Corporation Advisory Committee Council sometime in September 2020. The Academy has further obtained the remuneration structure by the Salaries Remuneration Commission, which has made recruitment possible.

9.5 Material arrears in statutory/financial obligation

The Academy has met all its statutory and financial obligations in the reporting period.

9.6 Financial probity and serious governance issues

Governance issues by internal and external parties where and when they arise are appropriately addressed by Management.

The Academy 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, delivering relevant goods and services, and improving operational excellence. Below is an outline of the organisation's policies and activities that promote sustainability.

10 ENVIRONMENTAL AND SUSTAINABILITY REPORTING

i. Sustainability strategy and profile

The Academy is cognizant of the National and International Trends in economic dynamics. The Academy aspires to align with the National Development priorities to ensure sustainability and adopt international best practices to enhance performance.

ii. Environmental performance

The Academy has endeavoured to comply with the provisions embedded in the Environmental Management and Coordination Act, 1999 and in other Environmental Policies, rules and regulations.

iii. Employee welfare

The Academy on need basis supports employees' welfare.

iv. Market Place Practices

The Academy awards contract fairly to suppliers in compliance to the constitutional requirements of fair competition and diversity.

a) Responsible competition practice

The Academy ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors by implementing the constitutional provisions.

b) Responsible Supply Chain and supplier relations

The Academy maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.

c) Responsible marketing and advertisement

The Academy aspires to maintain ethical marketing practices.

d.) Product Stewardship

The Academy has made efforts to safeguard consumer rights and interests.

v. Corporate Social Responsibility/ Community Engagements

The Academy jointly with the community from Mikindani area participated in the planting of two thousand (2000) mangrove trees in a Re-Afforestation programme.

11 REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2023, which show the Academy's affairs.

i. Principal Activities of the Academy

The Academy is the successor to the Bandari College whose principal activity is an institution of excellence in teaching, training, scholarship, innovation and research in maritime skills. The Academy will generate employable skills in the maritime sector to support the development of the Blue Economy. The Academy in addition thereto fosters partnerships with multiple institutions both at the local and international level to ensure the highest international maritime standards in maritime human resource development are established and maintained.

ii. Results for the year ended June 30, 2023

The results of Academy for the year ended June 30, 2023 are set out on page 1– 5.

iii. Director's Paragraph

The members of the Board of Directors who served during the year ended June 30, 2023 year are shown on page vi-xiv.

iv. Surplus Remissions

The Academy did not make any remittances to the Consolidated Fund in the FY 2022/23. The unspent funds constitute tuition fees paid in advance among other aspects.

v. Auditor's

The Auditor General is responsible for the statutory audit of the Academy in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year ended June 30, 2023.

By Order of the Board

Cs. Saidi Swalehe Gongo
Corporation Secretary

Signature:

Date:

12 STATEMENT OF DIRECTORS RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act, 1986, require the Directors to prepare financial statements in respect of that entity, which give a true and fair view of the state of affairs of the entity at the end of the financial year/period and the operating results of the entity for that year/period. The Directors are also required to ensure that the entity keeps proper accounting records which disclose with reasonable accuracy the financial position of the entity. The Directors are also responsible for safeguarding the assets of the entity.

The Directors are responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year ended on June 30, 2023. 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 entity; (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 entity; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the entity'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 Public Finance and Management Act, 2012, the State Corporations Act, 1986 among others. The Directors are of the opinion that the Academy's financial statements give a true and fair view of the state of Academy's transactions during the financial year ended 30 June, 2023 and of the Academy's financial position as at that date. The Directors further confirms the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the Academy's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the Financial Statements

BANDARI MARITIME ACADEMY
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FOR THE YEAR ENDED 30 JUNE 2023

The Academy's Financial Statements were approved by the Board on 26.01.2024 and signed on its behalf by:



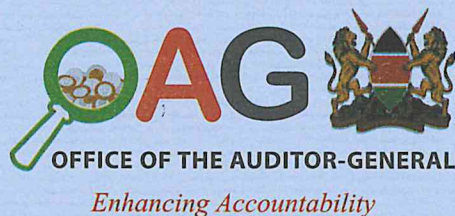
Signature:
Name: Prof. Kinandu Muragu
Chairperson of the Board



Signature:
Name: Mr. Francis M Muraya
Ag. CEO

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON BANDARI MARITIME ACADEMY FOR THE YEAR ENDED 30 JUNE, 2023

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 the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Bandari Maritime Academy set out on pages 1 to 50, which comprise the statement of financial position as at 30 June, 2023, 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 Bandari Maritime Academy as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Other Income – Deferred Income

The statement of Financial Performance and as disclosed in Note 6B to the financial statements reflects an amount of Kshs.75,889,886 in respect of Other Income - Deferred Income. A review of Note 6B revealed that the Deferred Income is the depreciation on a straight-line basis of assets that were donated to the academy by the Kenya Ports Authority, which the Authority did not hand over to the Academy. This treatment of Deferred Income is contrary to IPSAS 23 - 76 Revenue from Non-Exchange Transactions, which provide that an entity shall recognize an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset. Transfers of resources that satisfy the definition of “contributions from owners” will not give rise to revenue.

In the circumstances, the accuracy and completeness of other Income – deferred income amount of Kshs.75,889,886 could not be confirmed.

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

The statement of Comparison of Budget and Actual amounts reflect budgeted and actual revenue - other income, amounting to Kshs.245,744,550. The amount of Kshs.245,744,550 is not reflected in the statement of financial performance and the statement of cash flows.

In the circumstances, the accuracy and completeness of the statements of Comparison of Budget and Actual Amounts could not be confirmed.

3. Lack of Ownership Documents and Unconfirmed Values of Donated Assets

The statement of financial position and as disclosed in Note 16 to the financial statements reflects property, plant and equipment balance of Kshs.1,337,978,564. However, as previously reported, assets worth Kshs.1,526,964,840 donated by Kenya Ports Authority to the Academy were not supported by handing and taking over reports and documentary evidence to confirm their nature and values.

In the circumstances, the accuracy, completeness and ownership of property, plant and equipment balance of Kshs.1,337,978,564 could not be confirmed.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts indicate a final revenue budget and actual amounts on comparable basis of Kshs.567,144,550 and Kshs.690,604,449 respectively, resulting in an over-realization of Kshs.123,459,899, or 22% of the budget. Similarly, the Academy expended Kshs.357,091,639 against an approved budget of Kshs.567,144,550, resulting in net under absorption of Kshs.210,052,911, or 37% of the budget.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the report for the previous year, several issues were raised which Management has indicated as having been resolved as at 30 June, 2023. However, the stated status was not supported with evidence on how the issues were resolved.

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, 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

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (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 comply, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters 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 overall governance were not effective.

Basis for Conclusion

1. Failure to Open and Maintain Separate Bank Accounts for Refundable Deposits

Review of the Academy's Cash Management revealed that the Academy deposited caution money and exam fees into the same bank account which is also used for revenue and expenditure purposes. Caution money are refundable deposits to students while examination fees is amount owed to examination bodies and as such should be banked in a separate account and treated as liabilities to the Academy.

In the circumstances, the effectiveness of internal controls and risk management on deposits could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions 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 Board of Directors

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 control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Academy's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Academy 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 Directors is responsible for overseeing the Academy's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of 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 Academy'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 Academy 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 Academy to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

21 March, 2024

14 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023

	Note	Year ended Jun-23 Shs	Year ended Jun-22 Shs
Revenue from non exchange transactions			
Transfers from other governments—gifts and services- in-kind	6a	198,580,962	220,000,000
Other Income –Deffered Income	6b	75,889,886	75,889,886
		274,450,848	295,889,886
Revenue from exchange transactions			
Rendering of services	7	246,298,937	125,115,885
Total Revenue from non-exchange transactions		246,298,937	125,115,885
Total revenue		520,749,785	421,005,771
Expenses			
Goods and Services	8	165,460,858	137,952,074
Employee costs	9	68,545,889	49,497,704
Remuneration of Directors	10	22,371,069	18,484,129
Depreciation and amortization expense	11	109,801,786	100,802,031
Repairs and maintenance	12	26,117,383	37,739,016
Total expenses		392,096,985	344,474,954
Other gains/ (losses)			
Surplus before Tax		128,652,800	76,530,817.27
Taxation			
Surplus for the period		128,652,800	76,530,817.27

The notes set out on pages 6 to 36 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:

Chief Executive Officer
Name: Francis M. Muraya



Date: 26.01.2024

Head of Finance
Rollyn Chebosi
ICPAK No. 18549



Date: 26.01.2024

Chairman of the Board
Prof. Kinandu Muragu



Date: 26.01.2024

BANDARI MARITIME ACADEMY
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FOR THE YEAR ENDED 30 JUNE 2023

15 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

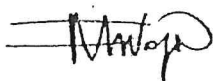
	Note	As at Jun-23 Shs	As at Jun-22 Shs
Assets			
Current assets			
Cash and cash equivalents	13	222,516,214	242,771,057
Trade receivables	14	117,292,741	42,686,733
Inventories	15	15,571,742	4,846,670
Total Current Assets		355,380,697	290,304,460
Non-current assets			
Property, plant and equipment	16	1,337,978,564	1,370,330,721
Intangible assets	17	24,239,066	26,892,254
Long term receivables from exchange transactions			
Total non-current assets		1,362,217,630	1,397,222,975
Total assets		1,717,598,327	1,687,527,435
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	18	3,671,107	23,765,584
Other payables	18	27,678,308	30,275,854
Taxation			
Total current liabilities		31,349,415	54,041,438
Capital Fund			
Capital Grants	19	1,299,295,185	1,375,185,071
Total Capital Fund		1,299,295,185	1,375,185,071
Total liabilities and Capital Fund		1,330,644,600	1,429,226,509
Net assets			
Reserves		386,953,727	258,300,926
Accumulated surplus		258,300,926	181,770,111
Total net assets		128,652,800	76,530,817.27
Total Capital fund, reserves and liabilities		386,953,727	258,300,928
		1,717,598,327	1,687,527,437

The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:

Chief Executive Officer
Name: Francis M. Muraya

Head of Finance
Rollyn Chebosi
ICPAK No. 18549

Chairman of the Board
Prof. Kinandu Muragu





Date: 26.01.2024

Date: 26.01.2024

Date: 26.01.2024

DANJARI MAKLUK AKADEMI
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16. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2023

	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Proposed dividends	Capital/		Total
					Development Grants/Fund		
At July 1, 2022	0	0	413,512,505	0	1,451,074,955		1,864,587,460
Revaluation gain	0	0	0	0	0		0
Transfer of excess depreciation on revaluation	0	0	0	0	0		0
Deferred tax on excess depreciation	0	0	0	0	0		0
Fair value adjustment on quoted investments	0	0	0	0	0		0
Surplus/Deficit for the year	0	0	128,652,800	0	0		128,652,800
Capital/Development grants received during the year	0	0	0	0	0		0
Transfer of depreciation/amortization from capital fund to retained earnings	0	0	75,889,884	0	-75,889,884		0
Dividends paid – 2022/23	0	0	0	0	0		0
Interim dividends paid – 2022	0	0	0	0	0		0
Proposed final dividends	0	0	0	0	0		0
At June 30, 2023	0	0	618,055,189	0	1,375,185,071		1,993,240,260

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17. STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Note	Year ended Jun-23	Year ended Jun-22
		Shs	Shs
Cash and cash equivalents at the beginning of the quarter		-	-
Cash flows from operating activities			
Receipts			
Transfers from other governments- gifts & services in kind	6a	198,560,962	220,000,000
Rendering of services	7	246,298,937	125,115,885
		444,859,899	345,115,885
Payments			
Goods and services	8	165,460,858	137,952,074
Employees Costs	9	68,545,889	49,497,704
Board Costs	10	22,371,069	18,484,129
Repair and maintenance costs	12	26,117,888	37,739,016
Other Payments			
Total Payments		282,495,199	243,672,923
Net cash flows from operating activities	20	162,364,700	101,442,962
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	16	-72,636,440	- 44,975,339
Purchase of Intangible Assets	16	-1,960,000	- 5,635,000
(Decrease)/increase in current Assets	21	(85,331,080)	27,021,491
(Decrease)/increase in current Liabilities	21	(22,692,023)	14,755,611
(Decrease)/(Increase) in investments			
Net cash flows used in investing activities		-182,619,543	-8,833,238
Cash flows from financing activities:			
Increase in deposits		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(20,254,843)	92,609,725
Cash and cash equivalents at the beginning of the year		242,771,057	150,161,331
Cash and cash equivalents at end of the year	13	222,516,214	242,771,056

This cash flow statement has been prepared using direct method of cash flow preparation. The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:

Chief Executive Officer
Name: Francis M. Muraya

Head of Finance
Rollyn Chebosi
ICPAK No. 18549

Chairman of the Board
Prof. Kinandu Muragu





Date: 26.01.2024

Date: 26.01.2024

Date: 26.01.2024

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18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2023

	Budget FY 2022/2023	Actual FY 2022/2023	FY 2021/2022	Budget FY 2022/2023	Actual FY 2022/2023	
	Jun-23	Jun-23	Variance	Cumulative to date Jun 2023	Cumulative to date Jun 2023	Variance
	Shs	Shs	Shs	Shs	Shs	Shs
Revenue						
Government grants and subsidies	201,400,000	198,560,962	-2,839,038	201,400,000	198,560,962	-2,839,038
Rendering of services	120,000,000	246,298,937	126,298,937	120,000,000	246,298,937	126,298,937
Other Income	245,744,550	245,744,550	-	245,744,550	245,744,550	-
Surplus for FY 2020/2021	-	-	-	-	-	0
Total income	567,144,550	690,604,449	123,459,899	567,144,550	690,604,449	123,459,899
Expenses						
Compensation of employees	101,732,670	68,545,889	33,186,781	101,732,670	68,545,889	33,186,781
Goods and services	229,625,880	165,460,858	64,165,022	229,625,880	165,460,858	64,165,022
Board Costs	24,028,000	22,371,069	1,656,931	24,028,000	22,371,069	1,656,931
Repairs and Maintenance Expenses	43,757,840	26,117,383	17,640,457	43,757,840	26,117,383	17,640,457
Acquisition of assets	168,000,160	74,595,440	93,404,720	168,000,160	74,595,440	93,403,720
Total expenditure	567,144,550	357,090,639	210,053,911	567,144,550	357,091,639	210,052,911
Surplus for the period	-	333,513,810	333,513,810.42	-	333,512,810	333,512,810

Budget notes

1. The Academy received exchequer of Ksh. 154, 000,000 in the FY 2021/22 and Ksh. 44,560,962 in the FY 2022/23. All the funds received in FY 2021/22 was utilized with no adjustments
2. The Academy's collection of A-I-A exceeded the budget, as there was more aggressive marketing effort resulted to more students hence more revenue fees charged to students.
3. The personnel emoluments were under absorbed since some of the staff were recruited two months to the end of the year.
4. The low absorption of revenue under use of goods and services was because there were inadequate staff to implement programs that could attract expenditure while there were reduced repairs during the year. Recruitment of staff in the forthcoming financial year will enhance performance and absorption.
5. There was no budget for depreciation expense because the assets have not been officially transferred to the Academy for ownership.
6. The total revised revenue under recurrent budget estimates for the financial year 2021/2022 was Ksh. 567,144,550 having been revised from Ksh. 321,400,000.

19. NOTES TO THE FINANCIAL STATEMENTS

1. General Information

Bandari Maritime Academy (BMA) was established through the Legal Notice No 233 of 28th November 2018 and derives its authority therein and accountability from PFM Act 2012 and other Legal Instruments. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity is a successor to the Bandari College whose principal activity is an institution of excellence in teaching, training, scholarship, innovation and research in maritime skills. The Academy will generate employable skills in the maritime sector to support the development of the Blue Economy. The Academy in addition thereto fosters partnerships with multiple institutions both at the local and international level to ensure the highest international maritime standards in maritime human resource development are established and maintained

2. Statement of Compliance And Basis Of Preparation

The preparation of financial statements is in conformity with International Public Sector Accounting Standards (IPSAS) which allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *entity's* accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in various Notes.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Bandari Maritime Academy

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

3. Adoption Of New And Revised Standards

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

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023: 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.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p>

<p>IPSAS 41: Financial Instruments</p>	<p>a. 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;</p> <p>b. Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</p> <p>c. 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.</p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness, and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>a. The nature of such social benefits provided by the entity;</p> <p>b. The key features of the operation of those social benefit schemes; and</p> <p>c. The impact of such social benefits provided on the entity's financial performance, financial position, and cash flows.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>a. Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b. Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c. Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>d. Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>

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<p>Other Improvements to IPSAS</p>	<p>Applicable: 1st January 2023:</p> <p><input type="checkbox"/> IPSAS 22 Disclosure of Financial Information about the General Government Sector. Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <p><input type="checkbox"/> IPSAS 39: Employee Benefits Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <p><input type="checkbox"/> IPSAS 29: Financial instruments: Recognition and Measurement Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p>
<p>IPSAS 43</p>	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>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	Applicable 1st January 2025 The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
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iii. Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2022/2023

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

The entity recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of

completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

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

Sale of goods

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

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.

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 National Assembly. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. The Academy has not recorded additional appropriations on the 2020-2021 budget following the governing body's approval.

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under note 17 of these financial statements.

c.) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Entity operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken

in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Sales 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 placement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

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

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

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.

f.) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Entity. 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 Entity 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 Entity 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 Entity. 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 Entity can demonstrate:

- The technical feasibility of completing the asset so that the asset will be available for use or sale

- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development.

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

i) Financial instruments

a) 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 Entity 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 Entity 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 Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or entity of 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 entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- 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)

b) 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; and
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

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

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

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

k) Provisions

Provisions are recognized when the Entity 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 Entity 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.

l) Contingent liabilities

The Entity 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.

m.) Contingent assets

The Entity 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 Entity 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.

n) Nature and purpose of reserves

The Academy does not maintain any reserves

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

The academy currently does not have retirement benefit scheme for its employees. The employees serving in the academy are seconded to the entity from various MDAS where their retirement benefits are catered for.

q.) 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. **The academy did not engage on any foreign currency transaction in the Financial Year 2020/2021.**

r.) 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. **The borrowing costs did not apply in the Financial Year 2021/22.**

s.) Related parties

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

t.) Service concession arrangements

The Entity 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 Entity 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 Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

u.) 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.

v.) Comparative figures

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

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

Estimates and assumptions

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

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 20.

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.

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6. Transfers from Ministries, Departments and Agencies

a. Transfers from National Treasury

Name of the Entity receiving the grant	Amount recognized to Statement of Comprehensive Income	Amount deferred under deferred income	Amount recognized in capital fund.	Total grant income during the year	2022-2023	2021-2022
	KShs	KShs	KShs	KShs		KShs
Department Shipping and Maritime	198,560,962	0.0	0.0	198,560,962	198,560,962	220,000,000
Total	198,560,962	0.0	0.0	198,560,962	198,560,962	220,000,000

b. Transfers from KPA

Name of the Entity receiving the grant	Amount recognized to Statement of Comprehensive Income	Amount deferred under deferred income	Amount recognized in capital fund.	Total grant income during the year	2022-2023	2021-2022
	KShs	KShs	KShs	KShs		KShs
Kenya Ports Authority	0	75,889,886	0.0	0.0	75,889,886	75,889,884
Total	0.00	75,889,886	0.0		75,889,886	75,889,884

The funds were received quarterly (Appendix III)

7. Rendering of services

Rendering of services		
Sale of Tenders, Conference, etc	28,931,837	20,863,020
Tuition fees	217,367,100	104,252,865
Total revenue from the rendering of services	246,298,937	125,115,885

Tuition fees is fee charged to students who attend the various courses offered at Bandari Maritime Academy.

NB:

All income is classified as far as possible in the relevant classes. Other income has been used to recognise income not elsewhere classified.

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8. USE OF GOODS AND SERVICES

Description	Year too 30 June 2023	Year too 30 June 2022
Legal Affairs	5,943,500	7,780,500
Curriculum Development & review	6,329,000	4,947,600
Conducting KNEC, NITA & Exams	5,305,441	2,178,220
Certificates Design and Development	149,408	998,760
Accreditation of Courses	49,500	42,000
PC Cross cutting issues	3,045,900	2,986,300
Security services	5,563,360	-
Water	3,794,020	2,575,910
Health & safety	108,440	485,600
Non Deductible Penalties	208,315	38,992
Advertising	2,394,648	1,902,494
Masterplan	5,888,300	-
Fumigation	998,961	1,966,139
Audit fees	2,819,359	941,000
Conferences and delegations	7,149,217	7,944,400
Bank Charges	495,279	380,644
Corporate tax	232,696	-
Other General Expenses	703,790	2,031,226
Food Provision	24,296,908	10,975,695
Hospitality	3,360,629	2,487,017
Laundry Services	1,852,044	951,880
cleaning	50,000	-
Fuel and gas	5,055,415	5,712,056
ICT Expenses	4,129,907	1,888,071
Other Insurances -boat	-	504,145
Printing and stationery	6,239,283	5,896,482
Aquarium expenses	39,000	69,000
Motor vehicle running expenses	4,050	17,580
Motor vehicle maintenance	200,270	-
Motor vehicle insurance	719,232	-
Telecommunication	2,059,725	1,488,438
Membership & Subscription fees	247,650	108,269
Training Expenses	7,237,300	6,657,834
Training Aids	5,601,994	8,665,765
uniform	769,000	-
Staff Recruitment and Benefits	5,468,580	-
General office insurance	-	633,398
Daily Subsistence allowance - Staff	17,013,320	17,903,715
Daily Subsistence allowance - Staff Foreign	684,034	-
Air travel - Local Staff	5,618,003	5,577,000
Air travel - Foreign	367,750	628,819
Sundry Taxes (Taxis)	599,893	309,774
Partnerships, Publicity & Awareness	7,471,700	7,911,120
strategic plan	385,600	-
Rounding	103	-
Kitchen utensils	-	998,500
Hostel Mattresses & Linen	-	2,985,990
Covid 19 Response	1,097,700	9,198,825
Tradeshows and Exhibitions	1,611,220	417,200
previous year expenses	-	784,030
Hire of tax consultant	487,000	-
Policies development	2,954,200	-
ISO Certification	2,218,000	3,436,457
International Maritime Activities	978,625	2,228,143
Library Subscriptions	5,463,590	2,317,087
Total bulk purchases	165,460,858	137,952,074

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9. EMPLOYEE COSTS

Item	Year too 30 June 2023	Year too 30 June 2022
Salaries and wages- Resource Persons	37,905,560	25,394,319
Fixed term Contractual Employees	21,277,773	8,650,582
NSSF Employer's Contribution	222,960	131,286
Medical Costs	443,156	29,500
Casual Wages	47,547	52,000
Acting Allowance	7,328,718	15,240,017
Basic salary	166,175	-
House allowance	810,000	-
Commuter allowance	344,000	-
Employee costs	68,545,889	49,497,704

10. REMUNERATION OF DIRECTORS

Item	Year to 30 June 2023	Year to 30 June 2022
Chairman's Honoraria	960,000	800,000
Insurance Expenses	875,475	875,475
Trainings	1,323,000	857,800
Stakeholders Engeganent	-	54,600
Taxi Expenses	176,406	87,780
Directors Sitting Allowance	10,131,400	9,034,439
DSA - Domestic	5,994,100	4,515,400
Air travel - Local	2,451,280	1,913,335
Telephone Allowance-BOD	156,000	-
Telephone Allowance- Chairman	88,000	150,000
Mileage & Car Hire	215,408	195,300
Total director emoluments	22,371,069	18,484,129

11. DEPRECIATION AND AMORTIZATION EXPENSE

Asset	Year to 30 Jun 2023	Year to 30 Jun 2023
Buildings	16,520,043.06	15,182,902
Motor vehicles	6394348.11	6,394,349
Furniture and fittings	6130371.05	5,993,320
Office Equipment & Computers	2650132.86	6,113,932
Kitchen Equipment	2586391.51	2,586,391
Plant and Machinery Equipment	14617611.26	14,055,299
Communication Equipment	13075407.41	3,093,354
Household Equipment	37125	37,126
Boats	3997884.7	3,997,884
Ship Simulators	38979282.86	38,979,285
Intangible assets	4613188.18	4,368,189
Total	109,601,786.00	100,802,031.00

Depreciation and amortization has been calculated on all assets acquired through purchase by Bandari Maritime Academy and donations by Kenya Ports Authority

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12. REPAIRS AND MAINTENANCE EXPENSE

Item	Year to 30 June 2023	Year to 30 June 2022
Buildings	5,591,800	23,687,684
Hostels	4,480,000	680,957
Plant and Machinery	2,690,500	2,787,650
Photocopier	1,702,943	580,000
Swimming Pool	2,411,427	1,900,000
Vehicles	549,423	617,149
Boats	976,925	97,546
Others	3,716,165	498,050
Workshop Equipment	3,998,200	6,889,980
Total repairs and maintenance	26,117,383	37,739,016

13. CASH AND CASH EQUIVALENTS

Item	As at 30 June 2023	As at 30 June 2022
Kenya Commercial bank a/c 130325624	31,500,000	
Kenya Commercial bank a/c 1264378726	191,016,214	242,771,057
Sub- total	222,516,214	242,771,057

14. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Item	As at 30 June 2023	As at 30 June 2022
Trade receivables (debtors)	19,583,690	6,722,950
Unsurrendered Imprest Warrants	-	67,200
other receivables	44,560,962	-
Sundry debtors-Student debtors	53,148,089	35,896,583
	117,292,741	42,686,733

NB: The debtors from non-exchange transactions of Ksh. 117,292,741 consist of Ksh.44,560,962 funds from exchequer, which was received in FY 2023/24 instead of FY 2022/23, and Ksh 53,148,089 student debtors.

15. INVENTORIES

Item	As at 30 June 2023	As at 30 June 2022
Stores and Inventory	15,571,742	4,846,670
	15,571,742	4,846,670

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17. INTANGIBLE ASSETS-SOFTWARE

Cost	As at 30 June 2023	As at 30 June 2022
At beginning of year	34,945,505	29,310,505
Additions	1,960,000	5,635,000
At end of year	36,905,505	34,945,505
Additions-internal development	-	-
At end of year	36,905,505	34,945,505
Amortization and impairment		
At beginning of quarter	8,053,251	3,685,063
Amortization	4,613,188	4,368,188
At end of quarter	12,666,439	8,053,251
Impairment loss	-	-
At end of quarter	12,666,439	8,053,251
Net Book Value	24,239,066	26,892,254

18 TRADE AND OTHER PAYABLES

Item	As at 30 June 2023	As at 30 June 2022
Trade payables	2,192,830	23,765,584
Total trade Payables	2,192,830	23,765,584
Other Payables		
prepaid income	6,192,917	25,786,682
Provision for Audit fees	1,357,759	1,400,000
V.A.T Withheld Payables	95,874	337,823
Caution Money/Registration fees	5,497,400	2,577,200
KMA Certification	130,000	
other charges	680,000	
Accruals	13,303,173	
Professional fees WHT	10,945	125,028
Withholding Income Tax Pay	319,780	34,890
Payroll and Other Deduction	90,460	14,230
Total Other Payables	27,678,308	30,275,854

19. CAPITAL GRANTS

Description	As at 30 June 2023	As at 30 June 2022
	Kshs	Kshs.
Balance b/d (1.07.2022)	1,375,185,071	1,451,074,955
Additional Donated Assets		
Transfer of depreciation/amortization from capital	-75,889,886	-75,889,884
Donated Assets from K.P.A		
Total Capital Grants	1,299,295,185	1,375,185,071

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20. CASH GENERATED FROM OPERATIONS

Item	As at 30 June 2023	As at 30 June 2022
	Kshs	Kshs
Surplus for the Year Before Tax	128,652,800	76,530,815
Adjusted for:		
Depreciation	109,601,786	100,802,031
Deferred income	-75,889,886	-75,889,886
Trade Receivables	0	0
Sundry debtors	0	0
Increase in Inventory	0	0
Decrease in Payables	0	0
Cash Generated From Operations	162,364,700	101,442,963

21 CHANGES IN WORKING CAPITAL

21 CHANGES IN WORKING CAPITAL		
Increase/(Decrease) in Current assets		
Item	As at 30 June 2023	As at 30 June 2022
Increase/(Decrease) in Trade receivables	(57,354,502.05)	5,530,594
Increase/ (Decrease) in Sundry debtors	(17,251,506.00)	(5,428,442)
Increase/(Decrease) in inventory	(10,725,072.00)	1,132,657
Increase/(Decrease) prepaid income	-	25,786,682
Total Increase/(Decrease) in Current assets	(85,331,080.05)	27,021,491
Increase/(Decrease) in Current Liabilities		
Item	As at 30 June 2023	As at 30 June 2022
(Increase)/Decrease in Trade Payables	(20,094,477.73)	20,543,123
(Increase)/Decrease in Other Payables	(2,597,545.73)	(5,787,512)
Total Increase/(Decrease) in Current liabilities	(22,692,023.46)	14,755,611

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16. EQUIPMENT, PROPERTY AND PLANT

- i. The assets have been depreciated using the straight-line method.
- ii. Some of the assets in possession by BMA were donated by KPA and are yet to be handed over to BMA officially.

29. Property, plant and equipment																			
Cost	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
At end of QTR - June 2022	453,900,000	624,601,980	25,577,398	47,946,566	18,343,625	20,691,141	112,442,392	9,280,989	297,000	15,991,534	311,834,263	1,640,906,889							
Additions		2,495,190		737,500															3,232,690
Disposals																			
Transfer/Adjustments																			
At end of QTR - Sept 2022	453,900,000	627,097,170	25,577,398	48,684,066	18,343,625	20,691,141	112,442,392	9,280,989	297,000	15,991,534	311,834,263	1,644,139,579							
Additions		33,704,600					4,498,500	17,960,460											56,172,560
Disposals																			
Transfer/Adjustments																			
At end of QTR - Dec 2022	453,900,000	627,097,170	25,577,398	48,684,066	18,343,625	20,691,141	112,442,392	9,280,989	297,000	15,991,534	311,834,263	1,644,139,579							
Additions																			
Disposals																			
Transfer/Adjustments																			
At end of QTR - 31 March 2023	453,900,000	660,801,770	25,577,398	48,684,066	18,343,625	20,691,141	116,940,892	27,250,449	297,000	15,991,534	311,834,263	1,700,312,139							
Additions				358,900	892,650			11,979,640											13,231,190
Disposals																			
Transfer/Adjustments																			
At end of QTR - 30 June 2023	453,900,000	660,801,770	25,577,398	49,042,966	19,236,275	20,691,141	116,940,892	39,230,089	297,000	15,991,534	311,834,263	1,713,543,329							

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	Land	Buildings 2.5%	Motor vehicles 25%	Furniture and fittings 12.5%	Office Equipment & Computers 33.33%	Kitchen Equipment 12.5%	Plant and Machinery Equipment 12.5%	Communication Equipment 33.33%	Household Equipment 12.5%	Boats 25%	Ship Simulators 12.5%	Total
Depreciation and impairment												
At 30 June 2022	.	45,980,854	15,877,049	16,552,650	14,578,799	7,759,177	37,202,435	4,356,378	111,375	11,467,100	116,690,351	270,576,167
Depreciation		3,903,762	1,598,587	1,521,377	587,871	646,598	3,420,211	760,844	9,281	999,471	9,744,821	23,192,824
On Disposals												
Impairment												
Transfer/adjustment												
At 30 September 2022	.	49,884,616	17,475,637	18,074,027	15,166,670	8,405,775	40,622,645	5,117,222	120,657	12,466,570	126,435,172	293,768,901
Depreciation		3,903,762	1,598,587	1,521,377	587,871	646,598	3,420,211	760,845	9,281	999,471	9,744,821	23,192,824
On Disposals												
Impairment												
Transfer/adjustment												
At 31 December 2022	.	53,788,378	19,074,224	19,595,404	15,754,541	9,052,373	44,042,856	5,878,067	129,938	13,466,041	136,179,993	316,961,815
Depreciation		4,582,508	1,598,587	1,521,377	587,871	646,598	4,122,787	5,290,256	9,281	999,471	9,744,821	29,103,559
On Disposals												
Impairment												
Transfer/adjustment												
At 31 March 2023	.	58,370,887	20,672,811	21,116,781	16,342,412	9,698,972	48,165,643	11,168,323	139,219	14,465,512	145,924,814	346,065,374
Depreciation		4,130,010	1,598,586	1,566,240	886,519	646,597	3,654,403	6,263,463	9,281	999,472	9,744,821	29,409,391
On Disposals												
Impairment												
Transfer/adjustment												
At 30 June 2023	.	62,500,897	22,271,397	22,683,021	17,228,931	10,345,569	51,820,046	17,431,785	148,500	15,464,984	155,669,634	375,564,765
Net book values		16,520,043	6,394,348	6,130,371	2,650,133	2,586,392	14,617,611	13,075,407	37,125	3,997,885	38,979,283	
At 30 June 2023		453,900,000	598,300,873	3,306,001	26,359,946	2,007,344	10,345,573			526,549	156,164,629	1,337,978,564
At 30 June 2022		453,900,000	578,621,126	9,700,349	31,393,917	3,764,827	12,931,964		185,625	4,524,434	195,443,911	1,370,330,721

22 FINANCIAL RISK MANAGEMENT

(i) Credit risk

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

	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2022				
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
Total	0	0	0	0
At 30 June 2023				
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
Total	0	0	0	0

(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)

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 entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The entity has significant concentration of credit risk on amounts due from debtors.

The board of directors sets the entity'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 entity's directors, 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 entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts

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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.

(iii) Market risk

The board 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 entity'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 entity's exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

The entity 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:

	Ksh	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2023			
Financial assets	0	0	0
Investments	0	0	0
Cash	0	0	0
Debtors	0	0	0
Total financial assets	0	0	0
Financial Liabilities			
Trade and other payables	0	0	0
Borrowings	0	0	0
Total financial liabilities	0	0	0
Net foreign currency asset/ (liability)	0	0	0

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The entity 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.

	Ksh	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2023			
Financial assets	0	0	0
Investments	0	0	0
Cash	0	0	0
Debtors	0	0	0
Total financial assets	0	0	0
Financial Liabilities	0	0	0
Trade and other payables	0	0	0
Borrowings	0	0	0
Total financial liabilities	0	0	0
Net foreign currency asset/(liability)	0	0	0

Foreign currency sensitivity analysis

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

	Change in	Effect on Profit	Effect on
	currency rate	before tax	equity
	Kshs	Kshs	Kshs
2023			
Euro	10%	0	0
USD	10%	0	0
2022		0	0
Euro	10%	0	0
USD	10%	0	0

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The entity 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.

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase.

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the *entity's* market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The *entity* considers relevant and observable market prices in its valuations where possible.

The following table shows an analysis of financial and non- financial instruments recorded at fair value by level of the fair value hierarchy:

	Level 1 Kshs	Level 2 Kshs	Level 3 Kshs	Total Kshs
At 30 June 2023				
Financial Assets				
Quoted equity investments	0	0	0	0
Non- financial Assets				
Investment property	0	0	0	0

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Land and buildings	0	0	0	0
At 30 June 2023				
Financial Assets				
Quoted equity investments	0	0	0	0
Non- financial Assets				
Investment property	0	0	0	0
Land and buildings	0	0	0	0

There were no transfers between levels 1, 2 and 3 during the year. Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

iv) Capital Risk Management

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

	2022-2023	2021-2022
	Kshs	Kshs
Revaluation reserve	0	0
Retained earnings	0	0
Capital reserve	0	0
	0	0
Total funds		
Total borrowings	0	0
Less: cash and bank balances	0	0
Net debt/(excess cash and cash equivalents)	0	0
Gearing		

23. RELATED PARTY BALANCES

Nature of related party relationships

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

Government of Kenya

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

- i. The National Government;

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- ii. The Ministry of Transport, Infrastructure, Housing and Urban Development and Public Works- State Department for Shipping and Maritime;
- iii. Kenya Ports Authority;
- iv. Key management; and
- v. Board of directors.

	2022-2023	2021-2022
	Kshs	Kshs
Transactions with related parties		
a) Sales to related parties		
Sales of goods	0.00	0.00
Sales of services	0.00	0.00
Total	0.00	0.00
b) Grants from the Government		
Grants from National Government	198,560,962	220,000,000
Grants from County Government		
Donations in kind		
Total	198,560,962	220,000,000
c) Expenses incurred on behalf of related party		

Payments of salaries and wages for employees		0
Payments for goods and services		0
Total		
d) Key management compensation		
Directors' emoluments	22,371,069	18,484,129
Compensation to the CEO		
Compensation to key management		
Total	22,371,069	18,484,129

NB

The support the Academy receives from The State Department of Shipping and Maritime in terms of salary for six (6) employees annually is Kshs. 7,008,640. The other agencies i.e KPA, KMA and KNSL have not given feedback in terms of support to the Academy.

24. APPENDICES

APPENDIX 1: IMPLEMENTATION STATUS OF AUDITOR-GENERAL'S RECOMMENDATIONS

Since inception of the Academy no report has been tabled to any oversight committee. No recommendation for implementation has been given by the committee. However, included in the column for management comments is what the institution has been able to do.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<u>FY 2020/2021 and 2021/22</u>				
1. Unsupported Expenditure on Staff Daily Subsistence	Ksh. 641600 relating to staff daily subsistence allowance was not supported by evidence of travel, evidence of invitation.	This is in progress and appropriate documents have been sought.	C.E.O	Resolved	
2. Property plant and equipment	There were no ownership documents for donated Assets by Kenya Ports Authority, and it could not be ascertained how the assets were measured.	A joint transition technical committee drawing membership from KPA and BMA constituted to officially harmonize and process the transfer of assets:	C.E.O	Not resolved	
3. Inaccuracy in the statement of comparison of budget	On the statement of comparison of budget and actual amounts reflects an amount of KSH. 125,000,000 in respect of surplus for FY 2019/2020 with a nil actual amount however the previous audited financial statement	Ksh. 125,000 was part of the balance in hand from FY 2019/2020 which was brought forward to FY 2020/2021.	Ag. Director Finance and Accounts	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	shows a surplus of Ksh.98,166,719 and no explanation was provided for the anomaly.	National treasury gave a go ahead to consume sh.98,166,719 and was brought as reserves in FY 2020/2021			
Risk Management policy and framework	Lack of Risk Management policy and framework	Academy has developed Draft Risk Management Policy awaiting Board approval for Implementation.	CEO	Resolved	By end of FY 2022/2023
Business continuity plan	Lack of Business continuity plan	Academy has developed Draft Business Continuity Policy awaiting Board approval for Implementation	CEO	Resolved	By end of FY 2022/2023
Budgetary control and performance	Under expenditure	The Academy is in the process of recruiting staff who are expected to enhance implementation of programmes	C.E.O	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designatio n)	Status: (Resolv ed / Not Resolve d)	Timeframe: (Put a date when you expect the iss to be resolve
		and address the under expenditure			

Name: Francis M. Muraya
 Ag. Chief Executive Officer

Date: 26.01.2024



.....
 Name: Prof. Kinandu Muragu
 Chairman of the Board
 Date 26.01.2024.



.....

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APPENDIX II: PROJECTS IMPLEMENTED BY BANDARI MARITIME ACADEMY

Projects

There were no Projects implemented by Bandari Maritime Academy Funded by the development partners.

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

Status of Projects completion

Bandari Maritime Academy had no ongoing projects in the Financial Year 2022/2023.

APPENDIX III: INTER-ENTITY TRANSFERS

ENTITY NAME:				
Break down of Transfers from the State Department of Shipping and Maritime				
	FY 2022/2023			
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		5 th September 2022	18,300,000	FY 2022/2023
		29 th November 2022	36,600,000	FY 2022/2023
		5 th December 2022	18,000,000	FY 2022/2023
		5 th December 2022	18,000,000	FY 2022/2023
		6 th April 2023	15,800,000	FY 2022/2023
		6 th April 2023	15,800,000	FY 2022/2023
		27 th June 2023	31,500,000	FY 2022/2023
		30 th June 2023	44,560,963	FY 2022/2023
		Total	198,560,963	

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b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		Total	0.00	
c.	Direct Payments			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		Total		
d.	Donor Receipts			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		Total	0	

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

Rollyn Chebosi
 Assistant Director Finance and Accounts
 Bandari Maritime Academy
 ICPAK Member Number: 18549

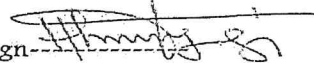
CPA Henry Mobegi
 Deputy Accountant General
 State Department for Shipping and
 Maritime

ICPAK Member Number: 9167

Sign



Sign



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APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the IDA/Donor transferring the funds	Date received	Nature: Recurrent/ Development/ Others	Total Amount - KES	Where Recorded/recognized				Total Transfers during the Year
	as per bank statement			Statement of Financial Performance	Capital Fund	Receivables	Others - must be specific	
Ministry of xxxx	0.00	Recurrent	0.00	0.00	0	0	0	0.00
Ministry of xxx	0.00	Development	0.00	0.00	0	0	0	0.00
Donor (e.g. USAID)	0.00	Donor Fund	0.00	0.00	0	0	0	0.00
Kenya Maritime Authority	0.00	Support	0.00	0.00	0	0	0	0.00
Total			0.00	0.00	0.00	0.00	0.00	0.00

