

REPUBLIC OF KENYA



*Enhancing Accountability*



PARLIAMENT  
OF KENYA  
LIBRARY

**REPORT**

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 30 APR 2025	DAY. WED
TABLED OF	Hon George Mungira MP
CLERK-AT THE-TABLE:	P Muga

**THE AUDITOR-GENERAL**

**ON**

**MURANG'A TEACHERS TRAINING COLLEGE**

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



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**MURANG'A TEACHERS TRAINING COLLEGE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30<sup>TH</sup> JUNE 2022**

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



**Murang'a Teachers Training College**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

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**Murang'a Teachers Training College**  
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**1. Acronyms & Glossary of Terms**

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College
Fiduciary Management	Key management personnel who have financial responsibility in the College
PTE	Primary Teacher Education
DPTE	Diploma in Primary Teacher Education
DECTE	Diploma in Early Childhood Teacher Education
UDPTE	Upgrade Diploma in Primary Teacher Education
UDECTE	Upgrade Diploma in Early Childhood Teacher Education
KNEC	Kenya National Examinations Council

**2. Key College Information and Management**

**(a) Background information**

Murang'a Teachers College is one of the five P1 Teacher Training Colleges opened in 1991. The institution is under the Ministry of Education. It stands on a 100 acres piece of land. The 1<sup>st</sup> Phase which included all buildings started in 1987 and was completed in 1991.

The college opened with 360 students on 22<sup>nd</sup> October, 1991. By September 1992 the college enrolled the 2<sup>nd</sup> lot of 360 students making a total of 720 students.

2<sup>nd</sup> Phase started on 21<sup>st</sup> May, 1993. It included landscaping and construction of playing fields.

China Jiangsu International Economic Technical Co-operation of China, a Chinese Company did the 1<sup>st</sup> phase and 2<sup>nd</sup> phase.

The college was officially opened by His Excellency the former President Hon. Daniel T. ArapMoi, C.G.H., M. P. on 12<sup>th</sup> October 1992.

**Curriculum Offered**

The college offers Upgrading programmes from certificate in Primary Teacher Education (PTE) to Diploma in Primary Teacher Education (UDPTE) taking a duration of 1500hrs and Certificate in Early Childhood Development Education (ECDE) to Diploma in Early Childhood Teacher Education (DECTE) taking a duration of 1800hrs.

**Departments**

<b>S/NO</b>	<b>DEPARTMENT</b>	<b>SUBJECTS</b>
1.	Professional Studies	Professional Studies
2.	Languages	English, Kiswahili and Indigenous language
3.	Mathematics	Mathematics
4.	Sciences	Science and Technology, Agriculture and Home Science
5.	Social Sciences	Social Studies, Christian Religious Education and Islamic Religious Education
6.	Creative Arts	Art & Craft and Physical Health Education
7.	Practicum/Teaching Practice	Actual practical teaching and Assessment

**(b) Principal Activities**

**Core Objective**

To Train Quality Primary School Teachers.

**Murang'a Teachers Training College**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

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**Our Vision:**

To be a leading Centre of excellence in Teacher Education and Human Resource Development in Kenya.

**College Mission:**

To develop competent and adaptable primary school teachers through effective and efficient training based on contemporary pedagogical skills and practices.

**College Motto:**

ElimuniMwangaza (Education is Light)

**(c) Key Management**

The College's day-to-day management is under the following key organs:

- Board of Governors
- Accounting officer/ Principal

**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2022 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Ngure Purity K.
2.	Deputy Principal	Kariuki David G.
3.	Dean of Curriculum	Nancy Waweru
4.	Dean of Students	Doris Mugendi
5.	Head of Finance	Esther K.Gachugu
6.	Teaching Practice Coordinator	Esther Muchiri
7.	HOD Languages	Ombaso Esther
8.	HOD Mathematics	Gathungu David
9.	HOD Social Sciences	Keziah M. Nyamu
10.	HOD Creative Arts	Chege James K. F.
11.	HOD Professional Studies	Esther W. Mwangi
12.	HOD ICT	Owen Njoroge
13.	HOD Science	MurungiMbaabu
14.	HOD Catering	PatriciaKariuki
15.	HOD Transport	Maurice Mang'urio
16.	HOD LRC/Library	Grace Wanyoike
17.	HOD House Keeping	Julian Kirimi
18.	HOD Security	Alice Ngugi

**Key College Information and Management (Continued)**

**(e) Fiduciary Oversight Arrangements**

**Finance, Procurement, Audit and General purpose committee**

- Administer and manage college resources.
- Collect and account for any funds meant for the institution.
- Allow reasonable use of the facilities of the institution for community, social and other lawful purpose.

**Academic standards, quality and environment committee**

- Promote quality education for all learners as enshrined in the Basic Education Act No 14 of 2013.
- Advise the County Education Board on the staffing needs of the institution.
- Participate during the recruitment of TSC Teachers.

**College Infrastructure Committee (CIC)**

- Ensure there is adequate physical infrastructure within the college.
- Promote the best interests of the institution and ensure that there is development within the institution.

**Discipline, ethics, integrity, human rights and students' welfare committee**

- Hear and make determination on cases of learners' indiscipline and present the reports to the County Education Board.
- Provide for the welfare, observe human rights and ensure safety of the learners, teachers and support staff within the learning institution.
- Recruit, remunerate and discipline members of the non-teaching staff as may be required by the institution.
- Hear and make recommendations on teachers' discipline cases as guided by the Teachers Service Commission regulations and on the Non-teaching staff guided by the Human resource policy document.

**(f) College Headquarters**

Murang'a Teachers Training College  
P.O. Box 232 – 01020  
Nairobi/Thika/Nyeri Highway  
**KENOL, KENYA**

**(g) College Contacts**

Telephone: (254) 721 323 948  
E-mail: [mtckkenya@yahoo.com](mailto:mtckkenya@yahoo.com)  
Website: [www.murangattc.ac.ke](http://www.murangattc.ac.ke)

**Key College Information and Management (Continued)**  
**(h) College Bankers**

Kenya Commercial Bank – Thika Branch  
Co-operative Bank, Thika – Makongeni Branch


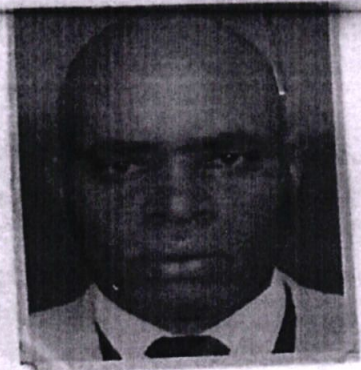

**(i)Independent Auditors**

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

**(j)Principal Legal Adviser**




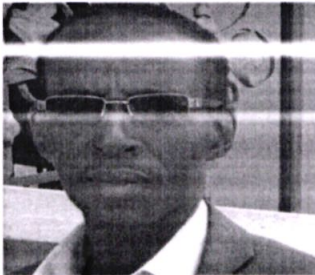
The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya

3.The Board of Governors

SN.	Member/ Director	Key Professional / Academic Qualifications	Details
1.	 Mrs Irene M. Kibandi	She holds a Masters in Library and Information Science from Kenyatta University and a Bachelor of Education Degree in English/Literature from the University of Nairobi. She is currently Librarian, St. Paul's University.	She was born on 27 <sup>th</sup> February, 1959. She is the Chairperson, Board of Management and also Chairs the Executive Board of Management Committee.
2.	 Mr. Peter Macharia Kagi	He holds a Masters Degree in Social Entrepreneurship from Catholic University of Milan and Bachelor of Arts Degree in Political Science and Geography from the University of Nairobi. He is currently the Principal, Christian Industrial Training College (Thika).	He was born on 4 <sup>th</sup> January 1970, He is the Vice Chairman, Board of Management, Vice Chairman, Executive Board of Management Committee and Chairs the Discipline, Ethics, Integrity, Human Rights and students Welfare committee.
3.	 Dr. Margaret Mwihaki Ng'ang'a	She holds a PhD in Natural Products Chemistry from Kenyatta University and Master of Science (Chemistry) from Kenyatta University. She is currently the Senior Lecturer, Kenyatta University	She was born in 1971 and a member of the Finance, Procurement and General Purpose Committee.





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4.	 <p>Dr. Anthon Mungai Gathumbi</p>	<p>He holds a PhD in Education (Curriculum Studies) from the University of Nairobi and Masters of Education (Curriculum Studies) from University of Nairobi. He is currently a Senior Lecturer, Technology Education Department, School of Engineering at Dedan Kimathi University of Technology.</p>	<p>He was born on 6<sup>th</sup> June 1972. He Chairs the Academic Standards, Quality and Environment Committee.</p>
5.	 <p>Ngure Purity K.</p>	<p>She holds a Masters of Education and Bachelor of Education degree in History &amp; Government/CRE from Kenyatta University.</p>	<p>She was born on 17<sup>th</sup> November 1968. She is the Principal and Secretary to the Board of Management.</p>
6.	 <p>Prof. Patrick Karania Ngugi</p>	<p>Holds a PhD. in Enterpreneurship from JKUAT and also holds a Bachelor Degree in Business Administration from the University of S.Africa . He is currently associate Professor at JKUAT</p>	<p>He was born in 1966. He chairs the Finance, Procurement and General Purpose Committee.</p>
7.	 <p>Dr. Gonye P. M. Joseph</p>	<p>He holds a PhD in Christian Counselling and Masters in Theology from Beacon University, USA and Director Jubilee Counselling Centre. He is currently the Pastor, Soul Harvesters Church International.</p>	<p>He was born on 14<sup>th</sup> March 1968. He is a member of the Discipline, Ethics, Integrity, Human Rights and Students Welfare Committee.</p>




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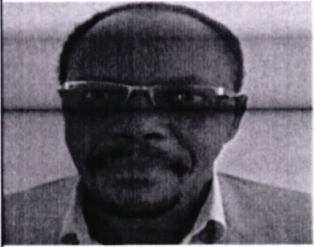


8.	 <p>Dr.Njageh Ann Rita Karimi</p>	<p>She holds a Doctor of Philosophy degree in Education and Masters of Education degree in Honours, Research and Evaluation from the Catholic University of Eastern Africa</p>	<p>. She was born on 9<sup>th</sup> March 1979. She is a member of the Discipline, Ethics, Integrity, Human Rights and students Welfare committee.</p>
9.	 <p>Mr. Nyamu Hamilton Githinji</p>	<p>He holds a Bachelor of Science degree in Horticulture from Egerton University. He is currently a Group Manager in Horticulture and Out growers Kakuzi PLC.</p>	<p>He was born in 1966. He is a member of the Discipline, Ethics, Integrity, Human Rights and students Welfare committee</p>
10.	 <p>Mrs Venanzia Kaari Njihia</p>	<p>She holds a Bachelor of Education (Science) Degree from Kenyatta University. She is a retired Principal/Teacher.</p>	<p>She was born on 20<sup>th</sup> March 1955. She is a member of the Academic Standards, Quality and Environment Committee</p>
11	 <p>Mrs Rose NjeriGachoki</p>	<p>She holds a Diploma in Housekeeping and Accommodation, a Trained Event Manager from Technical Institute and a Diploma in Theology. She is currently the Housekeeper and Events Planner at Kabete National Polytechnic.</p>	<p>She was born in 1969. She is a member of the Finance, Procurement and General Purpose Committee</p>

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12	 <p>Mr. Peter Maina Kamau</p>	<p>He holds a Diploma in Human Resource Management from the Kenya Institute of Management. He is a retired Labour Officer.</p>	<p>He was born on 1<sup>st</sup> January 1959. He is a member of the Executive Board of Management and Discipline, Ethics, Integrity, Human Rights and students Welfare committee</p>
13	 <p>Mrs Margaret N. Ngoru</p>	<p>She holds a Bachelor of Education Degree (CRE/Geography) from University of Nairobi. She is a retired Deputy Principal/Lecturer</p>	<p>She was born on 6th February 1953. She is a member of the Academic Standards, Quality and Environment Committee</p>
14	 <p>Mrs. Esther Robi Ombasa</p>	<p>She holds a Bachelor of Education degree (Arts) in Kiswahili/Geography from Moi University. She is The Dean of Students.</p>	<p>She was born on 3<sup>rd</sup> November 1969. She is the staff representative in the BOM and a member of the Academic Standards, Quality and Environment Committee</p>

**4. Key Management Team**

1		<p>She holds a Masters of Education and Bachelor of Education Degree in History &amp; Govt/CRE from Kenyatta University. She is the Principal and Secretary to the Board of Management</p>
2		<p>He holds Bachelor of Science Degree in Agriculture/Biology from Egerton University. He is the Deputy Principal.</p>
3		<p>She holds Masters in Gender and Development and Bachelor of Education Degree (Arts) CRE/Geography) from Kenyatta University. She is the Dean of Curriculum.</p>
4		<p>She holds a Bachelor of Education degree In Home Economics from Kenyatta University</p>

## **5. Chairlady's Statement**

Greetings,

In October 2021 there was an enrolment of upgrade students for Diploma in Primary Teacher Education (DEPTE)

During the financial year 2021/2022 Murang'a Teachers College has maintained financial records including the annual budget, annual procurement plan, payment vouchers, monthly trial balances and final accounts presented to the BOM on time. It is noted that over the years there has been tremendous improvements as indicated in the following areas;

- Adherence to procurement procedures.
- Farm output – records and improvements unlike the previous years when losses were recorded.
- Rent collection - Rent collection has doubled in the last three years and debt collection has improved.
- Savings have been realized and used in funding major projects in the college i.e the construction of a 300 bed capacity hostel.
- Reduced pending bills. Pending bills of Kshs. 301,405 i.e 0.55% of the total financial budget representing electricity bill for the month of June 2022 and fuel for the college vehicles for the month of June 2022 which were paid early July 2022.

Our main capital project of the year was construction of a 300 bed capacity hostel. there has also been general renovations including painting of the hostels, repair of staff houses and improvement of a guesthouse.

During the financial year, the college faced challenges such as low student enrolment , inflation, insufficient grants from the Ministry of Education and reduced farm inputs due to low rainfall.

Despite the challenges stated above, the college maintained a sound financial outlook. All essential services were offered and salaries for non-teaching staff paid. There are no pending court cases or past creditors not paid.

The college expects to have an increased enrolment in the financial year 2022/2023 and to receive sufficient grants from the Ministry of Education. We look forward for a better performance in the financial year 2022/2023.

**Murang'a Teachers Training College**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

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**6. Report of the Principal**

Greetings,

We thank God for taking us through the financial year 2021/2022.

Murang'a Teachers college fulfilled its core mandate in teacher training having enrolled 368 students to upgrade for a Diploma in Primary Teacher Education (DEPTE) and 9 students in upgrade for Diploma in Early Childhood Teacher Education (DECTE) during the year.

The students undertook two school based assessments by KNEC for both DPTE and DECTE and DEPTE students sat for the summative assessment.

Several projects were undertaken during the financial year as follows;

- Purchase of new curriculum CBC textbooks.
- Upgrade of the internet for use by the students in the lecture halls.
- Painting of hostel blocks.
- Improvement of guest house.
- Repair of staff houses.
- Trees planting around the compound.
- Repair and painting of two motor vehicles.
- New hostel construction works- completion of the ground floor to habitable state.

Our books of accounts for the 2020/2021 were audited in January 2022 though the audit report is yet to be received therefore no backlog of unaudited books of accounts. All non-teaching staff salaries and service gratuity for retired employees were paid during the financial year.

There has been several achievements during the year such as ;

- Farm output – Improvement of the college farm has been noted through increased yields such as milk, bananas, maize and vegetables unlike in previous years when losses were recorded. The cost of production has been low compared to the previous years.
- Rent collection- Rent collection has doubled in the last three years as a result of introduction of a rent pay bill number therefore tenants don't have to queue at the banking halls. Additionally rent arrears have been recovered through debt management measures taken.
- Savings have been realized and used in funding major projects in the college i.e. the construction of a 300 bed capacity hostel.
- Reduced pending bills. Pending bills of Kshs. 301,405 i.e. 0.55% of the total financial budget representing electricity bill for the month of June 2022 and fuel for the college vehicles for the month of June 2022 which were paid early July 2022.

During the financial year , the college faced challenges such as low student enrolment , inflation, insufficient grants from the Ministry of Education and reduced farm inputs due to low rainfall and inability of some students to clear fees on time.

Despite the challenges stated above, the college maintained a sound financial outlook. A creditor dating back to 2015 was paid as per the court ruling accounting to kshs. 1,891,871.00. All essential services were offered.

**Murang'a Teachers Training College**  
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There are no pending court cases or past creditors not paid. The college expects to have an increased enrolment in the financial year 2022/2023 and to receive sufficient grants from the Ministry of Education.

We look forward to accommodating more seminars and occasional training to increase revenue and more farm productivity in case of increased rainfall.

## Murang'a Teachers Training College

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

#### 7. Statement of Performance against Predetermined Objectives

Section 81 subsections 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 performance against predetermined objectives.

Murang'a Teachers college has three strategic pillars and objectives within current Strategic plan for the FY 2019 – FY 2023. These strategic pillars are as follows:

Pillar 1: Academic

Pillar 2: Development

Pillar 3: Finance

Murang'a Teachers College develops its annual work plans based on the above three pillars.

Assessment of the Board's performance against its annual work plan is done on a quarterly basis.

The institution achieved its performance targets set for the FY 2021/2022 period for its three strategic pillars, as indicated in the diagram below.

Strategic Pillar		Objective	Key Performance Indicators	Activities	Achievement
Pillar 1	Academic	100% course completion	All admitted students complete course	Continuous monitoring of students' class attendance.	99.5% completion.
Pillar 2	Development	Construction of the ground floor of the new hostel.	Complete to habitable status.	Supervision of construction works by the college management and county works architect.	96% completion
Pillar 3	Finance	Prudent financial management and financial reporting	Audit reports	Monitoring of financial transactions by the accounting officer. Report to the finance. audit and general purpose committee.	Approved monthly trial balances, financial budget and annual procurement plan.

### **8. Corporate Governance Statement**

The Board of management is established under section 55 of the Basic Education Act No. 14 of 2013. Members were appointed by the County Education Board. The Board of Management may from time to time co-opt into its membership such persons as it is satisfied possess skills and experience to assist in the discharge of the Board's functions.

The members of the Board of Management shall elect their chairperson from amongst themselves in their first meeting.

The conduct and affairs of the Board of Management shall be as set out in the Fourth Schedule. In appointing persons as members of a board of management, the nominating and appointing authority shall observe and respect the ethnic and regional diversity of the people of Kenya, impartiality and gender equality and Article 10 and Chapter Six of the constitution.

The functions of the Board of Management of a basic education institution shall be to:

Promote the best interests of the institution and ensure its development, promote quality education for all students in accordance with the standards set under this Act or any other written law, ensure and assure the provision of proper and adequate physical facilities for the institution, manage the institutions affairs in accordance with the rules and regulations governing the occupational safety and health, advise the County Education Board on the staffing needs of the institution, determine cases of pupils' discipline and make reports to the County Education Board, prepare a comprehensive Termly report on all areas of its mandate and submit the report to the County Education Board, facilitate and ensure the provision of guidance and counseling to all learners, provide for the welfare and observe human rights and ensure safety of the pupils, teachers and non-teaching staff at the institution, encourage a culture of dialogue and participatory democratic governance at the institution, promote the spirit of cohesion, integration, peace, tolerance, inclusion, elimination of hate speech, and elimination of tribalism at the institution, encourage the learners, teachers and non-teaching staff, allow reasonable use of the facilities of the institution for community, social and other lawful purposes, subject to such reasonable and equitable conditions as it may determine including the charging of a fee, administer and manage the resources of the institution, receive, collect and account for any funds accruing to the institution, recruit, employ and remunerate such number of non-teaching staff as may be required by the institution in accordance with this Act; and perform any other functions to facilitate the implementation of its functions under this Act or any other written law.

## **9. Management Discussion Analysis**

### **Operational Finance Performance**

In October 2021, the college admitted 377 students both for DPTE and DECTE and submission of returns to the Ministry of Education done. Teacher trainees registered with KNEC for assessment and school based assessment was done by KNEC.

In addition, the students undertook two school based assessments by KNEC for both DPTE and DECTE students and DPTE students sat for the summative assessment.

The college has grown financially from revenue collected from admission of upgrading students, increase in production of bananas and vegetables from the farm and improvement in house repairs and therefore an upward trend in rent collection. There has also been increased afforestation and improvement in general repairs of college facilities.

Challenges facing the college include: low student enrolment, insecurity due to hostility from local community and inadequate grants from the Ministry of Education for payment of Non-teaching staff salaries.

Opportunities: The College stands on 100 acres of land and this enables farming and gradual afforestation, the college is located on a highway and therefore attracts tenants and pool of labour is available from the local community for capital projects.

Demands: Failure of rains demands that our farming be either stopped or increased production cost especially electricity for pumping water for irrigation and a lot of finances are demanded for facelift of the institution.

### **Compliance with statutory requirements.**

There has been cases of unpaid creditors dating back year 2015 where suppliers demanded to be paid more than what they actually supplied. There was a court case relating to Promising General Merchants amounting to Kshs. 1,891,871.00 and the amount was paid as per the court ruling.

### **Key Projects and investment decisions the college is planning/implementing.**

Construction of a new hostel has been the main capital project during the period. There has also been an increase in money deposited in fixed deposit account.

### **Major risks facing the college**

There has been no major risk facing the college.

### **Material arrears in statutory/financial obligations**

There are no pending bills and no outstanding staff and pension obligation.

### **Statement of board management responsibilities**

According to section 83 of the Public Finance Management (PMF) Act 2012 (Section 29 of the schedule 2 of the TVET Act 2013) we have prepared financial statement in respect to Murang'a Teacher's College giving a true and fair view of the state of affairs at the end of the financial period ending 30th June 2022 and operating results of the same period. We have ensured proper accounting records with the accuracy of the financial position and safeguard of college assets. This has been achieved by ; maintaining proper accounting records, implementing internal controls and making accounting estimates that are reasonable in the circumstances.

The B.O.M accepts responsibility for the financial statements prepared using appropriate accounting policies and in conformity with International Public Sector Accounting Standards (IPSAS) as required by section 83 of the PFM Act 2012 (section 29 of schedule 2 of the TVET Act 2013). We are of the opinion that Murang'a Teacher's College financial statements give a

**Murang'a Teachers Training College**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

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true and fair view of the state of the college transactions during the period ended 30th June 2022 and the college financial position as at that date.

We therefore confirm that Murang'a Teacher's College remains a going concern.

## **10.Environmental And Sustainability Reporting Statement**

### **Sustainability strategy and profile**

Offering good services to the community eg.affordable prices for college facilities for hire eg.thehall,field and the guest hostiles.In return the college collect good amount of funds hence promoting smooth running of the day to day activities due to availability of funds.

The college promotes democracy on remaining neutral in matter relating to politics which might cost the college heavily if not well checked as the college accomodates almost all tribes of Kenya who also in terms of political difference and due to the college neutrality in politics the college is able to have everything in order.Inclusion of all people in offering employment ie.PWD and all ethnic community.

### **Environmental performance**

Use of environmental microorganismsdisinfectant in cleaning to remove bad smell and germs and directing the chemical to the main sewer thereby reducing bad smell.

Disposal- use of incinerators at staffs quarters and sudents for disposing sanitary towels and diasposable diapers for children.

Afforestation- The college target every year is to plant 4000 tree seedlings ie fruits trees,indenogenous trees and exotic trees.

Increased use of organic manure is preffered to fertilizers,chemicals are discouraged.

### **V. Employee welfare**

The human resource policy document guiding the hiring process, gender ratios and improvement of skills and management of careers, appraisal and reward systems is in the final phase of development. The college has accomplished the one third gender rule by at least one third of either gender for both teaching and non-teaching staff population.

### **Market place practices-**

- a) Responsible competition practices.

The college respects each person's political opinionated it and follows the public procurement guidelines during procurement of goods, works and services.

- b) Responsible Supply Chain and Supplier relations

The college ensures prompt payment for all goods, works and services supplied, issuance of award and regret letters to potential bidders.

- c) Responsible marketing and advertisement -

The college provides all information on existing training programs through KUCCPS and Ministry of Education.

- d) Product stewardship.

Both teaching and non-teaching are free to join labour unions in the country.

### **Corporate Social Responsibility/Community Engagements**

The college has built a water canteen point which provides water to the local community at a subsidized fee. Additionally, the college donated blankets to Maranjau Prisons and few furniture to the Murang'a South Sub-County Education Office. Casual labour is also sourced from the local community especially during the construction of the new hostel and during seminars and occasional trainings.

**Murang'a Teachers Training College**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

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**11. Report of Board of Governors**

The Board members submit their report together with the audited financial statements for the financial year ended June 30, 2022, which show the state of Murang'a Teacher's Training College affairs.

**Principal activities**

The principal activities of the entity are and continue to be training quality primary school teachers.

**Results**

The results of the entity for the year ended June 30 2022 are set out in the statement of financial performance.

**Board of Management**

The members of the board of Management who served during the year are listed on page vi.

**Auditors**

The auditor general is responsible for the statutory audit of Murang'a Teacher's Training College in accordance with Article 229 of the constitution of Kenya and the Public Audit Act 2015 or XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of Murang'a Teacher's Training College for the year ended June 30, 2022, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By order of the Board.



.....  
**Secretary of the Board/Council**

**Nairobi**

**Date:**

**Murang'a Teachers Training College**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

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**12.STATEMENT OF BOARD OF MANAGEMENT RESPONSIBILITIES**

Section 81 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act,2013) require the board members to prepare financial statements in respect to Murang'a Teacher's Training College, which give a true and fair view of the state of affairs of the Murang'a Teacher's Training College, at the end of the financial year/period and the operating results of Murang'a Teacher's Training College for that year. The board members are also required to ensure that Murang'a Teacher's Training College keeps proper accounting records which disclose the reasonable accuracy of the financial position of Murang'a Teacher's Training College. The board members are also responsible for safeguarding the assets of Murang'a Teacher's Training College.

The board members are responsible for the preparation and presentation of Murang'a Teachers Training College financial statements, which give a true and fair view of the state of affairs of Murang'a Teachers Training College for and at the end of the financial year ended June 30, 2022. This responsibility includes:

- i. Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period.
- ii. Maintaining proper accounting records, which disclose the 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 Murang'a Teachers Training College
- v. Selecting and applying appropriate accounting policies,
- vi. And making accounting estimates that are reasonable in the circumstances.

The board members accept responsibility for Murang'a Teachers Training College financial statements ,which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards ( IPSAS, and in the manner required by PFM Act ,2012.

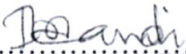
The board members are of the opinion that the Murang'a Teachers Training College financial statements give a true and fair view of the state of Murang'a Teachers College transactions during the financial year ended June 30, 2022 and of Murang'a Teachers Training College financial position as at the date.


The board members further confirm the completeness of the accounting records maintained for Murang'a Teachers Training College, which have been relied upon in the preparation of Murang'a Teachers Training College financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the council members to indicate that Murang'a Teachers Training College will not remain a going concern for at least thenext twelve months from the date of this statement.

**Approval of the finance statements.**

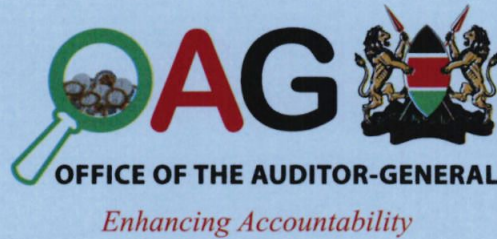
Murang'a Teachers College financial statements were approved and signed by the Board on 31/08/2022 and signed on its behalf by:

  
.....  
**IRENE MUTHONI KIBANDI**  
**Chairperson of the Board.**

  
.....  
**NGURE P.K**  
**Accounting Officer/Principal**

# REPUBLIC OF KENYA

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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON MURANG'A TEACHERS TRAINING COLLEGE FOR THE YEAR ENDED 30 JUNE, 2024**

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### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Murang'a Teachers Training College set out on pages 1 to 33, which comprise the statement of financial position as

at 30 June, 2024 and statement of financial performance, statement of cash flows, statement of changes in net assets, 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 Murang'a Teachers Training College as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

## **Basis for Qualified Opinion**

### **1.0 Unsupported Capital Fund**

The statement of financial position reflects an amount of Kshs.921,827,232 in respect of capital fund. However, the amount did not have an explanatory note in the financial statements. Further, a schedule in support of the reported balance was not provided for audit review.

In the circumstances, the accuracy and completeness of the amount of Kshs.921,827,232 of capital fund could not be confirmed.

### **2.0 Unsupported Financial Statements Amounts**

During the financial year 2023/2024, it was noted that payments of Kshs.2,762,584 recorded in the financials statement were not supported with ledgers as per shown below.

<b>Component</b>	<b>Amount as per Financial Statements (Kshs)</b>
Fuel and Oil	1,045,298
Student Council	256,855
Insurance	226,927
Trade and other payables	1,233,504
<b>Total</b>	<b>2,762,584</b>

In the circumstances, the accuracy and completeness of expenditure amount of Kshs.2,762,584 could not be confirmed.

### **3.0 Unsupported Receivables from Exchange Transactions**

The statement of financial position and Note 19(a) to the financial statements reflects current portion of receivables from exchange transactions amount of Kshs.13,517,058 for the financial year.

In the circumstances, the accuracy and completeness of revenue from exchange transactions amountt of Kshs. Kshs.13,517,058 could not be confirmed.

#### **4.0 Unsupported Fuel, Oil and Lubricants Expenditure**

The statement of financial performance and as disclosed under Note 12 to the financial statements reflects an amount of Kshs.85,642,425 in respect of use of goods and services which further includes Kshs.1,045,298 in respect to fuel, oil and lubricants. However, the Management did not provide an updated fuel register and detail orders showing how the fuel was drawn.

In the circumstances, the accuracy and completeness of expenditure amount of Kshs.1,045,295 in respect to fuel, oil and lubricants could not be confirmed.

#### **5.0 Failure to Carry Out Quarterly and Annual Stock Take**

The statement of financial position and as disclosed in Note 20 to the financial statements reflects an amount of Kshs.1,121,745 in respect of inventories. However, the Management did not undertake quarterly and annual stock takes contrary to Section 162 (2) of the Public Procurement and Asset Disposal Act, 2015 which requires the head of procurement function to conduct quarterly and annual inventory and stock taking in order to ensure compliance with all respective governing laws and submit the report to the accounting officer.

In the circumstances, the accuracy and completeness of inventory balance of Kshs.1,121,745 as at 30 June, 2024 could not be confirmed.

#### **6.0 Valuation, and Disclosure of Biological Assets**

The statement of financial position and as disclosed in Note 23 to the financial statements reflects an amount of Kshs.642,000 in respect of biological assets. However, there was no valuation report to show the basis of the values disclosed. In addition, the Management did not disclose the methods and significant assumptions applied in determining the fair value of each group of biological assets as required under Paragraphs 38 to 51 of The International Public Sector Accounting Standards (IPSAS) 27 on the disclosures to be made on biological assets:

In the circumstances, the financial statements do not comply with the provisions of IPSAS 27 on accounting for biological assets.

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

## **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. Except for the matter described in the Basis for Qualified Opinion section of my report, I have determined that there are no other key audit matters to communicate in my report.

## **Other Information**

### **Conclusion**

Management is responsible for the Other Information set out on page iii to xxi which comprise of Key College Information and Management, The Board of Governors, Key Management Team, Chairlady's' Statement, Report of the Principal, Statement of Performance against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Board of Governors and Statement of Council Members Responsibilities.

The Other Information does not include the financial statements and my audit report thereon.

### **Basis for Conclusion**

In connection with my audit on the College's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this Other Information and I am required to report that fact.

Based on the audit procedures performed and the matters described in my Basis for Qualified Opinion, I confirm that Other Information is not materially inconsistent with the financial statements.

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

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

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

## **Basis for Conclusion**

### **1. Unbalanced Budget**

The statement of comparison of budget and actual amounts reflects budgeted income of Kshs.119,388,146 against budgeted expenditure of Kshs.116,396,225 resulting to a budget surplus of Kshs.2,991,921. In addition, there is a capital expenditure budget of Kshs.22,000,000. This is contrary to Regulation 33(c) of the Public Finance Management (National Government) Regulations, 2015 which states that 'unless provided otherwise in the Act, these Regulations or any other guidelines developed in furtherance of the Act or these Regulations, that at all times during budget formulation and approval it must be ensured that the budget shall be balanced.

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

### **2. Access to Government Procurement Opportunities (AGPO)- Reservation of 30% of Contracts for the Marginalised**

The report on preference and reservation Contracts Awards to Youth, Women and Persons with Disability (PWD) for the period July, 2023 to June, 2024 was not provided for audit review. This is contrary to the Public Procurement and Asset Disposal Act, 2015 Section 53(6) which requires all procurement and asset disposal planning to reserve a minimum of thirty per cent of the budgetary allocations for enterprises owned by women, youth, persons with disabilities and other disadvantaged groups. Further, Section 157 (5) states that, an accounting officer of a procuring entity shall, when processing procurement, reserve a prescribed percentage of its procurement budget, which shall not be less than thirty per cent, to the disadvantaged group and comply with the provisions of this Act and the regulations in respect of preferences and reservations. In addition, Section 157(6) states that to qualify for a specific preference or reservation, a candidate shall provide evidence of eligibility as prescribed.

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

### **3. Regularity of Human Resource Management Practices**

#### **3.1 Failure to Comply with Approved Staff Establishment**

During the course of audit in the Month of December, 2024, it was observed that the students' enrollment in the college was 370 in the financial year 2021/2024. Further, staff established by the Ministry of Education (MOE) via circular Ref: PTTC/GEN.3/1/VOL.1(4) dated 27 October, 2021 provided for staffing requirements according to number of enrolled students. However, the College's in post staff provided for review did not adhere to the provisions of the circular as shown below.

S/No.	Designation	MOE	In Post	Variance
1	Finance Officer	1	0	1
2	Accounts Clerk	2	1	1
3	Secretary	4	1	3
4	Messenger	1	0	1
5	Lab Tech	3	1	2
6	ICT Tech	2	1	1
7	Groundsman	3	0	3
8	Cook	4	6	(2)
9	Kitchen Hand	5	1	4
10	Nurse	2	1	1
11	Store Keeper	1	1	0
12	Artisan	2	0	2
13	Cateress	1	1	0
14	Driver	2	2	0
15	Librarian	1	0	1
16	Security	8	7	1
17	Bursar	0	1	(1)
18	Procurement Officer	0	1	(1)
19	Receptionist	0	1	(1)
20	Plant Operator	0	1	(1)
21	House Keeper	0	1	(1)
22	Cleaner	0	2	(2)
23	Farm Hand	0	2	(2)
		<b>42</b>	<b>32</b>	<b>10</b>

In the circumstances, the non-adherence to staffing level requirements may compromise the quality-of-service delivery at the College.

### 3.2 Failure to Observe Ethnic Diversity Requirements

The staff bio data provided for audit review revealed that the College had 28 members of staff, out of which, 20 or 71% were from one ethnic community. This is contrary to Section 7(1) and (2) of National Cohesion and Integration Act, 2008 states that all public establishments shall seek to represent the diversity of the people of Kenya in the employment staff, (2) No public establishment shall have more than one third of its staff from the same ethnic community.

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

### 3.3 Payment of Net Salaries Below a Third of Basic Pay

The financial statements reflects Kshs.11,174,357 in respect to employee costs as disclosed in Note 13. However, the payrolls provided for audit review indicated that the College was paying net salaries below a third of basic to some of the non-teaching staff members. This is contrary to Section 19(3) of the Employment Act, 2007 without prejudice

to any right of recovery of any debt due, and notwithstanding the provisions of any other written law, the total amount of all the deductions which under the provisions of subsection (1), may be made by the employer from the wages of his employee at any one time shall not exceed two thirds of such wages or such additional or any other amount as may be prescribed by the Minister either generally or in relation to specified employer or employee or class of employers or employees or any trade or industry.

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

### **3.4 Failure to give Notice Following Resignation and Retirement**

The staff bio data provided for audit review revealed that 3 staff members exited the College without notice as provided in the Human Resource Policies and Procedures Manual 2016 clause D.19 (1) states that an officer may resign his appointment by giving one (1) month notice or by paying one month's gross salary in lieu of such notice. An officer on contract may resign his appointment in accordance with the terms of the contract. Additionally, Murang'a Teachers College Human Resource Policies and Procedures Manual 2024 clause 9.3.2 also states that any employee who considers resignation shall be free to give a one month notice on the same. Request to resign shall be in writing. When resignation is accepted the employee may be entitled to corresponding terminal benefits depending on years of service. Further Clause 9.3.3. a) on mandatory retirement states that an employee will retire upon attainment of the mandatory retirement age as per the agreement between KUDHEIHA Trade Union and Ministry of Education and the Employment Act 2007. The principal will inform the employee of the impending retirement by giving a reasonable notice of not less than six months. In addition, clause b) on voluntary retirement states that an employee on attaining the age of fifty years may opt to retire anytime thereafter or may be required to retire anytime upon approval of the principal on the recommendation by the Board of Management (BOM). An employee will normally be required to give three months written notice of his/her intention to retire.

In the circumstances, Management did not adhere to the laid down procedures as regards staff exits.

### **3.5 Incomplete Employment Records**

Review of personnel files for the non-teaching staff indicated that KRA tax PIN, Certificate of good conduct and bank account details were missing from the files. Some did not have copies of birth certificates and passport size photos. In addition, forms for initial declaration of income, assets and liabilities were not included in the personal files. This is contrary to stipulations in Human Resource Policy and Procedures Manual 2016 B.12 (1) which provides that a candidate on first appointment shall provide the following documents: (i) National identity card; (ii) Birth Certificate; (iii) KRA tax PIN; (iv) Original academic and professional certificates duly authenticated by the issuing authority; (v) Certificate of good conduct from the Directorate of Criminal Investigations; (vi) Color Passport size photograph; and (vii) Bank account details. 2) In addition, the Authorized Officers shall ensure that all newly appointed officers are duly vetted as per the existing vetting policy. (3) The officer shall also make an initial declaration of income, assets and liabilities by completing the prescribed form.

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*Report of the Auditor-General on Murang'a Teachers Training College for the year ended 30 June, 2024*

In the circumstances, Management did not adhere to the laid down procedures as regards staff and human resource practices.

#### **4.0 Overdrawn Bank account**

Financial records provided for audit review revealed that one commercial bank account was overdrawn by Kshs.5,910. However, Management did not give the necessary approvals to overdraw contrary to Section 28.4 of Public Finance Management Act, 2012 which states that an accounting officer for a national government entity shall not cause a bank account of the entity to be overdrawn beyond the limit authorized by the National Treasury or a board of a national government entity.

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

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

### **REPORT ON 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 effect of the matters described in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

#### **Basis for Conclusion**

##### **1.0 Asset Management**

The financial statements reflects property, plant and equipment balance of Kshs.883,986,285 as disclosed in Note 21. The following observations were made in regard to asset management.

##### **1.1 Failure to Tag Non- Current Assets**

Although the College maintains an asset register, some assets under the categories of computers, furniture and fittings had not been tagged. In the circumstances, the institution's assets may not be easily traced. This is contrary to Public Finance Management Regulations 2015 Section 132.(1) states that the Accounting Officer of a county government entity shall take full responsibility and ensure that proper control systems exist for assets and that:

- (a) Preventative mechanisms are in place to eliminate theft, security threats, losses, wastage and misuse;
- (b) Movement and conditions of assets can be tracked; and
- (c) Stock levels are at an optimum and economical level.

## **1.2 Failure to Carry Out Revaluation of Land and Buildings**

The property, plant and equipment balance includes freehold land and buildings whose Net Book Values (NBV) as at 30 June, 2024 was Kshs.300,000,000 and Kshs.494,032,500 respectively. However, the institution has not revalued the assets since the time they were purchased. This is contrary to Section 15 of IAS 1 provides that financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the framework.

The application of IFRSs, with additional disclosure, when necessary, is presumed to result in financial statements that achieve a fair presentation.

## **1.3 Failure to Insure Immovable Assets**

The property plant and equipment indicated includes both movable and immovable assets of Kshs.883,986,285. However, immovable assets including buildings and structures and office equipment, furniture and fittings worth 877,911,285 were not insured against risks. This is contrary to Public Finance Management Act 2012 section 72. (1) states that, the accounting officer for a national government entity shall:

- (a) Be responsible for the management of the entity's assets and liabilities.
- (b) Manage those assets in a way which ensures that the national government entity achieves value for money in acquiring, using and disposing of those assets.

Regulation 139. (1) of the public finance management (National Regulations) states that, he Accounting Officer of a national government entity shall take full responsibility and ensure that proper control systems exist for assets and that:

- (a) preventative mechanisms are in place to eliminate theft, security threats, losses wastage and misuse.
- (b) movement and conditions of assets can be tracked.
- (c) stock levels are at an optimum and economical level.

In the circumstances, the effectiveness of the asset management system in place could not be confirmed.

## **2.0 Anomalies in Governance by the Board of Governors**

### **2.1 Failure to Induct Board Members**

A review of document provided for audit indicated that the College's new members of the Board began service and drew allowances before being inducted against the corporate governance guidelines.

### **2.2 Failure to Sign the Code of Ethics**

Review of the personal files provided for review revealed non-adherence to the constitution and the Mwongozo code of Conduct for Board Members.

It was noted that all the members of the Board did not sign the code of ethics hence commitment to the tenets of the code could not be determined.

### **2.3 Failure of the Members of The Board to Declare Wealth**

Scrutiny of personal files for the directors of the board provided for audit revealed that the directors did not fill the wealth declaration forms prior to taking the post of director against chapter six of the constitution.

### **2.4 Failure to report on Board Performance and Remuneration**

The College's financial statements for the year ended 30 June 2024 did not disclose the remuneration of the Directors individually and collectively as required. Further, the Board did not carry out annual performance evaluation as required.

### **2.5 Failure to Fill the Fit and Proper Test Forms**

Scrutiny of personal files submitted for audit review revealed that, the Board of Governors did not fill and submit the fit and proper test forms contrary to clause 3.4.4 of the corporate governance guidelines on eligibility criteria for directors of the Board.

### **2.6 Failure To Signify Acceptance in Writing**

It was noted that the new Board members appointed in July 2022 did not write an acceptance letter to the Principal Secretary- Education through the Principal. It was not clear how the members were incorporated in the Board without the acceptance of appointment in writing.

In the circumstances, the effectiveness of the governance system in place could not be confirmed.

## **3.0 Lack of Risk Management Policy and Strategy**

During the year under review, the College did not have a Risk Management Policy and risk register to mitigate against risk. This is in contravention of Regulation 165(1)(a) and (b) of the Public Finance Management (National Government) Regulations, 2015, which requires an accounting officer of national government entity to develop a risk

management strategy, which includes fraud prevention mechanism and a system of risk management and internal control that builds robust business operations. This is contrary to Regulation (165) (1) of the Public Finance Management (National Government) Regulations, 2015 states that The Accounting Officer shall ensure that the national government entity develops—(a) risk management strategies, which include fraud prevention mechanism; and (b) a system of risk management and internal control that builds robust business operations.

In the circumstances, existence of effective risk management measures could not be confirmed.

#### **4.0 Lack of an Information and Communication Technology (ICT) Policy**

Review of information technology systems in use revealed that the Muranga TTC had not established an Information Technology (IT) Strategy Committee and did not have an approved IT strategic plan which should provide governance on information technology matters, IT strategic plan and IT security policy to ensure data confidentiality, integrity and availability. Further, there was no approved disaster policy, back up and retention plan, Secure offsite storage facility to enable organization recover from disaster, Program for training and transfer of skills and list of active users on the system for accountability purpose. This is contrary to Regulation 165 of the Public Finance Management (National Government) Regulations, 2015 states that; (1) The Accounting Officer shall ensure that—

- (a) The national government entity develops risk management strategies, which include fraud prevention mechanism; and
- (b) (b) The national government entity develops a system of risk management and internal control that builds robust business operations.

In the circumstances, the effectiveness of the College information, communication and technology system in place could not be confirmed.

#### **5. Lack Controls for Imprest Management**

The financial statements reflects an amount of Kshs.85,642,425 in respect to use of goods and services as disclosed in Note 12. Included in this amount is Kshs.1,569,166 incurred on travelling and accommodation. However, imprest warrants and the imprest register was not provided for audit review. This is contrary to Section 92. 93 of the Public Finance management Regulations, 2015 states that the Accounting Officer or AIE holder shall approve the establishment of an imprest facility including the maximum amount for the specific purpose of that facility.

In the circumstances, the effectiveness of controls on imprest management system could not be confirmed.

## **6.0 Weak Internal Controls in Management of Farm Income**

The College was noted to operate a farm which generates income for the College. During audit in the month of December, 2024, it was observed that farm produce was only recorded upon delivery in the stores. However, there were no records of total farm produce per day that reconciles with the store delivery. In addition, there were receipts in the bank that were yet to be recorded in the ledgers resulting to an understatement of farm income and some in the ledger that were yet to be banked. These items were not reported as reconciling items in the monthly bank reconciliation statements. Further, the College purchased farm produce amounting to Kshs 2,357,091 for the year ended 2024. These were posted in the ledger and recognized as farm income yet they were never banked in the farm account. The same were expensed as farm expenses resulting to inaccuracy in the farm accounts. This is contrary to Public Finance Management (National Government) , 2015 Regulation 23 which (1) Accounting Officers shall, in accordance with Article 226(2) of the Constitution and section 68(1) of the Act, be accountable to the National Assembly:

- (a) For management of their departments public finances, including whether sufficient resources have been allocated to a particular program;
- (b) For ensuring the most effective means of achieving desired program outcomes are used;
- (c) For maintaining effective systems of internal control and the measures taken to ensure that they are effective; and
- (d) For measures taken to prepare the financial reports that reflect a true and fair financial position of the entity.

In the circumstances, the effectiveness of the College internal controls at the farm management could not be confirmed.

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

### **Responsibilities of the Management and the Board of Governors**

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

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

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

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

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


### **Auditor-General's Responsibilities for the Audit**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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



**FCPA Nancy Gathungu, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**29 January, 2025**

**Murang'a Teachers Training College**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

**14. Statement of Financial Performance For The Year Ended 30 June 2022**

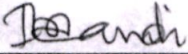
	Notes	Year ended 30 <sup>th</sup> June 2022	Year ended 30 <sup>th</sup> June 2021
		Kshs	Kshs
<b>Revenue from Non-Exchange transactions</b>			
Transfers from other National Government entities	6	12,690,914	xxx
Grants from donors and development partners		0	xxx
Transfers from other levels of government		0	xxx
Public contributions and donations		0	xxx
		<b>12,690,914</b>	<b>xxx</b>
<b>Revenue from Exchange transactions</b>			
Rendering of services- fees from students	7	24,689,934	xxx
Sale of goods	8	2,347,058	xxx
Rental revenue from facilities and equipment	9	7,073,818	xxx
Finance income (interest from fixed deposits)	10	1,583,488	xxx
Other income (seminars and occasional training)	11	11,659,071	xxx
		<b>47,353,369</b>	<b>xxx</b>
<b>Total Revenue</b>		<b>60,044,283</b>	<b>xxx</b>
<b>Expenses</b>			
Use of goods and services	12	24,891,225	xxx
Employee costs	13	12,145,856	xxx
Board Expenses	14	889,994	xxx
Depreciation and amortization expense	15	17,285,625	xxx
Repairs and maintenance	16	5,635,050	xxx
Grants and subsidies		0	xxx
Finance costs		0	xxx
<b>Total Expenses</b>		<b>60,847,750</b>	<b>xxx</b>
<b>Other Gains/(Losses)</b>			
Gain on sale of assets		0	xxx
Gain/ Loss on fair value of investments		0	xxx
Impairment loss		(0)	(xxx)
<b>Total Other Gains/(Losses)</b>		<b>0</b>	<b>xxx</b>
<b>Net surplus/(deficit) for the year</b>		<b>(803,467)</b>	<b>xxx</b>

*(The notes set out on pages 22 to 33 form an integral part of the Annual Financial Statements).*

The Financial Statements set out on pages 1 to 6 were signed by:

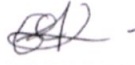
**Murang'a Teachers Training College**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

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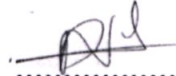
.....  
**Irene M.Kibandi**  
**Chairperson of Board**  
**24/01/2025**

**Date**



.....  
**Esther K.Gachugu**  
**Bursar**  
**ICPAK No25635**  
**24/01/2025**

**Date**



.....  
**Ngure P.K**  
**Accounting Officer/Principal**  
**24/01/2025**

**Date**

**Murang'a Teachers Training College**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

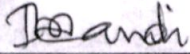
**15. Statement of Financial Position As At 30th June 2022**

Description	Notes	Year ended 30 <sup>th</sup>	Year ended 30 <sup>th</sup>
		June 2022	June 2021
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	17	5,261,022	xxx
Current portion of receivables from exchange transactions	18(a)	3,467,959	xxx
Receivables from non-exchange transactions		0	xxx
Inventories	19	930,603	xxx
Investments in financial assets		0	xxx
<b>Total Current Assets</b>		<b>9,659,584</b>	<b>xxx</b>
<b>Non-Current Assets</b>			
Long term receivables from exchange transactions		0	xxx
Investments		0	-
Property, plant, and equipment	20	831,610,692	xxx
Intangible assets	21	240,000	xxx
Investment property		0	xxx
Biological Assets		0	xxx
<b>Total Non-Current Assets</b>		<b>831,850,692</b>	<b>xxx</b>
<b>Total Assets</b>		<b>841,510,276</b>	<b>xxx</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables from exchange transactions	22	382,647	xxx
Refundable deposits from customers		0	xxx
Payments received in advance		0	xxx
<b>Total Current Liabilities</b>		<b>382,647</b>	<b>xxx</b>
<b>Total Liabilities</b>		<b>382,647</b>	<b>xxx</b>
<b>Net Assets</b>		<b>841,127,629</b>	
Revaluation Reserves		0	xxx
Accumulated Surplus		(803,467)	xxx
Capital Fund		841,127,629	xxx
<b>Total Net Assets and Liabilities</b>		<b>841,127,629</b>	<b>xxx</b>

**Murang'a Teachers Training College**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

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The Financial Statements set out on pages 1 to 6 were signed by:



.....  
**Irene M. Kibandi**  
**Chairperson of Board**

**24/01/2025**  
**Date**



.....  
**Esther K. Gachugu**  
**Bursar**  
**ICPAK No25635**

**24/01/2025**  
**Date**



.....  
**Nguire P. K**  
**Accounting Officer/Principal**

**24/01/2025**  
**Date**

**Murang'a Teachers Training College**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

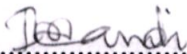
**16. Statement of Changes in Net Asset For The Year Ended 30 June 2022**

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
<b>At July 1, 2021</b>	xxx	xxx	xxx	xxx
Revaluation gain	xxx	-	-	xxx
Surplus/(deficit) for the year	-	xxx	-	xxx
Capital grants received during the year	-	-	xxx	xxx
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	xxx	(xxx)	-
<b>At June 30, 2022</b>	0	0	0	0
<b>At July 1, 2022</b>	xxx	xxx	xxx	xxx
Revaluation gain	831,610,692	-	-	831,610,692
Surplus/(deficit) for the year	-	0	-	0
Capital grants received during the year	-	-	12,690,914	12,690,914
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	0	0	0
<b>At June 30, 2022</b>	831,610,692	0	12,690,914	<b>844,301,606</b>


**Murang'a Teachers Training College**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

**17. Statement of Cash Flows For The Year Ended 30 June 2022**

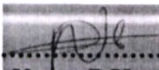
Description	Note	Year ended 30 <sup>th</sup>	Year ended 30 <sup>th</sup>
		June 2022	June 2021
		Kshs	Kshs
<b>Cashflows from operating activities</b>			
<b>Receipts</b>			
Transfers from other National Government entities		12,690,914	xxx
Grants from donors and development partners		0	xxx
Transfers from other levels of government		0	xxx
Public contributions and donations		0	xxx
Rendering of services- fees from students		24,689,934	xxx
Sale of goods		2,347,058	xxx
Rental revenue from facilities and equipment		7,073,818	xxx
Finance income (interest from fixed deposits)		1,583,488	xxx
Other income (seminars and occasional training)		11,659,071	xxx
<b>Total Receipts</b>		<b>60,044,283</b>	<b>xxx</b>
<b>Payments</b>			
Use of goods and services		24,891,225	xxx
Employee costs		12,145,856	xxx
Board Expenses		889,994	xxx
Repairs and maintenance		5,635,050	xxx
Contracted services		0	xxx
Grants and subsidies		0	xxx
<b>Total Payments</b>		<b>43,562,125</b>	<b>xxx</b>
<b>Net Cash Flows from operating activities</b>		<b>16,482,158</b>	<b>xxx</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets		(14,788,073)	(xxx)
Proceeds from sale of property, plant and equipment		0	xxx
<b>Net cash flows used in investing activities</b>		<b>(14,788,073)</b>	<b>(xxx)</b>
<b>Cash flows from financing activities</b>			
Proceeds From Borrowing		0	xxx
Repayment Of Borrowings		(0)	(xxx)
<b>Net cash flows used in financing activities</b>		<b>(0)</b>	<b>(xxx)</b>
<b>Net Increase/(Decrease) in Cash and Cash equivalents</b>		<b>1,694,085</b>	<b>(xxx)</b>
Cash and Cash equivalents at 1 JULY 2021		0	xxx
<b>Cash and Cash equivalents at 30 JUNE 2022</b>		<b>1,694,085</b>	<b>xxx</b>

  
 Irene M. Kibandi  
 Chairperson of Board

24/01/2025  
 Date

  
 Esther K. Gachugu  
 Bursar  
 ICPAK No 25635

24/01/2025  
 Date

  
 Ngure P.K.  
 Accounting Officer/Principal

24/01/2025  
 Date

**Murang'a Teachers Training College**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

**18. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2022**

	<b>Original Budget</b>	<b>Adjustments</b>	<b>Final Budget c</b>	<b>Actual on comparable basis d</b>	<b>Performance difference (c-d)</b>	<b>Utilization Difference d/c</b>
<b>Revenue</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Ksh</b>	<b>%</b>
Transfers from Ministry of Education	7,686,750.00	2,798,250.00	10,485,000.00	17,933,414.00	(7,448,414)	71%
Public contributions and donations	0.00	0.00	0.00	0.00	0.00	0.00
Rendering of services-fees from students	9,000,000.00	14,182,250.00	23,182,250.00	33,705,869.00	(10,523,619)	45.3%
Sale of goods	800,000.00	700,000.00	1,500,000.00	2,347,058.00	(847,058)	56.4%
Interest on fixed deposit	360,000.00	190,000.00	550,000.00	1,583,487.00	(1,033,487)	88%
Other income (seminars and occasional training)	6,500,000.00	0.00	6,500,000.00	11,659,070.00	(5,159,070)	79.4%
Rental income and hire of facilities	4,680,000.00	(590,000)	4,090,000.00	7,255,762.45	(3,165,762.45)	77.4%
<b>Total Income</b>	<b>29,026,750.00</b>	<b>17,280,500.00</b>	<b>46,307,250.00</b>	<b>74,484,660.45</b>	<b>(28,177,410.45)</b>	<b>60.8%</b>
<b>EXPENSES</b>						
Use of goods and services	30,265,000.00	5,507,661.00	35,772,661.00	43,156,102.92	(7,383,441.92)	20.6%
Salaries and gratuity paid	11,400,000.00	732,728.00	12,132,728.00	12,145,856.00	(13,128}	0.1%
Remuneration of directors, legal fees training expenses and Administration cost	1,300,000.00	384,000.00	1,684,000.00	1,612,412.00	71,588	0.74%
Seminars & Occasional training and hire of facilities	2,900,000.00	0.00	2,900,000.00	6,976,006.00	(11,472,575.92)	40.6%
Capital expenditure				14,788,072	-14,788,072	
<b>Total expenditure</b>	<b>45,865,000.00</b>	<b>6,624,389.00</b>	<b>52,489,389.00</b>	<b>78,678,448.92</b>	<b>(18,797,557.84)</b>	
<b>Surplus for the period</b>	<b>(16,838,250.00)</b>	<b>10,256,111.00</b>	<b>(6,182,139.00)</b>	<b>10,522,697.02</b>		

**(Budget notes)**

*MOE CBC trainings not budgeted for led to an increase in seminars and occasional trainings. Low students' enrolment led to increased hire of idle facilities i.e. classes and buses. Savings from income generating activities deposited in fixed deposit account led to increase in interest income and consequently increased the expenditure on withholding tax. Prolonged draught led to reduced production of farm produce hence the reduction in sale of goods.*

**19. Notes to the Financial Statements**

**1. General Information**

Muranga Teachers College is established by and derives its authority and accountability from Education Act. The Muranga Teachers College is wholly owned by the Government of Kenya and is domiciled in Kenya. Murang'a Teachers College principal activity is teachers training.

**2. Statement of Compliance and Basis of Preparation**

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

## Notes to the Financial Statements (Continued)

## 3. Adoption of New and Revised Standards

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

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p><b>Applicable: 1<sup>st</sup> January 2023:</b></p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Muranga Teachers College 's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Muranga Teachers College 's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul> <p><i>(No impact)</i></p>
IPSAS 42: Social Benefits	<p><b>Applicable: 1<sup>st</sup> January 2023</b></p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Muranga Teachers College 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 Muranga Teachers College</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 Murang'a Teachers College financial performance, financial position and cash flows.</p> <p><i>(No impact)</i></p>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p><b>Applicable: 1st January 2023:</b></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</p>

Standard	Effective date and impact:
	<p>issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed 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> <p><i>(No impact)</i></p>
Other improvements to IPSAS	<p><b>Applicable 1<sup>st</sup> January 2023</b></p> <ul style="list-style-type: none"> <li>• <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008).</li> <li>• <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</li> <li>• <b>IPSAS 29: Financial instruments: Recognition and Measurement.</b> Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1<sup>st</sup> January 2023.</li> </ul> <p><i>No impact</i></p>

ii. **New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.**

IPSAS 43	<p><b>Applicable 1<sup>st</sup> January 2025</b></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 Muranga Teachers College .</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>No impact</i></p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>No impact</i></p>

iii. **Early adoption of standards**

(The Muranga Teachers College ) did not early-adopt any new or amended standards in year 20xx./the Muranga Teachers College adopted standard xx and xx. The impact of these standards on Muranga Teachers College 's financial statements is xx.(amend appropriately)

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

**4.Summary of Significant Accounting Policies**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Muranga Teachers College and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

**ii) Revenue from exchange transactions**

**Rendering of services**

The Muranga Teachers College 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 Muranga Teachers College .

**Interest income**

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

**Rental income**

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

**Notes to the Financial Statements (Continued)**  
**Summary of Significant Accounting Policies (Continued)**

**b) Budget information**

The original budget for FY 2021/2022 was approved by the Council or Board on *25<sup>th</sup> May 2021*. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Muranga Teachers College upon receiving the respective approvals to conclude the final budget. Accordingly, the Muranga Teachers College recorded additional appropriations of **16,466,103** on the FY 2021/2022 budget following the Council/ Board's approval. Murang'a Teachers College budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 7 under section *III* of these financial statements.

**c) Taxes**

***Current income tax***

The Muranga Teachers College is exempt from paying taxes as per the Basic Education Act.

***Sales tax/ Value Added Tax***

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

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

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

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

**Summary of Significant Accounting Policies (Continued)**

**d) Investment property**

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

**e) Property, plant and equipment**

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

**f) Leases**

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Muranga Teachers College. 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 Muranga Teachers College also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Muranga Teachers College 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 Muranga Teachers College. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

## **Notes to the Financial Statements (Continued)**

### **Summary of Significant Accounting Policies (Continued)**

#### **g) Intangible assets**

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

#### **h) Research and development costs**

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

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

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

#### **i) Financial instruments**

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

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

**Summary of Significant Accounting Policies (Continued)**

***Financial assets***

***Classification***

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

**Subsequent measurement**

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

**Amortized cost**

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

**Fair value through net assets/ equity**

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

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

**Summary of Significant Accounting Policies (Continued)**

**Fair value through surplus or deficit**

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

**Trade and other receivables**

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

**Impairment**

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

**Financial liabilities**

**Classification**

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

**j) Inventories**

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows.

- Raw materials: purchase cost using the weighted average cost method.
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

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

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

**Summary of Significant Accounting Policies (Continued)**

**Inventories (Continued)**

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

**k) Provisions**

Provisions are recognized when the *Muranga Teachers College* 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 *Muranga Teachers College* expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

**Contingent liabilities**

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

**Contingent assets**

The *Muranga Teachers College* 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 *Muranga Teachers College* in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

**l) Social Benefits**

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

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

**Summary of Significant Accounting Policies (Continued)**

**m) Nature and purpose of reserves**

The *Muranga Teachers College* creates and maintains reserves in terms of specific requirements. (*Muranga Teachers College to state the reserves maintained and appropriate policies adopted*).

**n) Changes in accounting policies and estimates**

The *Muranga Teachers College* recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

**o) Employee benefits**

**Retirement benefit plans**

The *Muranga Teachers College* provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an *Muranga Teachers College* pays fixed contributions into a separate *Muranga Teachers College* (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation. (*the Muranga Teachers College to retain information relating to defined benefits or contributions, where both schemes are managed full policy applies*)

**p) Foreign currency transactions**

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

**q) Borrowing costs**

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

**r) Related parties**

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

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

**Summary of Significant Accounting Policies (Continued)**

**s) Service concession arrangements**

The *Muranga Teachers College* 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 *Muranga Teachers College* 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 *Muranga Teachers College* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**t) Cash and cash equivalents**

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

**u) Comparative figures**

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

**v) Subsequent events**

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

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

**5. Significant Judgments and Sources of Estimation Uncertainty**

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

**Estimates and assumptions.**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Muranga Teachers College 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 Muranga Teachers College . 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 *Muranga Teachers College* .
- 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 xxx.

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.

*(Include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).*

Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

a) Transfers from other Government entities (Categorized)

Name of the College Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year ended 30 <sup>th</sup> June 2022	Year ended 30 <sup>th</sup> June 2022
	Kshs	Kshs	Kshs	Kshs	Kshs
Education Ministry / State Department Early and Basic Education	12,690,914	0	0	12,690,914	12,690,914
<b>Total</b>	12,690,914	0	0	12,690,914	12,690,914

Notes to the Financial Statements (Continued)

7. Rendering of Services

Description	Year ended 30 <sup>th</sup> June 2022	Year ended 30 <sup>th</sup> June 2021
	Kshs	Kshs
Tuition Fees	1,556,678	xxx
Activity Fees	944,777	xxx
Industrial Attachment Fees	0	xxx
Examination Fees	0	xxx
Library Fees	185,112	xxx
Facilities And Materials	21,928,967	xxx
Registration Fees	74,400	xxx
Others ( <i>Specify</i> )	0	xxx
<b>Total Revenue from The Rendering of Services</b>	<b>24,689,934</b>	<b>xxx</b>

8. Sale of Goods

Description	Year ended 30 <sup>th</sup> June 2022	Year ended 30 <sup>th</sup> June 2021
	Kshs	Kshs
Sale of Farm Produce	2,347,058	xxx
<b>Total Revenue from Sale of Goods</b>	<b>2,347,058</b>	<b>xxx</b>

9. Rental revenue from facilities and equipment

Description	Year ended 30 <sup>th</sup> June 2022	Year ended 30 <sup>th</sup> June 2021
	Kshs	Kshs
Hire of Facilities and Equipment	927,576	xxx
Contingent Rentals	6,146,242	xxx
<b>Total</b>	<b>7,073,818</b>	<b>xxx</b>

## Notes to the Financial Statements (Continued)

## 10. Finance Income

Description	Year ended 30 <sup>th</sup> June 2022	Year ended 30 <sup>th</sup> June 2021
	Kshs	Kshs
Interest on fixed deposits	1,583,488	xxx
<b>Total finance income</b>	<b>1,583,488</b>	<b>Xxx</b>

## 11. Other Income

Description	Year ended 30 <sup>th</sup> June 2022	Year ended 30 <sup>th</sup> June 2021
	Kshs	Kshs
Seminars and occasional training	11,659,071	xxx
<b>Total other income</b>	<b>11,659,071</b>	<b>xxx</b>

## 12. Use of Goods and Services

Description	Year ended 30 <sup>th</sup> June 2022	Year ended 30 <sup>th</sup> June 2021
	KSh	KSh
Teaching and learning materials	1,702,655	xxx
Electricity & water	1,985,668	xxx
Subscriptions	970,616	xxx
Examination fees	0	xxx
B.E And Stores/Catering, Conferences, and delegations & Seminar	14,790,170	xxx
Travelling and accommodation	953,735	xxx
Fuel and oil	680,172	xxx
Insurance	65,514	xxx
Legal expenses	42,000	xxx
Administration costs	722,418	xxx
Farm expenses	513,823	xxx
Hire charges	175,585	xxx
Rent expenses	23,265	xxx
Medical expenses	116,589	xxx
Internet expenses	202,044	xxx
Training expenses	5,000	xxx
Fees refunds	50,100	xxx
Sundry creditors	1,891,871	xxx
<b>Total good and services</b>	<b>24,891,225</b>	<b>xxx</b>

### 13. Employee Costs

Description	Year ended 30 <sup>th</sup> June 2022	Year ended 30 <sup>th</sup> June 2021
	Kshs	Kshs
Salaries and wages	6,644,215	xxx
Employee related costs- contribution to pensions and medical aids	1,380,068	xxx
Travel, motor car, accommodation, subsistence and other allowances	1,645,000	xxx
Housing benefits and allowances and house levy	1,408,660	xxx
Gratuity paid to retired employees	1,065,047	xxx
Salary processing charges	2,866	xxx
<b>Employee Costs</b>	<b>12,145,856</b>	<b>xxx</b>

### 14. Board Expenses

Description	Year ended 30 <sup>th</sup> June 2022	Year ended 30 <sup>th</sup> June 2021
	Kshs	Kshs
Chairman's Honoraria	0	xxx
Directors Emoluments	0	xxx
Other Allowances (travel-re-imburement)	889,994	xxx
Other Board Expenses	0	xxx
<b>Total</b>	<b>889,994</b>	<b>xxx</b>

### 15. Depreciation and Amortization expense

Description	Year ended 30 <sup>th</sup> June 2022	Year ended 30 <sup>th</sup> June 2021
	Kshs	Kshs
Property, plant and equipment	17,045,625	xxx
Intangible assets	240,000	xxx
Investment property carried at cost	0	xxx
<b>Total depreciation and amortization</b>	<b>17,285,625</b>	<b>xxx</b>

**16. Repairs and Maintenance**

Description	Year ended 30 <sup>th</sup> June 2022	Year ended 30 <sup>th</sup> June 2021
	Kshs	Kshs
Property, Equipment, furnitures, computers and machinery	4,985,638	xxx
Investment property – earning rentals	0	xxx
Vehicles	649,412	xxx
<b>Total Repairs and Maintenance</b>	<b>5,635,050</b>	<b>xxx</b>

**17. (a). Detailed Analysis of Cash and Cash equivalents**

Financial institution	Account number	Period ended 30 <sup>th</sup> June 2022	Period ended 30 <sup>th</sup> June 2021
		KShs	KShs
<b>a) Current account</b>			
Kenya Commercial bank	1108781381	496,260	xxx
Kenya Commercial bank	1108781136	3,319,670	xxx
Kenya Commercial bank	1101954604	357,742	xxx
Kenya Commercial bank	1208580574	339,373	
<b>Sub- total</b>		<b>4,513,045</b>	xxx
<b>b) Savings account</b>			
Kenya Commercial bank	1101954868	0	
<b>Sub- total</b>		<b>0</b>	xxx
<b>c) Fixed deposits account</b>			
Kenya Commercial bank	1271339307	1,000	
Co-operative bank	01129820083900	6,258	xxx
<b>Sub- total</b>		<b>7,258</b>	xxx
<b>d) Others (specify)</b>			
cash in hand		740,719	xxx
<b>Sub- total</b>		<b>740,719</b>	xxx
<b>Grand total</b>		<b>5,261,022</b>	<b>xxx</b>

Notes to the Financial Statements (Continued)

18. (a) Current Receivables from Exchange transactions

Description	Period ended 30 <sup>th</sup> June 2022	Period ended 30 <sup>th</sup> June 2021
	Kshs	Kshs
<b>Current Receivables</b>		
Student Debtors	802,433	xxx
Rent Debtors	320,700	xxx
Other Exchange Debtors	2,344,826	xxx
Less: Impairment Allowance	0	(xxx)
<b>Total Current Receivables</b>	<b>3,467,959</b>	<b>xxx</b>

18 (b) Ageing Analysis of Receivables from Exchange transactions

Description	Period ended 30 <sup>th</sup> June 2022		Period ended 30 <sup>th</sup> June 2021	
	Kshs		Kshs	
	<b>Current 2022</b>	<b>% of total</b>	<b>Comparative 2021</b>	<b>% of the total</b>
Less than 1 year	3,467,959	100%	xxx	%
Between 1- 2 years	0	%	xxx	%
Between 2-3 years	0	%	xxx	%
Over 3 years	0	%	xxx	%
<b>Total (a+b)</b>	<b>3,467,959</b>	<b>100%</b>	<b>xxx</b>	<b>%</b>

**19. Inventories**

Description	Period ended 30 <sup>th</sup> June 2022	Period ended 30 <sup>th</sup> June 2021
	Kshs	Kshs
Consumable stores	423,455	xxx
Maintenance stores	0	xxx
Health Unit stores	11,706	xxx
Electrical stores	0	xxx
Cleaning Materials stores	43,083	xxx
Catering stores	452,359	xxx
Less: Impairment allowance	0	xxx
<b>Total Inventories at lower of Cost and Net Realizable Value</b>	<b>930,603</b>	<b>xxx</b>

Notes to the Financial Statements (Continued)

20. Property, Plant and Equipment

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Commitments	Plant and equipment	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>At 1 July 2021</b>	300,000,000	506,700,000	8,100,000	10,945,000	1,200,000	5,000,000	2,007,590	833,952,590
Additions				0			14,703,727	14,703,727
Disposals								
Transfers/Adjustments								
<b>At 30<sup>th</sup> June 2022</b>	300,000,000	506,700,000	8,100,000	10,945,000	1,200,000	5,000,000	16,711,317	848,656,317
<b>Depreciation And Impairment</b>								
<b>At 1 July 2022</b>	-	12,667,500	2,025,000	1,368,125	360,000	625,000	-	
Depreciation	-	12,667,500	2,025,000	1,368,125	360,000	625,000	0	17,045,625
Disposals	-	-	-	-	-	-	-	
Impairment	-	-	-	-	-	-	-	
<b>At 30<sup>th</sup> June 2022</b>	-	12,667,500	2,025,000	1,368,125	360,000	625,000	-	17,045,625
<b>Net Book Values</b>	300,000,000	494,032,500	6,075,000	9,576,875	840,000	4,375,000	16,711,317	831,610,692
<b>At 30<sup>th</sup> June 2021</b>	300,000,000	494,032,500	6,075,000	9,576,875	840,000	4,375,000	2,007,590	
<b>At 30<sup>th</sup> June 2022</b>	300,000,000	494,032,500	6,075,000	9,576,875	840,000	4,375,000	16,711,317	831,610,692

**Murang'a Teachers Training College**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

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

**20 (b) Property, Plant and Equipment at Cost**

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	300,000,000	0	300,000,000
Buildings	506,700,000	12,667,500	494,032,500
Plant And Machinery	5,000,000	625,000	4,375,000
Motor Vehicles including Motorcycles	8,100,000	2,025,000	6,075,000
Computers and Related Equipment	1,200,000	360,000	840,000
Office Equipment, Furniture, And Fittings	10,945,000	1,368,125	9,576,875
<b>Total</b>	<b>831,945,000</b>	<b>17,045,625</b>	<b>814,899,375</b>

**21. Intangible Assets**

Description	Year ended 30 June 2022	2021
<b>Cost</b>		
<b>At beginning of the year</b>	240,000	240,000
Additions	-	-
<b>At end of the year</b>	-	-
Additions—internal development	-	-
<b>At end of the year</b>	-	-
<b>Amortization and impairment</b>		
<b>At beginning of the year</b>	-	-
Amortization	-	-
<b>At end of the year</b>	-	-
Impairment loss	-	-
<b>At end of the year</b>	-	-
<b>NBV</b>	<b>240,000</b>	<b>240,000</b>

**22. Trade and Other Payables**

Description	Period ended 30 <sup>th</sup> June 2022		Period ended 30 <sup>th</sup> June 2021	
	Kshs		Kshs	
Trade payables	301,405		xxx	
Fees paid in advance	81,242		xxx	
Salary deductions	0		xxx	
Third-Party Payments	0		xxx	
Other Payables	0		xxx	
<b>Total Trade and Other Payables</b>	<b>382,647</b>		<b>xxx</b>	
	2022	% of the Total	2021	% of the Total
<b>Ageing analysis:</b>				
Under one year	382,647	100%	xxx	xxx
1-2 years	0	%	xxx	xxx
2-3 years	0	%	xxx	xxx
Over 3 years	0	%	xxx	xxx
<b>Total (to tie to totals above)</b>	<b>382,647</b>	<b>100%</b>	<b>xxx</b>	<b>xxx</b>

Notes to the Financial Statements (Continued)

23. Cash generated from operations.

Surplus for the year before tax	Period ended	Period ended
	30 <sup>th</sup> June 2022	30 <sup>th</sup> June 2021
	Kshs	Kshs
Surplus for the year before tax	(803,467)	
<b>Adjusted for:</b>		
Depreciation	17,045,625	xxx
Non-Cash grants received	(0)	(xxx)
Contributed assets	(0)	(xxx)
Impairment	0	xxx
Gains and Losses on Disposal of Assets	(0)	(xxx)
Contribution to provisions	0	xxx
Contribution to impairment allowance	0	xxx
Finance Income	(0)	(xxx)
Intangible assets	240,000	xxx
<b>Working Capital Adjustments</b>		
Increase in Inventory	(0)	(xxx)
Increase in Receivables	(0)	(xxx)
Increase in Deferred Income	0	xxx
Increase in Payables	0	xxx
Increase in Payments received in advance	0	xxx
<b>Net Cash Flow from Operating Activities</b>	<b>16,482,158</b>	<b>xxx</b>

**24. Events After The Reporting Period**

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

**25. Ultimate And Holding Muranga Teachers College**

Murang'a Teachers Training College is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

**26. Currency**

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

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**Murang'a Teachers Training College**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

**Appendices**

**Appendix I: Implementation Status of Auditor-General Recommendations (2019-2020)**

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

Reference No. on the external audit Report	Issue/Observations from Auditor	Management Comments	Status(Resolved/Not Resolved)	Time frame: (Put a date when you expect the issue to be resolved)
MOE/DSAS/S3/VOL.11/296	Sundry creditors- The management should pay trade And general Creditors to avoid Accumulation and Possible legal Actions.	Payments of Creditors.	Resolved.	
	Sundry debtors-the management should enhance recovery of fees debtors to safeguard against risk of bad debts.	Write off unrecoverable Fees arrears and enhance strict collection of fees from the current students.	Resolved.	
	Investment accounts. Management should invest for the intended purpose to avoid much accumulation of funds that may lead to embezzlement.	Utilization of fund in construction of the 300 bed capacity new hostel. The construction work ongoing.	Construction works ongoing.	

PURITY K. NGURE  
 Accounting Officer/Principal  
 Date: 31/08/2

**Murang'a Teachers Training College**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

**Appendix II- Inter- College Transfers**

	<b>COLLEGE NAME:</b>	Murang'a Teachers Training College		
	<b>Break down of Transfers from the State Department of Basic and Early Education</b>			
	<b>FY 2021/2022</b>			
	<b>Recurrent Grants</b>			
		<b><u>Bank Statement Date</u></b>	<b><u>Amount (KSh)</u></b>	<b><u>Indicate the FY to which the amounts relate</u></b>
		13/10/2021	3,062,096	20212022
		26/01/2022	4,001,450	20212022
		16/05/2022	2,831,679	20212022
		28/06/2022	2,795,689	20212022
		<b>Total</b>	<b>12,690,914</b>	

Name: NGURE P.K  
 (Accounting Officer/Chief Principal)

Sign:  Date: ... 24/01/2025 .....