

REPUBLIC OF KENYA



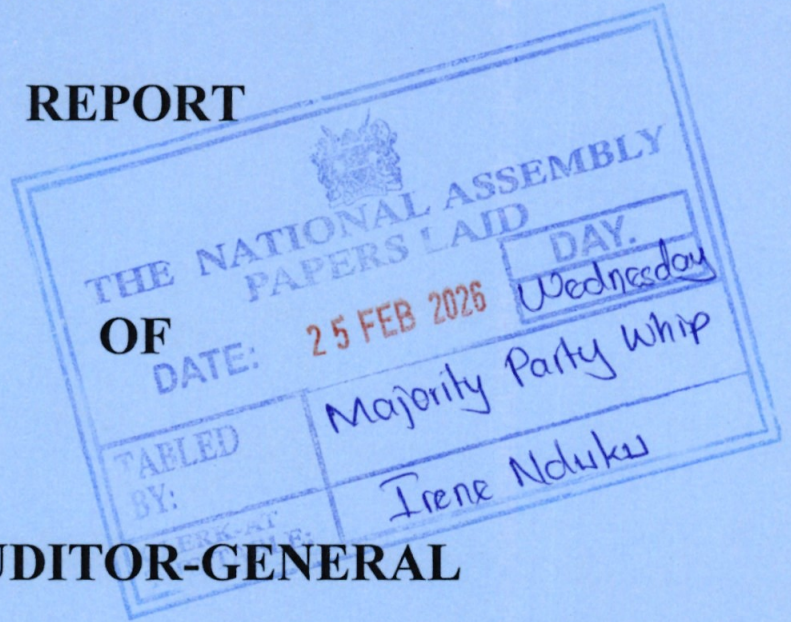
REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

REPORT

PARLIAMENT
OF KENYA
LIBRARY



THE AUDITOR-GENERAL

ON

KENYENYA TEACHERS TRAINING COLLEGE

**FOR THE YEAR ENDED
30 JUNE, 2025**



04 NOV 2025



KENYENYA TEACHERS TRAINING COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30TH JUNE 2025**

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

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1. Acronyms & definition of key terms

A. Acronyms

A/C	Account
AIDS	Acquired Immunodeficiency Syndrome
BOM	Board of Managements
CPA	Certified Public Accountants
ERP	Enterprise Resource Planning
FY	Financial Year
GOK	Government of Kenya
HIV	Human Immunodeficiency Syndrome
HELB	Higher Education Loans Board
HR	Human Resource
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
ICT	Information Communication Technology
KTTC	Kenya Teachers Training College
KCB	Kenya Commercial Bank
KICD	Kenya Institute of Curriculum Development
KUCCPS	Kenya Universities and Colleges Central Placement Services
MOE	Ministry of Education
NG-CDF	National Government Constituency Development Funds
NHIF	National Hospital Insurance Fund
PAYE	Pay As You Earn
PSASB	Public Sector Accounting Standards Board
PFM	Public Finance Management
PC	Performance Contracting
SHIF	Social Health Insurance Fund
TTI	Technical Training Institute
TTC	Teacher Training College
TVET	Technical Vocational Education Training
VDI	Virtual Desktop Infrastructure

Definition of Key Terms

Fiduciary Management – Members of Management directly entrusted with the entity’s financial resources.

Comparative Year – Means the Prior Period.

2. Key Entity Information and Management

(a) Background information

Kenya Teachers Training College was established under Teachers Training act 2012. Is situated in Bokimonge Location, Magena Division, Riokindo Zone, Kenya Sub-county in Kisii County in a 50 acres reserved Government land. It is located at the Border of Kisii and Narok Counties. It is 35 km from Kisii off the Kisii –Kilgoris Road. It is 4.5 km from Magena Market by tarmac ked road. It was registered by the Ministry of Education, Science & Technology on 1st March 2012. The college has the following departments under Dean of Curriculum: Performance Contract, Mathematics and ICT, Social Sciences, Creative, Sciences, Languages and under Dean of Students; Boarding co-curricular activities, Health, Guidance and Counseling. Currently the college is training teachers in Diploma in Primary Teacher Education (DPTE).

(b) Principal Activities

The mandate of Kenya Teachers Training College is to provide quality training in teacher education.

Vision:

- To be a leading institution in Education Training.

Mission

To effectively implement teacher training curriculum in a simulative environment in order to produce innovative and efficient educators.

Core objectives

- To graduate skilled manpower to support the implantation of competence based curriculum
- To reengineer processes for efficiency and effective use of resources
- To align the training programme to the labour market by incorporating ICT integration.

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(c) Key Management

The Kenya Teachers Training College is under the following key organs:

- Board of Management.
- Principal
- Senior Management Team

(d) Fiduciary Management

The key management personnel who held office during the period ended 30th June 2025 and who had direct fiduciary responsibility were:

NO.	DESIGNATION	NAME
1.	Chief Principal	Mr. Duncan MakungaOkwaro
2.	Deputy Principal	Mr. George Ndemo
3.	Head of Finance	Nicodemus Osoro
4.	Head of Procurement	Mr. ElkanahJuma
5.	Dean of Curriculum	Mr. Job Makori
6.	Dean of Students	Mr. Elijah Kibagendi

(e) Fiduciary Oversight Arrangements

The Board of Management performs its oversight role through the following committees:

- Academic Standards, Quality and Environment sub-committee
- Finance/Procurement and General purpose sub-committee
- Discipline, Ethics ,Integrity and Human Resource *sub*-committee
- Audit sub-committee.
- College Infrastructure Committee
- Students' Welfare Committee
- Executive sub-committee

Kenya Teachers Training College

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(f) Entity Headquarters

Kenya Teachers Training College
Along Kisii-Magena Road
P.O. Box 166 – 40211

KENYENYA

KISII, KENYA

(g) Entity Contacts

Telephone: (254) 0785750222/0722272884
E-mail: kenyenteachers training college@gmail.com

(h) Entity Bankers

1. Kenya Commercial Bank
Kisii Branch
P.O Box

KISII.

2. Co-operative Bank – Kisii Branch
Kisii Branch
P.O Box 2469 - 40200

KISII.





(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 Management Members.

 <p>DR. MOSES MACHUKI MATURI</p>	<ul style="list-style-type: none"> • Date of Birth 1972 • PhD –Human Resource • Member of executive Board of Management. • Lecturer University of Nairobi • Chairman BOM
 <p>MR. DUNCAN MAKUNGA OKWARO</p>	<ul style="list-style-type: none"> • Date of Birth 1968 • Bachelor of Education (ARTS) • Board of Management Secretary • Chief Principal
 <p>DR. MALLION ONYAMBU</p>	<ul style="list-style-type: none"> • Date of birth 1969 • MA in History • Lecturer Kisii University • Member of executive ,infrastructure and academic committees
 <p>MRS. RUTH OSIERO</p>	<ul style="list-style-type: none"> • Date of birth 1959 • Diploma in education • Member of executive, finance, procurement, HR & students welfare committees.



 <p>MR. JOEL M. ORINA</p>	<ul style="list-style-type: none"> • Date of Birth 1960 • BED – Education • BA- Economics • Member finance, procurement & audit committee.
 <p>PROF. BOAZ ONYANCHA</p>	<ul style="list-style-type: none"> • Date of birth 1961 • Doctor of Philosophy • Lecturer Egerton University • Member of finance ,procurement , infrastructure & academic committee
 <p>MR. ZACHARY O. MAYOGA</p>	<ul style="list-style-type: none"> • Date of Birth 1962 • Diploma • Member Human Resource & students welfare Committee
 <p>MR. MOSES A. OMBARI</p>	<ul style="list-style-type: none"> • Date of Birth 1961 • Masters • Member executive, Academic & audit committee
 <p>MR. GEORGE NDEMO</p>	<ul style="list-style-type: none"> • Date of Birth 1970 • Masters in Education • Member of academic & Infrastructure committee • Deputy Principal

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 PROF. MARGARET N. BARASA	<ul style="list-style-type: none"> • Date of birth 1975 • PHD • Lecturer Kisii • Member of Audit committees
 DR. GEOFFREY OTOMU	<ul style="list-style-type: none"> • Date of birth 1974 • MBCH (medicine) • Medical doctor Kisii Hospital • Member of finance ,procurement, students welfare & HR committee
 PROF. JUSTUS INYEGA	<ul style="list-style-type: none"> • Date of birth 1962 • PhD Science Education • Lecturer University of Nairobi • Member of academic and audit committees
 MRS. ELMELDA J. ODHIEMBO	<ul style="list-style-type: none"> • Date of birth 1962 • BED • Lecturer University of Nairobi • Member of academic committees

 <p>MR. NANKA PETER TOME</p>	<ul style="list-style-type: none"> • Date of birth 1982 • BA. Theology • Member of HR ,students welfare and audit committees
 <p>MR. DUNCAN O. NYAGIRO</p>	<ul style="list-style-type: none"> • Date of birth 1999 • KCSE • Member of HR & Students committees

4. Key Management Team

 <p>MR. DUNCAN MAKUNGA OKWARO</p>	<ul style="list-style-type: none"> • Date of Birth 1968 • Bachelor of Education (ARTS) • Board of Management Secretary • Chief Principal
 <p>MR. GEORGE NDEMO</p>	<ul style="list-style-type: none"> • Date of Birth 1970 • Masters in Education • Deputy Principal

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 MR. ELIJAH KIBAGENDI	<ul style="list-style-type: none"> • Date of Birth 1966 • Bachelor of Education (BED) • Dean of Students
 MR. JOB MAKORI	<ul style="list-style-type: none"> • Date of Birth 1975 • Masters Linguistics • Dean of curriculum
 MR. NICODEMUS OSORO	<ul style="list-style-type: none"> • Date of birth 1982 • MBA (Finance) • CPA(K) • ICPAK member no.22067 • Finance Officer
 MR. ELKANAH I. JUMA	<ul style="list-style-type: none"> • Date of birth 1989 • BBA • Procurement Officer

5. Chairman's Statement

The FY 2024/2025 has been characterized with rapid growth in physical infrastructure due to high enrolment. There is still need to improve the existing structures and initiate new ones especially hostels, classes and administration block. The major drawback being lack of adequate financial resources. The BOM will endeavour to source for new sources of funds to enable the college achieve its mandate. Prudent management of financial resources will be a key factor in reducing expenditure and increasing revenue. The management pledges to continue providing timely reports to the relevant agencies.

Signature----------Date-----30/06/2025-----

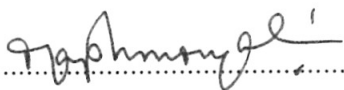
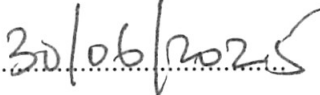
Dr. Moses M. Maturi
Chairman, Board of Management


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6. Report of the Chief Principal

The FY 2024/2025 has seen rapid improvement in trainee's population and therefore a strain on both physical and human resources. The college has constructed a new storey Girls hostel and received new teacher educators. Performance in academic area has improved. The FY 2024/2025 Annual Report and Financial statement for the period ended 30th June 2025 include:

- A complete set of financial statements:
- A statement of financial position;
- A statement of financial performance;
- A statement of changes in net assets values
- A cash flow statement;
- Comparison of budget and actual amounts for the period ended.

Signature.....  Date..... 

 Mr. Duncan Makunga Okwaro
Chief Principal.

7. Statement of Performance against Predetermined Objective

As per Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012

Kenya Teachers Training College has seven strategic pillars and objectives within its Five Year Strategic Plan for the period between 2018-2025. These strategic pillars are as follows:

Pillar 1: Curriculum Implementation

Pillar 2: Teaching Practice

Pillar 3 College Service Charter

Pillar 4 Nurture Students' Talents

Pillar 5 Infrastructural Development

Pillar 6 Human Capacity Developments

Pillar 7 Financial Management

Kenya Teachers Training College *develops* its annual work plans based on the above 7 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The *college* achieved its performance targets for the period ending 30th June, 2025 for its 7 strategic pillars, as indicated in the diagram below:

Strategic Pillar		Objective	Key Performance Indicators	Activities	Achievements
Pillar 1.	Curriculum implementation	To enhance curriculum implementation by timely curriculum design coverage	Summative and formative assessment timetable Professional records	KNEC formative assessment. And college assessments	Knec formative and summative assessment done Trainees content and skills developed

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Pillar 2:	Teaching practice	Prepare teacher trainees for teaching practice in order to have competent teachers	Posting sheet Approved professional documents Learning resources	Preparation and commencement of Microteaching and practicum	Depute Trainees were posted in 6 schools in Kisii Counties. Documents were approved and Teaching Practice used the new Assessment DPTE trainees did microteaching
Pillar 3:	College service charter	Cultivate a culture of adherence to the timelines in the college service charter	Customer satisfaction survey report. Displayed service charter Complaints FORM Improved access to information	Services offered public complaints mechanism and access to information	-Enhanced customer engagement -Improve service delivery .complaints handling committee Trainees assemblies to give feedback.
Pillar 4:	Students' talents	Identify, nurture and develop students talents	List of co-curricular activities Evidence of participation	Participation in drama, athletics and ball games	Participated in national Drama festival Kibabii, ball games athletics in Kenya
Pillar 5	Infrastructural development	To ensure infrastructural development supports academic performance.	Project completion rate Establishment of e-learning.	Construction of additional classes. Improvement of ICT facilities	Four new classes constructed, internet facilities improved,

Four	Human capacity development	To enhance human resource development and college staff to improve efficiency	-Appraisal report -Training programmes -certificate of training.	Seminars Inset training Needs assessment	Teacher educators attended inset training, Kipeel program. Finance officer, procurement officer attended inset training
Pillar 7	Financial management	Audit reports. Approved budget and procurement plan Trial balances reports	Preparation of the budget at the appropriate time. Ensure all financial transactions are accounted for. Procurement of goods and services	Budget Implementation Procurement procedures Internal and external audit	IPSAS reporting. Preparation of trial balances Internal report feedback

8. Corporate Governance Statement

The Basic Education Act stipulates the composition and functions of the Board of Management.

The functions of the Board of Management of Kenya Teachers Training College shall be to-

- Promote the best interests of the institution and ensure its development;
- Promote quality education for all pupils following the standards set under the Basic Education Act or any other written law;
- Ensure and assure the provision of proper and adequate physical facilities for the institution;
- Manage the institution's affairs following the rules and regulations governing occupational safety and health;
- Advise the County Education Board on the staffing needs of the institution;
- prepare a comprehensive termly report on all areas of its mandate and submit the report to the respective Education Board;
- Facilitate and ensure the provision of guidance and counseling to all learners;
- Provide for the welfare and observe human rights and ensure the safety of the students, 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;

Kenya Teachers Training College

Annual Report and Financial Statements for the year ended June 30th 2025

- Encourage the learners, teachers and non-teaching staff and other, parents and the community, and other stakeholders to render voluntary services to the institution;
- A low 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 under the Basic Education Act; and
- Perform any other function to facilitate the implementation of its functions under the Basic Education Act or any other written law.

The Board of Management consists of the following members appointed by the County Education Board:

- Six persons elected to represent parents of the students in the college;
- One person nominated by the County Education Board;
- One representative of the teaching staff in the college elected by the trainers;
- Three representatives of the sponsors of the college;
- One person to represent special interest groups in the community;
- One person to represent persons with special needs; and
- A representative of the students' council who shall be an ex officio member.

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 number of members of the Board of Management co-opted above shall not exceed three at any particular time and such members do not have a right to vote at the meetings of the Board.

The members of the Board of Management shall elect their chairperson from amongst themselves. However, the elected member shall not be the person who was appointed as the representative of the teaching staff in the school.

The members of a Board of Management for a public college shall elect the Chairperson of the Board at the first meeting.

9. Management Discussion and Analysis

Section A

The college's operational and financial performance

For the year ended 30th June 2025:

The Board of Management is of the opinion that, the financial statements give a true and fair view state of financial affairs of the entity.

The institute's financial statements indicate that; the institute's performance is in a good position as an entity is in a going concern state.

Cash and cash equivalent obtained from the cash flow statement, explains that, cash available in liquid form is mostly generated from operating activities.

SECTION B

Institute's compliance with statutory requirements

In this financial year 2024/2025, the entity is fully compliant with statutory requirements, in accordance with section 83[5] of Public Finance Management, and the IPSAS applicable for the preparation of the financial statements.

The Board further accepts responsibility for maintenance of accounting records that may be relied upon, in preparation of the financial statements as well as adequate systems of internal financial controls.

SECTION C

Key projects and investment decisions the entity is planning.

During this financial year 2024/2025 the institute had planned the following projects;

Table: Projects for the financial year 2024/2025

Projects Planned	Projects On-going	Projects Implemented
Hostels	Yes	Yes

Section D

Major risks facing the entity

Table: Risks and Opportunities facing KTTC

Opportunities	Threats
Potential for collaboration & Linkages	Competition from other TTC'S
High demand for training of Teachers	Rapid Technological changes
Centralized placement of new students by KUCCPS	Rapid changes of policy
Demand for short term courses	High cost of training in practical skills
Access to student loans & bursaries from H.E.L.B, county & NGCDF	Unpredictable job market
Government support	Formal employment culture in the society

Other institutes' major risks are mainly related to its core business, which is training, and human resource development. Some of the identified risks include;

- i. Low student enrolment.
- ii. Student turnover
- iii. Inadequate student accommodation and support facilities

Section E

Material arrears in statutory/financial obligations

Kenya Teachers Training College complies with deduction and remittance of statutory deductions such as Housing Levy, SHIF, NHIF, NSSF and PAYE

Section F

The institute's financial probity and serious governance issues

During the quarter, the institute did not report any financial improbity due to improved financial system in place.

10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING STATEMENT

Kenya Teachers Training College undertakes various corporate social responsibilities to improve and sustain positive cordial relation with various stakeholders. Our service charter has guided all the staff members on their commitments to offer services. The following are some activities done during the first quarter on the pillars listed below.

1. Sustainability strategy and profile -

Women and the youth are given special consideration. The college offered three internship positions. One was on practicum and others in maintenance department.

2. Environmental performance

In an effort to ensure our activities are environmental friendly we strictly adhere to the NEMA regulations and guidelines when developing any project. The college; new Hostel construction adhered to environmental regulations. The college has maintained and improves its environment by planting trees on the compound. The college is situated on a water catchment area hence the careful disposal of waste products. The continuous maintenance of the bio-digester is fundamental in proper waste disposal. The college has storage tanks to harvest water thus reduce pressure on the pumped water. Solar lighting has been done to reduce reliance on electricity.

3. Employee welfare

The college has a clear policy on staff welfare that ensures communication channels are available. Their rights and obligations are respected as per the labour laws. A human resource policy is in place.

a) Hiring process.

The college's hiring plan is guided by the existing labour laws and guidelines from Ministry of labour. The one third gender ratio has been followed in staff recruitment. Main challenge still remains regional balancing to have a national outlook.

b) Skills improvement

As per our performance contract, the college frequently sends its staff for inset training and seminars.

c) Appraisal

This has been done for the teaching staff. The process of appraisal for non teaching staff is also in use.

d) Occupational; Safety and Health Act (2007)

The college adheres to this act to ensure safety of its staff. Deliberate efforts were done in the kitchen department by improving on the stoves and chimney. Overall, gloves, gumboot, masks and other relevant safety equipment's were provided to the staff.

4. Market place practices-

a) ***Responsible competition practice.***

The college has values that it strives to achieve including professionalism, fairness and diligence. Therefore, all students are assured of fairness during assessments of their work. The college also has internal mechanism to ensure professionalism is maintained through checks and balances. To ensure fair competition in supply of goods and services, the college follows the procurement procedures as spelt by PPRA.

b) ***Responsible Supply chain and supplier relations-***

The college ensures that the suppliers are selected fairly as per the procurement procedures and given a valid contract. Upon supplying the goods and services are accepted as per the specifications and payment made. The period in question, all contracts are honoured and payments made as per the payment schedules.

c) ***Responsible marketing and advertisement-***

The college advertises its courses and tenders through various communication channels both print and audio visual.

d) ***Product stewardship***

The college's student council has played a big role in ensuring harmony in the college by having frequent meetings. The student council has internal conflict resolution mechanism and often communicates directly to the administration over any issue. Communication is done through assemblies, notices, texts, WhatsApp or through suggestion boxes. The Dean of Students office is tasked with student's welfare and often reports to the management team. The guidance and counseling office has assisted solve students, group or personal issues. To ensure that the strategic pillar of talent developing is realized, co-curricular activities i.e. music, games and sports was done.

5. Community Engagements-

The college shares its playing field with the neighboring primary and secondary schools. It seeks to create a beneficial relationship with the community. The college has engaged the local administration in security and boundary disputes this quarter. The local community is also sensitized on procurement requirements to enable them apply during tendering.

11. REPORT OF THE BOARD OF MANAGEMENT

The Board submitted their Annual report for the period ended 30th June 2025 which shows the state of Kenya Teachers Training College affairs. The secretary of the Board of Management is not a member of ICS.

➤ **Principal activities**

The principal activity of the entity is to train Teachers

➤ **Results**

The results of the entity for the year ended 30th June 2025 are set out on 1 to 33

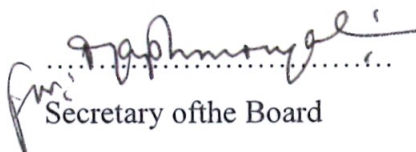
BOARD OF MANAGEMENT

The members of the Board who served during the period are shown on page viii to xi

Auditors

The Auditor General is responsible for the statutory audit of the college in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board


.....
Secretary of the Board
Date:

12. Statement of Board of Management Members' 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 of Governors to prepare financial statements in respect of KTTC which give a true and fair view of the state of affairs of the institute at the end of the financial year and the operating results of the institute for the year. The Board of Management is also required to ensure that KTTC keeps proper accounting records which disclose with reasonable accuracy the financial position of the institute. The Board of Management are also responsible for safeguarding the assets of KTTC.

The Board of Management are responsible for the preparation and presentation of the institute's financial statements, which give a true and fair view of the state of affairs of KTTC for and as at the end of the financial year 2024/2025 ended on June 30th, 2025. This responsibility includes:

- Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the institute;
- 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;
- Safeguarding the assets of the institute;
- Selecting and applying appropriate accounting policies;
- Making accounting estimates that are reasonable in the circumstances.


The Board of Management accept responsibility for the institute's 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 the PFM Act, 2012 and the State Corporations Act, and the TVET Act.


The Board of Management are of the opinion that KTTC's financial statements give a true and fair view of the state of the institute's transactions during the end of the financial year, 2024/2025 ended on June 30th, 2025, and of the institute's financial position as at that date. The Board of Management further confirm the completeness of the accounting records maintained for the institute, which have been relied upon in the preparation of the institute's financial statements as well as the adequacy of the systems of internal financial control.

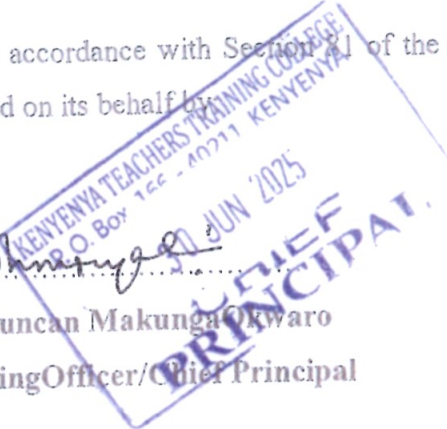
Nothing has come to the attention of the Board of Management to indicate that KTTC will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The College's financial statements have been prepared in accordance with Section 41 of the PFM Act and were approved by the Board on 30th/06/2025 and signed on its behalf by


.....
Name: Moses M. Maturi
Chairperson of the Board/Council


for Name: Duncan Makunga Okwaro
Accounting Officer/Chief Principal


KENYA TEACHERS TRAINING COLLEGE
P.O. Box 166 - 40211 KENYA
30 JUN 2025
CHIEF PRINCIPAL

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KENYENYA TEACHERS TRAINING COLLEGE FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the 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 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 Kenya Teachers Training College set out on pages 1 to 63, which comprise of the statement of financial position

as at 30 June, 2025, and the statement financial performance, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kenyena Teachers Training College as at 30 June, 2025 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 National Government Constituencies Development Fund Act, 2015 (Amended 2022) and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0. Non-compliance with the Prescribed Reporting Framework

Review of the financial statements revealed the following instances of non-compliance with the reporting template prescribed by the Public Sector Accounting Standards Board:

- i. The statement of comparison of budget and actual amounts reflects, in the last column, percentages which represents utilization percentages (%) instead of utilization difference percentages as the column heading indicates.
- ii. Budget notes to the statement of comparison of budget and actual amounts does not include explanation for underutilization of 83% in other income, 29% in use of goods and services, 50% in repairs and maintenance and 86% in grants and subsidies/general expenses.
- iii. Note 16 to the financial statements on current receivables from exchange transactions does not include aging analysis of the balance of Kshs.60,272,547 as required.

In the circumstances, the financial statements do not comply with the accounting standards as prescribed by the Public Sector Accounting Standards Board.

2.0. Inaccuracies in the Financial Statements

The statement of financial position reflects accumulated surplus comparative (opening) balances of Kshs.24,209,063 which differs with the previous year's audited closing balance of Kshs.41,377,806, resulting in unreconciled variances of negative Kshs.17,168,743.

Further, the statement of cash flows reflects total receipts of Kshs.92,251,272 and total payments of Kshs.90,377,792, while the statement of comparison of budget and actual amounts indicates corresponding amounts of Kshs.94,237,928 and Kshs.88,386,628,

resulting in unreconciled variances of negative Kshs.1,986,656 and Kshs.1,991,164 respectively, despite the fact that both financial statements are prepared on cash basis.

In addition, the statement of comparison of budget and actual amounts does adjustments amount of Kshs.8,103,577 on the revenue side, which is not represented on the expenditure side.

Note 18 to the financial statements on property, plant and equipment reflects nil additions during the year ended 30 June, 2025, while the statement of cash flows indicates purchase of property, plant and equipment amount of Kshs.23,000,000, resulting in an unreconciled variance of negative Kshs.23,000,000. Further, the Note does not reflect cost amounts for the financial year 2024/2025. In addition, the Note reflects balances totalling Kshs.92,793,639 as at 1 July, 2023, while the audited financial statements for the previous year shows a corresponding amount of Kshs.98,879,896, resulting in an unreconciled variance of negative Kshs.6,186,257. Similarly, the Note reflects accumulated depreciation as at 1 July, 2024 of Kshs.2,360,296, while the audited financial statements for the previous year indicates Kshs.6,086,256, resulting in an unreconciled variance of negative Kshs.3,725,960.

In addition, Note 23 on cash generated from operations reflects net cash flow from operating activities amount of Kshs.24,873,480 which differs with the re-cast total of Kshs.27,063,808, resulting in an unreconciled variance of Kshs.2,190,328.

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

3.0. Transfer from Other National Government Entities

The statement of financial performance reflects transfers from other government entities amount of Kshs.6,613,086. However, there were no validated capitation beneficiaries' allocation lists; no receipts were issued out to the beneficiaries, making it impossible to establish if the allocation was done within 14 days from the date of the disbursement letter; the capitation grants were not posted in students' fees registers; and there was no evidence to confirm that capitation returns were done within 14 days from the disbursement dates.

In the circumstances, the accuracy and regularity and fairness in allocation of the revenue of Kshs.6,613,086 could not be confirmed.

4.0. Failure to Disclose Teaching Staff Costs

The statement of financial performance reflects employee costs amount of Kshs.13,119,792 as disclosed in Note 10 to the financial statements. However, the salaries of eighteen (18) teaching staff paid on behalf of the College by the Teachers Service commission have not been disclosed in the financial statements.

In the circumstances, the accuracy and completeness of the employee costs amount of Kshs.13,119,792 could not be confirmed.

5.0. Unsupported Property, Plant and Equipment and Biological Assets Balances

The statement of financial position reflects property, plant and equipment balance of Kshs.91,363,959 as disclosed in Note 18 to the financial statements. However, although Management maintained and provided a non-current asset register for audit review, important details such as asset tagging, serial/log book number, location, opening balances, additions, dates of acquisitions, disposals, depreciation charged, accumulated depreciation to date and Net Book value of the assets were omitted. Further, there was no evidence that a competent valuer had been engaged to determine the current market value of the assets since the inception of the College in mid-2012.

In addition, the statement of financial position and as disclosed in Note 20 to the financial statements, reflects intangible assets/biological assets balance of Kshs.330,000. However, though the Management maintained and provided a non-current asset register, it did not contain unique identifier such as animal tagging, opening balances, additions, dates of acquisitions, disposals, amortization charged, accumulated amortization to date and Net book value. Further, review of records revealed that the College had eighteen (18) cows, however during the year under audit, one (1) bull with an approximate value of Kshs.16,000 was indicated to have died. Management did not provide documentation in support of the occurrence. In addition, no verifiable documented evidence was provided for audit review to indicate that a competent valuer had been engaged to determine the current market value of the biological assets since the date of acquisition.

In the circumstances, the accuracy and completeness of the reported property, plant and equipment and biological assets balances, and the effectiveness of internal controls over asset management could not be confirmed.

6.0. Unconfirmed Cash and Cash Equivalents Balance

The statement of financial position reflects cash and bank equivalents balance of Kshs.9,977,057 as disclosed in Note 15 to the financial statements. The balance includes a credit balance of Kshs.3,653 in respect of Development Co-operative Bank Account. However, Management did not provide for audit authority from the Board to operate an overdraft facility with the bank. Further, the overdraft should have been treated as a liability since it a loan from bank.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.9,977,057 could not be confirmed. Also, Management was in breach of the law.

7.0. Long Outstanding Accounts Receivables from Exchange Transactions

The statement of financial position reflects a balance of Kshs.60,272,547 in respect of receivables from exchange transactions as disclosed in Notes 16 to the financial statements. Review of records revealed that receivables totalling Kshs.33,080,450 had been outstanding for more than twelve (12) years. Further, included as part of the receivables are students' debtors amounting to Kshs.22,534,172 which had been outstanding for over ten (10) years, relating to programs/courses the College is no longer offering.

In the circumstances, the accuracy and recoverability of the receivables from exchange transactions balance of Kshs.60,272,547 could not be confirmed.

8.0. Unconfirmed Valuation of Inventories

The statement of financial performance, and as disclosed in Note 17 to the financial statements, reflects inventories balance of Kshs.1,729,828 which relates to various stores items that were procured on diverse dates during the year under review and which has been carried in the books of accounts at cost. However, although IPSAS 12 requires the reported balance to be the lower of cost and net receivable value, Management had not determined the net realizable value of the inventories.

Further, the inventory and stock taking report for the year under review was not provided for audit, contrary to Section 162(2) of the Public Procurement and Asset Disposal Act, 2015, which requires the Head of Procurement Function to arrange for occasional visits of inspection to the stores, at least quarterly in each calendar year, and 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 the reported inventories balance could not be confirmed. Also, Management was in breach of the law.

9.0. Unsupported Trade and Other payables from Exchange Transactions

The statement of financial position, and as disclosed in Note 21 to the financial statements, reflects trade and other payables from exchange transactions balance of Kshs.12,097,578. However, Management did not provide the detailed creditors movement schedules indicating the opening balance, additions and payments made during the period under review.

In the circumstances, the accuracy and completeness of the trade and other receivables from exchange transactions balance of inventories could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenyena 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.

Emphasis of Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final recurrent expenses budget and actual on comparable basis amounts of Kshs.82,643,975 and Kshs.65,386,628 respectively, resulting in under-expenditure of Kshs.17,257,347, or 21% of the budget. In addition, the statement reflects an expenditure of Kshs.13,119,792 in

respect of employee costs against an approved budget of Kshs.9,482,000, resulting in over-expenditure of Kshs.3,637,792 or 38% of the budget.

The under expenditure affected planned activities and may have adversely impacted service delivery to the students of the College. Also, the regularity of the over expenditure in employee costs of Kshs.3,637,792 could not be confirmed.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the prior year's audit report, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the College in 2024/2025 revealed that the matters listed in **Appendix 1** remained unresolved.

Other Information

The Management is responsible for the Other Information set out on page iv to xxiv which comprises Key Constituency Information and Management, Chairman's Statement, Report of the Chief Principal, Statement of Performance against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environment and Sustainability Reporting Statement, and Report of the Council/Board of Governors and Statement of Board of Governors/ Council Members' Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Fund'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, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE 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 the 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

1.0. Delayed Completion of Project: Proposed Construction of One Storey Female Hostel at Kenya Teacher Training College

The statement of financial position and as disclosed in Note 24 to the financial statements reflects project costs (hostel construction) balance of Kshs.23,000,000 in respect of the proposed construction of one storey female hostel at Kenya Teacher Training College. Review of documents revealed that the contract was awarded to a company at a contract sum of Kshs.29,099,840, with commencement date of 15 August 2024 and completion date of 28 February, 2025. Payments made to the contractor as at the reporting date amounted to Kshs.18,146,000. However, review of the records provided in support of the expenditure revealed the following anomalies:

- i. The Contractor in a letter dated 4 March, 2025, addressed to the Principal requested for extension of 21 working days for the completion of the project. The request was made four (4) days after the expiry of the contract period.
- ii. Two (2) interim payment certificates with values of materials on site of Kshs.10,000,000 and Kshs.15,000,000 respectively did not indicate the itemized measured work for which the values were based.

Although, in a letter dated 30 April 2025, the Project Manager indicated that the works had been practically completed and issued a certificate of practical completion and there was a handing over certificate dated 4 July, 2025 prepared by the project manager, physical verification of the project conducted on 14 October, 2025 revealed that the project was incomplete. Deliverables as captured in the bill of quantities (BQ) valued at Kshs.10,456,575 had not been done:

In the circumstances, the value for money realized from the expenditure of Kshs.18,146,000 on the project could not be confirmed.

2.0. Failure to Publish and Publicize Contracts and Use E-Procurement

The statement of financial performance reflects Project costs (hostel construction) amount of Kshs.23,000,000 and use of goods and services amount of Kshs.49,689,145 being payments made to suppliers whose procurement were not undertaken through e-procurement thus, contravening Executive order No 2 of 2018 on Procurement of public

goods, works and services by public entities Ref No OP/CAB39/1A that requires all procurement be undertaken through e-Procurement

Further, the College did not prepare, publish, publicize and submit awarded contracts to Public Procurement Regulatory Authority, contrary to Section 138(1) and (2) of the Public Procurement and Asset Disposal Act, 2015, which stipulates that the Accounting Officer of a procuring entity shall publish and publicize all contract awards on their notice boards at conspicuous places, and website if available within a period as prescribed and report all contract awards to the Authority as prescribed.

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

3.0. Collection of Revenue Outside E-Citizen Platform

The statement of financial performance reflects rendering of services-fees from students amount of Kshs.79,409,695 as disclosed in Note 7 to the financial statements. Review of the mechanisms for the collection of revenue revealed that the College was yet to be enlisted on the E-Citizen platform and obtain payment code number from the National Treasury. This was contrary to Part 4 of the National Treasury Circular No. 2/24, which requires all Principal Secretaries, accounting officers and chief executive officers of state corporations to ensure among other things that all revenues collected be channeled through the E-Citizen platform.

In the circumstances, Management was in breach of the law, and the effectiveness of internal controls over invoicing and collection of fees could not be confirmed.

4.0. Regularity of Human Resource Management Practices

4.1. Non-Compliance with Law on Ethnic Diversity in Staffing

Review of the payroll database for non-teaching and subordinate staff revealed that all employees (100%) were from the same ethnic community, contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008, which requires all public establishments to seek to represent the diversity of the people of Kenya in employment of staff.

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

4.2. Non-compliance with the One-Third Basic Salary Rule

Review of the staff records revealed that the College had a work force of forty (40) non-teaching staff members. Analysis of the payroll records revealed that six (6) members of staff earned net salaries that were less than a third of their basic pay, contrary to Section 19(3) of the Employment Act, 2007, which states that the total amount of all monthly deductions made by an employer on an employee's wages shall not exceed two thirds of the net wages after statutory deductions.

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

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

Basis for Conclusion

1.0. Lack of an Approved Staff Establishment and Human Resources Governing Instruments

Review of records revealed that the College did not have an approved staff establishment. The absence of an approved staff establishment indicates that the College has not determined the skills and optimal staffing levels required to achieve its goals and objectives. Additionally, there was no evidence that the institution had prepared a human resource plan based on a comprehensive job analysis.

Further, review of the College's unapproved staff establishment revealed a personnel shortfall of six (6) teaching staff and two (2) non-teaching staff. The College also lacked an ICT personnel, bus driver and store keeper, despite the urgency of the teaching program offered requiring learners to undertake their national exams online. As a result, it was not possible to ascertain whether the total staff employed by the College was at the optimal operating level and how key decisions regarding employees were made without an approved human resource policy.

In the circumstances, the effectiveness of internal controls, risk management and governance in the College could not be confirmed.

2.0. Lack of a Fraud Detection, Prevention and Reporting Mechanisms and Risk Management Policy and Framework

The audit revealed that Kenya TTC had not developed or implemented a risk management policy or framework to guide on risk assessment and mitigation processes. The College had not carried out risk assessment and has no updated risk register. Further, it was noted that the College did not have a disaster recovery plan, and also had not put in mechanisms to identify, detect and prevent fraud. There was no evidence of a

toll number, email, website section, corruption reporting box or any other means of collecting information relating to frauds.

In the circumstances, the effectiveness of risk management in the College could not be confirmed.

3.0. Lack of Internal Audit Function

During the financial year under review, it was observed that the College did not have an Internal Audit department as required by regulation 162(2) of the Public Finance Management (National Government) Regulations, 2015. Further, there were no internal audit reports on the state of risk management, control and governance within the College. In addition, there were no approved Internal Audit workplan and Internal Audit charter.

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

4.0. Ineffective Audit Committee

Review of records revealed that although the College had an audit committee appointed in 8th April, 2022, the Committee never held any meeting during the year under review, contrary to the provisions of Regulation 179(1) of the Public Finance Management (National Government) Regulations, 2015.

Further, the Committee did not carry out any annual review of the independence, performance, and competency of the internal audit unit contrary to the provisions of Regulation 166(1) of the Public Finance Management (National Government) Regulations, 2015.

In the circumstances, the effectiveness of internal controls, risk management and governance in the College 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 so as to obtain assurance as to whether effective processes and systems of internal controls, risk management and overall governance was maintained in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund'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 are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

28 November, 2025

APPENDICES

Appendix 1: Unresolved Prior Year Matters

S/No.	Financial Year	Audit Issue
1	2023/2024	Inaccuracies in the Financial Statements
2	2023/2024	Unsupported Recurrent Grants
3	2023/2024	Unsupported Write-Off and Transfer to Capital Reserve
4	2023/2024	Inaccuracies in Statement of Comparison of Budget and Actual Amounts
5	2023/2024	Inaccuracies in Property, Plant and Equipment
6	2023/2024	Unconfirmed Biological Assets
7	2023/2024	Unconfirmed Valuation of Inventories
8	2023/2024	Non-Recognition of Employee Costs
9	2023/2024	Unsupported and Long Outstanding Receivables
10	2023/2024	Budgetary Control and Performance
11	2023/2024	Long -Term Outstanding Account Payables
12	2023/2024	Unbalanced Budget
13	2023/2024	Non-Compliance with Law on Ethnic Composition
14	2023/2024	Failure to Specify the Terms and Conditions of Service
15	2023/2024	Non-Compliance with the One Third Basic Salary Rule
16	2023/2024	Irregularities on the Construction of Four Classrooms and an Office
17	2023/2024	Lack of Risk Management Policy
18	2023/2024	Lack of an Imprest Register
19	2023/2024	Lack of Internal Audit Function
20	2023/2024	Non-Functional Audit Committee
21	2023/2024	Lack of an Approved Staff Establishment
22	2023/2024	Failure to Prepare Reports

14. Statement of Financial Performance for year ended June 30th, 2025

Description	Notes	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from National Government Entities	6	6,613,086	10,528,471
Revenue from exchange transactions			
Rendering of services- Fees from students	7	79,409,695	69,679,272
Other income	8	111,570	
Total revenue		86,134,351	80,207,743
Expenses			
Use of goods and services	9	49,689,146	39,157,908
Employee costs	10	13,119,792	12,506,865
Remuneration of directors/ BOM expenses	11	2,019,000	
Depreciation and amortization expense	12	1,429,680	2,360,296
Repairs and maintenance	13	558,690	1,277,848
Grants and subsidies (General expenses)			695,763
Project (hostel)	24	23,000,000	
Total expenses		89,816,308	55,998,680
Other gains/(losses)	14	16,000	
Net Surplus for the year		(3,697,957)	24,209,063

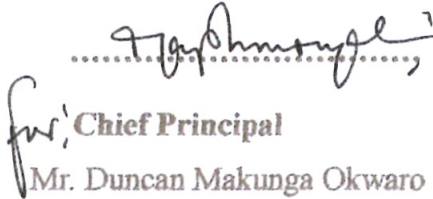
Kenya Teachers Training College
Annual Report and Financial Statements for the year ended 30th June, 2025

The notes set out on pages -7- to - 33 - form an integral part of these Financial Statements.

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



.....
Chairman of BOM
Dr. Moses M. Maturi
Date 30th June 2025



.....
for: Chief Principal
Mr. Duncan Makunga Okwaro
Date 30th June 2025



.....
Finance Officer
Nicodemus Osoro
ICPAK No .22067
Date 30th June 2025

Kenya Teachers Training College
Annual Report and Financial Statements for the year ended 30th June, 2025

15. Statement of financial position as at June 30th, 2025

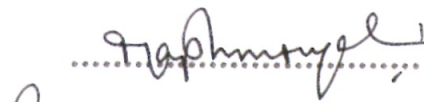
Description	Notes	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	15	9,977,057	8,103,577
Receivables from exchange transactions	16	60,272,547	53,713,060
Inventories	17	1,729,828	2,463,012
Total Current Assets		71,979,432	64,279,649
Non-current assets			
Property, plant and equipment	18	91,363,959	92,793,639
Biological Assets	20	330,000	346,000
Total Non-Current Assets		91,693,959	93,139,639
Total assets		163,673,391	157,419,288
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	21	12,097,578	2,145,518
Total Current Liabilities		12,097,578	2,145,518
Net assets		151,575,813	155,273,770
Represented By:			
Revaluation Reserves		8,150,368	8,150,368
Accumulated surplus		20,511,106	24,209,063
Capital Fund		122,914,339	122,914,339
Total Equity		151,575,813	155,273,770



Chairman of BOM


Dr. Moses M. Maturi

Date 30th June 2025



for: Chief Principal
Mr. Duncan Makunga Okwaro

Date 30th June 2025



Finance Officer
CPA Nicodemus Oriku
ICPAK No 22067

Date 30th June 2025

16. Statement of Changes in Net Asset for the year ended June 30th 2025

Description	Revaluation reserve	Accumulated Fund	Capital Fund	Total
At JULY 1, 2023	8,150,368		122,914,339	131,064,707
Surplus/(deficit) for the Period		24,209,063		24,209,063
At. June 30,2024	8,150,368			
At July 1 , 2024	8,150,368	24,209,063	122,914,339	155,273,770
Surplus/(deficit) for the Period		(3,697,957)		
At. June 30,2025	8,150,368	20,511,106	122,914,339	151,575,813

17. Statement of Cash Flows for the year ended June 30th, 2025

Description	Note	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from National Government entities		6,613,086	10,528,471
Rendering of services- Fees from students		85,526,616	46,247,886
Other income		111,570	
Total Receipts		92,251,272	56,776,357
Payments			
Employee Costs		13,119,792	12,506,865
Use of goods and services		53,699,310	34,906,807
Repairs and maintenance		558,690	1,277,848
Total Payments		67,377,792	48,691,520
Net cash flows from operating activities	22	24,873,480	8,084,837
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets(hostel construction)		(23,000,000)	(4,251,101)
Net cash flows used in investing activities		(23,000,000)	(4,251,101)
Cash flows from financing activities			
Net cash flows used in financing activities			
Net increase/(decrease) in cash and cash equivalents		1,873,480	3,833,736
Cash and cash equivalents at beginning of the period	15	8,103,577	4,269,841
Cash and cash equivalents at end of the period	15	9,977,057	8,103,577

NOTE THAT: For the Cash and Cash Equivalent at the beginning of the FY 2024/2025 we have used the Cash and Cash Equivalent for the FY 2023/2024

18. Statement of Comparison of Budget & Actual amounts for year ended 30th June 2025

Description	Original annual Budget	Adjustments	Final Annual Budget	Actual on a comparable basis	Budget utilization difference	Utilization difference %
	A	B	C=(a+b)	D	E=c-d	F=d/c
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Budget carryovers b/f		8,103,577	8,103,577	8,103,577	-	
Transfers from other levels of government	6,658,375		6,658,375	6,613,086	45,289	99%
Rendering of services- Fees from students	78,485,600		78,485,600	79,409,695	(924,095)	101%
Other income	650,000.00		650,000.00	111,570.00	538,430	17%
Total Revenue	85,793,975	8,103,577	93,897,552	94,237,928	340,376	100%
Expenditure						
Use of goods and services	69,383,975		69,383,975	49,597,696	19,786,280	71%
Employee costs	9,482,000		9,482,000	13,119,792	(3,637,792)	138%
Remuneration of directors	2,000,000		2,000,000	2,019,000	(19,000)	100%
Repairs and maintenance	1,128,000		1,128,000	558,690	569,310	50%
Grants and subsidies/general expenses	650,000		650,000.00	91,450	558,550	14%
Total Recurrent Expenses	82,643,975		82,643,975	65,386,628	17,257,347	79%
Capital items						
Acquisition of PPE (HOSTEL)	23,000,000		23,000,000	23,000,000		100%
Total expenses	105,643,975		105,643,975	88,386,628	17,257,347	84%
Surplus/deficit				5,851,300		

Budget notes

a.) Increase in collection of fees by one percentage is due to fees payment policies that contributed to revenue collection.

b.) An over expenditure on employment costs was due to employment of new employee and yearly increment of employees.

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	5,851,300
1	Decrease in inventory	733,184
2	Payables for the current year	11,943,224
3	Receivables recovered during the year	20,632,610
4	Receivables for the current year	(27,192,097)
5	Payables paid during the year	(1,991,164)
	Closing Cash and Cash Equivalent as per the statement of Cash flows	9,977,057

19. Notes to the Financial Statements

1. General Information

Kenya T.T.C is established by and derives its authority and accountability from Education Act. Kenya teachers training college is wholly owned by the Government of Kenya and is domiciled in Kenya. Kenya teachers training college principal activity is diploma in teacher training education.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying Kenya teachers training college's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of Kenya teachers training 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., and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

- i. New and amended standards and interpretations in issue effective in the year ended 30 June 2025.*

There are no new standards in the year ended 30th June 2025

- ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.*

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an

	<p>Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
<p>IPSAS45: Property Plant and Equipment</p>	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
<p>IPSAS 46: Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS47: Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
<p>IPSAS48: TransferExpenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the</p>

	nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS49: Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii. Early adoption of standards

Kenyenya Teachers Training College adopted the IPSAS standards which were effective from January 2025. The impact of these standards on entity's financial statements was not there because we adopted the standards the previous year.

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 Kenyenya teachers training 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 have been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

Kenya teachers training 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 Kenya teachers training 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.

b) Budget information

The original budget for FY 2024/2025 was approved by the Board on 30th June 2025. 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 institute upon receiving the respective approvals in order to conclude the final budget.

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actual as per the statement of financial performance has been presented on page 1 of these financial statements.

c) Taxes

Current income tax

The institute is exempt from corporate tax since it is a Semi- Autonomous Government Agency established to carry out the mandate of the Government from whom it receives funds to carry out this mandate.

Sales tax/ Value Added Tax

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

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

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

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.(entity 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 of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Institute recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the

plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value

Land is not depreciated.

Depreciation on property, plant and equipment is recognized in the income statement on a straight-line basis over the estimated useful lives of the assets. The annual rates in use are:

Depreciation rates.

Table:

Item	Rate
Land	Nil
Buildings	2.5 %
Computers, Computer Accessories and Infrastructure	33.33 %
Motor Vehicles	25%
Equipment and Machinery	20%
Furniture and Fittings	12.5%
Library	10%

A full year's depreciation charge is recognized both in the year of asset purchase and in the year of asset disposal.

f) Leases

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

g) Intangible assets

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

h) Biological Assets

The entity recognizes biological assets when it controls the assets due to past events, it is probable that future economic benefits associated with the asset will flow to the entity, and when the fair value or cost of the asset can be measured reliably. Biological assets are initially and subsequently measured at fair value less costs to sell, except where fair value cannot be reliably determined. In such cases, the asset is measured at its cost less accumulated depreciation and any accumulated impairment losses. Changes in fair value less costs to sell are recognized in surplus/deficit in the period in which they occur.

i) Research and development costs

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

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

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

j) 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 entity 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 entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cash flows 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 entity 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 entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

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

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured

at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity 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 entity 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 entity 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*

Financial liabilities

Classification

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

k) Inventories

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

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

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

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

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

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

l) Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

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

Contingent assets

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

m) 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 entity 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 entity will incur in fulfilling the present obligations represented by the liability.

n) Nature and purpose of reserves

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

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

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

q) Foreign currency transactions

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

r) Borrowing costs

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

s) Related parties

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

t) Service concession arrangements

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

u) Cash and cash equivalents

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

v) Comparative figures

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

w) Subsequent events

There have been no events subsequent to the financial period end with a significant impact on the financial statements for the year ended 30th June, 2025.

5. Significant Judgments and Sources of Estimation Uncertainty

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

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 period, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

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

The condition of the asset based on the assessment of experts employed by the Entity

The nature of the asset, its susceptibility and adaptability to changes in technology and processes

The nature of the processes in which the asset is deployed

Availability of funding to replace the asset

Changes in the market in relation to the asset

Provisions

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

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.

11. Board of Management Expenses

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Other allowances	2,019,000	272,000
Total director Emoluments	2,019,000	272,000

12. Depreciation and Amortization expense

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Depreciation Expenses	1,429,680	2,360,296
Total	1,429,680	2,360,296

13. Repairs and Maintenance

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Repairs and Maintenance	558,690	1,973,611
Total	558,690	1,973,611

14. Other gains or Losses

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Bulls/DAIRY	16,000	
Total	16,000	

15. Cash and Cash Equivalents

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
KCB 1183509774 – MAIN	6,881,688	1,751,767
KCB 1183509642 – IGA	214,691	1,809,675
CO-OPERATIVE BANK 01129476355000 – Main	2,146,575	3,689,893
CO-OPERATIVE BANK 01139422970400 – salary	155,069	75,961
CO-OPERATIVE BANK 011204229970400 – Development	(3,653)	(4,358.)
CO-OPERATIVE BANK 01139476355000 – Gratuity	474,080	694,240
Cash in hand	108,608	86,400
Total cash and cash equivalents	9,977,057	8,103,577

16. Receivables From Exchange Transactions

(a) Current Receivables from Exchange Transactions

Description	FY 2024-2025	FY 2023-2024
	Current receivables	
Previous year debtors B/F		
2012 -2014- CPTE	846,940	846,940
2013 – 2015 - CPTE	1,173,430	1,173,430
2014 – 2016 - CPTE	5,198,841	5,198,841
2015 – 2017- CPTE	3,751,806	3,751,806
2016 – 2018 - CPTE	2,705,829	2,705,829
2017 – 2019 - CPTE	3,656,521	3,656,521
2018 – 2020 ECDE	2,410,083	2,410,083
2021 - UDPTE/UDECTE	1,803,937	1,803,937
2022 – UDPTE	986,785	986,785
2023 – DPTE	31,178,888	31,178,888
Total	53,713,060	
Less : Arrears recovered (receivables)	(20,632,610)	
Student debtors for the current year 2025	27,192,097	
Total current receivables	60,272,547	53,713,060

17. Inventories

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Consumable stores (Stationery)	788,597	887,250
Maintenance stores (Repairs)	48,500	64,000
Health unit stores (Medical Supplies)	25,402	50,937
Electrical stores	60,310	13,160
EWC (Plumbing)	12,110	55,040
Cleaning materials stores (Housekeeping)	43,359	69,440
Catering stores (Foodstuffs)	751,550	1,323,185
Total inventories at the lower of cost and net realizable value	1,729,828	2,463,012

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18. Property, Plant and Equipment

Current year	Land	Buildings	Motor vehicles	Equipment and machinery	Furniture and fittings	Computers & ICT Equipment	Library books	Total
Depreciation Rate		2.5%	25%	20%	12.5%	33.3%	10%	
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As at 1 st July 2023	50,000,000	40,934,357	1,181,320	403,317	185,575	(7,637)	96,707	92,793,639
Additions								
Disposals								
Transfer/Adjustments								
As at 1 st July 2024	50,000,000	40,934,357	1,181,320	403,317	185,575	(7,637)	96,707	92,793,639
Depreciation								
At 1 July 2023	0	1,285,045	1,944,603	307,876	53,291	115,617	19,529	3,725,961
At 1 July 2024	0	1,039,503	1,041,974	177,798	34,124	53,982	12,915	2,360,296
Charge for the year	0	1,023,360	295,332	80,664	23,196	(2,544)	9,672	1,429,680
Prior Year Adjustments								
As At 30 th June 2025	0	3,347,908	3,281,909	566,338	110,611	167,055	42,116	7,515,937
NBV at 30 th June 2025	50,000,000	39,910,997	885,988	322,653	162,379	(5,093)	87,035	91,363,959

Valuation

Items of PPE are valued at Historical cost at the point of recognition in the financial statements. Where historical cost is not available or the item has been acquired at, PPE has been valued at the current operational value which is the amount the entity would pay for the remaining service potential of an asset at the measurement date.

19. Property ,Plant and Equipment at cost

Description	Cost Kshs	Accumulated Depreciation Kshs.	NBV
Land	50,000,000	0	50,000,000
Building	43,258,905	3,347,908	39,910,997
Equipment and Machinery	888,991	566,338	322,653
Motor Vehicles	4,167,897	3,281,909	885,988
Furniture & Fittings	272,990	110,611	162,379
Computers	161,962	167,055	(5,093)
Library	129,151	42,116	87,035
Total	98,879,896	7,515,937	91,363,959

20. Biological Assets

	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Cattle	240,000	240,000
Heifer	60,000	60,000
Calves	30,000	30,000
Bulls		16000
Total	330,000	346,000

21. Trade and Other Payables from Exchange Transactions

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Bal b/f as at 01/07/2024		2,145,518
NSSF Aging 9 years	131,154	
Gratuity(Judith Mogute) aging 2 years	23,200	
Other payables aging 1 year	1,991,164	
Total	2,145,518	
Less: payables paid	(1,991,164)	
Add: Fees paid in advance 2025	764,458	
Other payables for 2025	11,178,766	
Total trade and other payables	12,097,578	2,145,518

22. Cash Generated from Operations

Description	FY 2024-2025	FY 2023-2024
	Surplus for the period before tax	(3,697,957)
Adjusted for:		
Depreciation	1,429,680	2,360,296
Contributed assets (Project –Hostel)	23,000,000	
Gains and losses on disposal of assets	16,000.00	
Working Capital adjustments		
Increase /decrease in inventory	733,184	(1,396,704)
Increase/decrease in receivables	(27,192,097)	(29,888,428)
Arrears Recoveries income	20,632,610	
Increase /decrease in payables	11,943,224	1,284,331
Increase in payments received in advance/creditors	1,99,164.00	
Net cash flow from operating activities	24,873,480	8,103,577

(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)

23. Project (Hostel Construction)

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Students Hostels	23,000,000	4,251,101
Totals	23,000,000	4,251,101

24. Financial Risk Management

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

(i) Credit risk

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

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment. The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for

uncollectible amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The board of directors sets the company's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

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

(iii) Market risk

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

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

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

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

a) Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

25. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

- i) The National Government.
- ii) The Parent Ministry.
- iii) Key management.
- iv) Board of directors.

26. Events After the Reporting Period

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

27. Ultimate And Holding Entity

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

28. Currency

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

20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

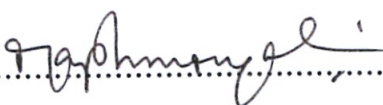
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Inaccuracies in the Financial statements	Financial statements corrected	Resolved	
2	Unsupported Recurrent Grants	Records of Recurrent grants kept and corrected	resolved	
3	Unsupported write-off & transfer to capital reserves	Write off was based on regional schools audit recommendations	Not resolved	One year
4	Inaccuracies in statement of comparison of Budget & Actual amount	Inaccuracies corrected	Resolved	
5	Inaccuracies in property, plant & Equipment	Inaccuracies corrected	Resolved	
6	Unconfirmed Biological Assets	In the processes of tagging and labelling of Assets	Not resolved	One year
7	Unconfirmed Valuation of Inventories	Records of Inventory kept	Resolved	
8	Non Recognition of Employee costs	Support staff Information available but Tutors information from TSC not available	Partially resolved	
9	Unsupported & long Outstanding Receivables	Records of outstanding receivables available	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Budgetary control and performance	Effective planning on Budgetary control & performance	Resolved	
2	Long term outstanding accounts payables	In the processes of solving the issue	Not Resolved	One year
1	Unbalanced Budget	Budgeted is balanced	Resolved	
2	Non compliance with Law on Ethic composition	Support staff not solved but Teaching staff partially solved	Partially solved	
3	Failure to specify the terms & conditions of service	Letters of appointment available	solved	
4	Non compliance with the one third Basic salary Rule	In the processes of attaining third basic salary Rule	solved	
5	Irregularities on the construction of four class rooms	Variations was due additional work on the projects	solved	
1	Lack of risk Mngement Policy	On process of developing risk management Policy	Not resolved	One year
2	Lack of an Imprest Register	Imprest file available	Partially resolved	Six months
3	Lack of Internal Audit Function	Internal Audit not yet solved	Not solved	One year
4	Non functional Audit Commitee	Audit committee functional	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
5	Lack of approved staff establishment	Staff establishment defined	Solved	
6	Failure to Prepare Reports	Reports promptly prepared	Solved	
7.	Weak internal controls on invoicing & collection of fees	Invoicing & collection of fees enhanced	Partially resolved	One year

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 Name: Duncan Makunga Okwaro
 Chief Principal
 Date

Appendix II: Projects Implemented by the Entity

Projects

Projects implemented by the TTC Funded by development partners

Project title	Project Number	Donor	Period/duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1	KTTC/FHST/01/24/25	KTTC	1 YEAR			

Status of Projects completion

SN	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	HOSTEL	23,000,000	23,000,000	100%	23,000,000		Savings