

REPUBLIC OF KENYA



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REPORT

OF


THE AUDITOR-GENERAL

ON

MERU TEACHERS TRAINING COLLEGE

FOR THE YEAR ENDED

30 JUNE, 2025

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	27 NOV 2025
	DAY: Thursday
TABLED BY:	Hon. Naomi Wago, MP Deputy Majority Party Whip
CLERK-AT-THE-TABLE:	A. Shibusko



MERU 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)

Meru Teachers Training College
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1 Acronyms & Definition of Key Terms

A. Acronyms

BOM	Board of Management
CBTE	Competency Based Teacher Education
CEB	County Education Board
CDF	Constituency Development Fund
Fiduciary Management	Key management personnel who have financial responsibility in the Meru Teachers Training College
DECTE	Diploma in Early Childhood Teacher Education
DPTE	Diploma in Primary Teacher Education
DTE	Teacher Training College
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MOE	Ministry of Education
TTC	Teacher Training College
UDECTE	Upgrade Diploma in Early Childhood Teacher Education
UDPTE	Upgrade Diploma in Primary Teacher Education
PFM	Public Finance Management
PWPoER	Presidential Working Party on Education Reforms
PSASB	Public Sector Accounting Standards Board
SBA	School Based Assessment

B. 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 Meru Teachers Training College Information and Management

(a) Background information

The college derives its mandate from the constitution of Kenya 2010, the Basic Education Act, 2013, Sessional Paper No. 14 of 2012 and Presidential Working Party on Education Reforms (PWPoER), 2024.

Meru Teachers Training College was started by the Methodist Church in Kenya in 1947 at Kaaga Mission. The main objective was to train P4 Teachers for the Methodist Schools in the greater Meru District.

In 1949, the college moved to its present site as a Government Teachers College to train P3 and P4 teachers. Co- Education classes were introduced in 1956, while the training of P1 Teachers started in 1970.

In 2021, the P1 course was phased out and Diploma in Primary Teacher Education (DPTE) and Diploma in Early Childhood Teacher Education (DECTE) were started.

(b) Principal Activities

Mandate:

- The mandate of Meru Teachers Training College is to train pre-primary and primary school teachers at the diploma level, in line with Government policies and other legal statutes in Education.

Vision

- To be a Centre of Excellence in Quality Teacher Training.

Mission

- To provide quality training and produce professional teachers who are adaptive and responsive to a dynamic society.

Core Objectives

The core objectives of the college are as follows:

- To train and produce highly qualified and professional teachers.
- To nurture and develop students' talents to full potential.
- To provide quality teaching and learning resources.
- To develop and implement other new training programmes in line with existing market demands.

(c) Key Management Team

Meru Teachers Training College day-to-day management is under the following key organs.

Board of Management

The core function of the BOM is to provide leadership in designing plans and strategies for sustainable development of the college.

Principal

The principal oversees the overall implementation of the curriculum and manages the human resource as well as the external relations for the college. In addition the principal control finances and is responsible for the management and maintenance of the institution property, besides keeping records of the college staff and facilities.

Deputy Principal

The deputy principal deputizes the principal and is also in charge of the students' discipline. He/she organizes and supervises all the activities and events in the institution.

He/she is the chairperson of the graduation and discipline committees and is the master of ceremony during the college functions. He/she also performs any other duties delegated by the principal in the running of the college.

Dean of Curriculum (DOC)

The Dean of Curriculum (DOC) coordinates and supervises the day to day implementation of the curriculum and oversees all the academic programs of the college.

He/she ensures that adequate teaching and learning materials are provided, the tuition areas are in a conducive state for learning and monitors class attendance by both staff and students.

Dean of Students (DOS)

The Dean of Students (DOS) is in charge of general students' welfare in matters pertaining to standards of cleanliness, boarding facilities, meals and health. He/she coordinates all the co-curricular programs in the college. The DOS oversees the elections and the performance of duty by the students' council. He/she also advises the deputy principal on matters pertaining students' discipline.

Head of Departments (HOD's)

The head of departments (HODs) convene and chair all departmental meetings. They monitor the preparation of professional documents in their subject areas in addition to supervising and co-ordinating the syllabus coverage, Continuous Assessment Tests and any other internal Assessments. The HODs induct new members of staff in their subject areas and also teach their subjects of specialization. They supervise the heads of subjects and the staff in their departments.

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Finance Officer

The finance officer (FO) shall maintain correct and accurate estimates of the expenditure and revenue collection projections per quarter to enable adequate support for the planned activities. He/she is responsible for the safety of all revenue and supervises the support staff.

Heads of Sections

The heads of sections are in charge of the various departments that support the core functions of the college. Section heads are directly answerable to the finance officer.

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	- Dr. F. M. Gichovi
2.	Deputy principal	- Mr. Kariba Moses Kabii
3.	Dean of Curriculum	- Ms. Purity Ndereba
4.	Dean of Students	- Mr. Lawrence Gitonga
5.	Head of Finance	- Mr. Benjamin Muthomi

(e) Fiduciary Oversight Arrangements







The college board of management consists of fourteen members. During this financial year two full board meetings were held. BOM members were nominated according to the Basic Education Act. The nominees' profiles are sent to the Ministry of Education for approval. There is a board charter in place from the MOE. The process of appointment of new members involves nomination and selection. The nominees profile is forwarded to the Ministry of Education for approval. The process of removal of a member involves steps stipulated by the Ministry of Education Meetings and vetting exercises were carried out before the BOM members could start work. Names of the vetted members which were selected stakeholders.

Participation: i.e. the church who are the sponsor, the community represented by the chief and member of parliament and the County Education Board (CEB) persons living with disabilities, special interest groups, youth and an expert in at least one area were included. The Meru Teachers Training College board therefore comprises the face of Kenya in ethnic representation and expertise.







The board constituted the following committees to assist in the discharge of its mandate.

- Finance, Procurement and General purpose
- Academic Standards, Quality and Environment
- Discipline, Ethics and Integrity
- Audit
- Human Rights and Students Welfare





3. The Board of Management

SN.	Member/ Director	Details
1.	 <i>Dr. Lucy Kanyua Mugambi</i>	<p>Was born on 14/1/1960. She holds a PHD- Counselling Psychology, M.eD – Guidance and Counselling B-eD – Education and Counselling. She has diverse experience in secondary schools and college administration. She is working as a part time lecturer at Meru University of Science and Technology. She is currently the Chairperson of the BOM and Executive Board.</p>
2.	 <i>Martin Gikunda Kirigia</i>	<p>Was born on 25/3/1974. He holds a bachelor of Science in Natural Resources Management, Master of Science in Agriculture and Rural Development and pursuing PHD in Agriculture and Rural Development. He has a wealth of experience in project management and community development. He is a member of the board of management.</p>
3.	 <i>Arch. Eric Kayo Abuga</i>	<p>He was born on 6/3/1994. He holds a bachelor of architecture, Diploma in project management and Diploma in technology in architecture. He has work experience in various architecture firms. He is a member of the executive board of management.</p>
4.	 <i>Dr. John Ntoiti Mborothi</i>	<p>He was born on 3/1/1970. He holds a bachelor of education and certificates in various fields. He has a wealth experience in administration and management in the county government.</p>
5.	 <i>Philomena Kendi Munene</i>	<p>Born in 1982. She holds a bachelor in project planning and management, diploma in business management and EPA i-iv. She has work experience in accounting in various organisations.</p>
6.	 <i>Judith Kairuthi Mburugu</i>	<p>She was born on 26/1/1983. She holds a bachelor of education (Sciences), certificate in computer application packages. She has a lot of work experience in the banking industry</p>

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7.	 Joshua Bundi Gituma	<p>He was born on 06/06/1980. He holds a certificate in public relation, Bachelor in business administration, Human resource management and diploma in business management.</p>
8.	 Kaberia Mberia	<p>He was born on 10/10/1974. He holds Bachelors in Education science. Currently a lecturer at Meru Teachers Training College, representing teaching staff in the board.</p>
9.	 Dorcas Mukami Mwangi	<p>She was born on 6/09/1984. She holds a bachelor of business management (banking and finance). She has over 10 years working experience in the banking sector. She is a member of the Executive Board.</p>
10.	 Beatrice Shisia	<p>She holds a bachelor of business administration, master of business administration, diploma in secretarial studies and computer skills. She has work experience in administration. She is a member of the executive board of management.</p>
11.	 Dr. David Kiptum	<p>Born in 1966. Holds a Master of Medicine in Pediatrics and Child Health, University of Nairobi. Received recognition as a special pediatrician, Kenya Medical Practitioners and Dentist Council. Chief Pediatrician in Gertrude's Children's Hospital. He is a member of BOM</p>
12.	Eng. Mwangera Kenneth	BOM Member
13.	 Dr. Faith M. Gichovi	<p>The secretary is not a member of ICS</p>

4. Key Management Team

<i>SN.</i>	<i>Member/ Director</i>	<i>Details</i>
1.	<p>Chief Principal</p>  Dr. Gichovi F. M. .	Chief Executive officer Secretary to the BOM Chief accounting officer
2.	<p>Deputy Principal</p>  Mr. Kariba Moses Kabii	Teaching, on-Teaching staff & Students welfare
3.	<p>Dean of Students</p>  Mr. Gitonga Lawrence	Students welfare
4.	<p>Dean of curriculum</p>  Ms Purity Wanja Ndereba	Curriculum Implementation

5. Chairman's Statement

It gives me great pleasure to report on the performance of the board of management since our appointment by the cabinet secretary Ministry of Education (MOE) in February 2022. Some of the members were reappointed in February 2025 for the second term for institutional memory.

In 2024 and 2025, there was an over enrolment from the recommended 900 to 1551 students. This necessitated the construction of 3 large classrooms one by the Imenti North CDF and hostel phase I handed over on 10/1/2025. The second phase commenced in April 2025 and we hope to receive it by the end of August 2025 for use by students during the September 2025 intake. We hope to accommodate more than 2000 students by the start of this academic year. Classrooms and teaching staff are a challenge and we need to construct more though we do not have the financial capacity. We also request the teachers Service Commission to post teacher educators especially to handle PHE, Kiswahili, IRE, CRE, Home Science, Music, Art and Craft. As it were now, the staffing is too biased towards Science with 32 out of 57 being in science and science related learning areas.

The 2nd year students were enrolled for DPTE and have two e-assessments as their SBA. The first-year students were enrolled for DTE and have sat one SBA. The competency Based Teacher Education demands that every student brings a laptop of specifications stipulated by the Kenya National Examinations council (KNEC).

Students are placed by Kenya Universities and Colleges Central Placement Services (KUCCPS).

For environmental sustainability we plant trees every year. In this financial year the Isiolo Barracks 58 battalion planted more than 1000 seedlings in the forest below the playing fields.

I wish to appreciate the stakeholders in the Ministry of Ministry (MOE) has ensured that grants were dispatched as needed. The Teachers Service Commission (TSC) for the support staffing the college. The county commissioner with his team for seeing to it that we were in secure environment. Other partners hired our facilities or bought foodstuff from the college thereby boosting our income generating account. We appreciate parents and guardians for paying fees. Various CDFs led by the Imenti North CDF supported students through bursaries.

Our suppliers did not disappoint within the financial year in question. We have been able to promptly pay upon production of supporting documents.

6. Report of the Chief Principal

Meru Teachers Training College has been running since 1947. It has trained p4, p3, p2 and p1 teachers until March 2021 when it was re-registered by the Ministry of Education to train teachers Diploma in Primary Teacher Education (DPTE) and Diploma in Early Childhood Teacher Education (DECTE). In September 2023 the college admitted 972 students in DPTE Programme above approved capacity of 900 students. In September 2024, we admitted 596 Diploma in Teacher Education (DTE). This has caused a strain on the facilities and staff prompting us to start the construction of a hostel and classrooms. Hostel phase I is complete and occupied while phase II begun on April 29th 2025.

During the year the college acquired and installed ERP programme which has made finance, procurement, store admission time tabling among others very efficient. The farm has been supplying enough eggs and subsidized in other food items including cabbage, milk, firewood and timber, onions among others.

The college participated in co-curricular activities and received trophies in KMF held in Moi Girls Eldoret, drama held in Nakuru, athletics and ball games held in Western Region-Kibabii DSTE College. Some coaches, and trainers in drama and Music, the bursar and the procurement officer were sponsored to attend capacity building workshops.

In the financial year in question we received a lot of support from the Teachers Service Commission (TSC) who ensured that most of learning areas were properly staffed.

The Ministry also support us by remitting grants totalling KES 9,308,613 in the financial year, and the 4th quarter grant that was remitted at the beginning of FY 2025-2026

The national government through our county commissioner and his staff have provided the college with security generally. Our parents/guardians and sponsors have done their best to pay and some cleared fees.

The 58th Battalion from Isiolo Barracks donated and planted more than 1000 seedlings. The BOM supported students to attend KMF national competitions, regional and national ball games championship and drama competitions. Though the year was difficult finance wise, the BOM ensured sustainability through the prudent use of resources.

We look forward to continued partnerships with the TSC, MOE, and national treasury among others to run the affairs of the college.

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7. Statement of Performance against Predetermined Objectives

Meru Teachers Training College has six (6) Strategic Pillars/issues/themes and objectives within current strategic plan for the financial year 2013 – 2028. These strategic pillars are as follows:

- Pillar No. 1 – Teacher training
- Pillar No. 2 – Human Resource Development
- Pillar No. 3 – ICT Infrastructure

- Pillar No. 4 – Physical Environment
- Pillar No. 5 – Finance
- Pillar No. 6 – Welfare

Meru Teachers Training College develops its annual work plans based on the above seven (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 set for the FY 2024/2025 period for its six (6) Strategic Pillars as indicated below:

Strategic Pillars	Objectives	Key Performance Indicators	Activities	Achievements
1. Teacher Training	a) To train and produce highly and professional teachers.	(i) Improved Students performance	<ul style="list-style-type: none"> - Provide adequate revision materials - Formation of discussion groups - Group presentations setting quality exams - Team teaching - Remedial teaching 	Timely syllabus coverage
		(ii) Retention and completion rates of enrolled students	<ul style="list-style-type: none"> - Scheduled guidance and counselling sessions - Motivational talks 	Improved completion rates
		(iii) Quality training	<ul style="list-style-type: none"> - Regular class attendance - Facilitate practice of teaching skills - Administer quality examinations - Use of innovative and creative learning/training methods. - Develop use and maintain professional documents. - Embrace ICT in curriculum delivery. 	Highly qualified graduates
	b) Provide quality teaching and learning resource	(iv) Quality teaching and learning resources	<ul style="list-style-type: none"> - Audit of existing resources - Establish required quantities - Secure resources - Improve management of LRC 	Availability of quality teaching/Learning resources.

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	c) Ensure participation in co-curricular activities	(v) Participation in co-curricular activities	<ul style="list-style-type: none"> - Provide adequate facilities and equipment. - Develop new and improve existing activities. - Train teams to participate. - Nurture students. 	Teams participating in regional and national levels.
2.Human Resource Development	a) To enhance human resource development for the college	a) Conduct competence and skills need assessment.	<ul style="list-style-type: none"> - Developing an audit instrument - Conducting a survey to ascertain the skill needs among the staff - Writing a report 	Survey report prepared
		b) Establish human resource policies.	<ul style="list-style-type: none"> - Developing human resource policy in line with the current constitution. - 	Policy developed
		c) Recruit and induct staff.	<ul style="list-style-type: none"> - Conduct induction programmes. - Identify staff records. 	
		d) Improve staff satisfaction and employee motivation.	<ul style="list-style-type: none"> - Carry out employee satisfaction survey. - Implement recommendations of the survey. 	Motivated staff
		e) Conduct periodic surveys to establish competency gaps.	<ul style="list-style-type: none"> - Develop instruments for the survey. - Conduct survey to establish levels of competence. - Conduct capacity building workshops and seminars. 	Survey report indicating competency gaps. Seminars and workshops to address the gaps.
		f) Management of human resources.	<ul style="list-style-type: none"> - Enhance identification of staff by use of badges. - Install biometric systems for staff clocking in/out documents for staff. 	Well managed staff who adhere to rules and regulations.
		g) Enhance service delivery.	<ul style="list-style-type: none"> - Observe punctuality. - Ensure timelines are observed as per the college service charter. - 	Adherence to the college service charter.
3. Develop and establish efficient ICT infrastructure.	a) Integrate ICT in the core functions of the college.	a) Determine the automation level of the college.	<ul style="list-style-type: none"> - Conducting an automation audit. - Prepare an automation audit report. 	Report to determine automation level.

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		b) Improve ICT infrastructure and facilities.	<ul style="list-style-type: none"> - Procure more computers and ICT equipment. - Expand internet connectivity. - Expand interoffice connectivity. - Establish college website. 	
		c) Automate college operations.	<ul style="list-style-type: none"> - Develop or acquire relevant software. - Install software. 	Software installed.
		d) Build capacity of staff in ICT.	<ul style="list-style-type: none"> - Enhance staff competency in the application of ICT. - Provide staff with passwords access internet. 	Password for both staff
		e) Train students on ICT	<ul style="list-style-type: none"> - Implement ICT training curriculum for the studies. - Provide students with the opportunity for hands on experience. - Provide students with access to ICT facilities and internet connectivity. 	Password for students provided
4. Conducive physical environment	a) To provide adequate physical facilities for training.	a) Secure college	<ul style="list-style-type: none"> - Fencing college land. - Maintain lockable access gates. 	Fencing of college land and maintaining of lockable access gates.
		b) Construct new adequate modern physical facilities.	<ul style="list-style-type: none"> - Prepare a college development master plan for physical facilities. - Prioritise identified projects. - Seek approval. - Sourcing for funds. - Procure materials. - Undertake construction. - Inspection and commissioning the projects. 	Renovation of the building to establish a bakery.
		c) Maintain existing physical facilities.	<ul style="list-style-type: none"> - Carry out needs assessment of needed repairs. - Develop budgets estimates. - Develop implementation work plans. - Repair, maintain and improve the existing physical facilities. 	Painting of buildings flooring.
		d) Maintain a clean college environment.	<ul style="list-style-type: none"> - Maintain the sewerage system. - Increase the number of sanitation facilities. 	College aesthetic maintained.

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			<ul style="list-style-type: none"> - Maintaining waste of disposal structures and services. - Maintain MEWASS water intake point. - Maintain and improve college aesthetics. 	
		e) To enhance safety and security of the college.	<ul style="list-style-type: none"> - Identify critical safety and security areas. - Procure the safety facilities/ services. - Enhance visitor's car register at the gate. - Provide staff with car stickers. - Maintain safety measures within college premises. - Installation of security checks for visitors through signing in and out and wearing a visitor's badge. 	<p>Hired security personnel hired.</p> <p>Security checks maintained at the gate.</p>
		f) Adopt physical facilities for special needs.	<ul style="list-style-type: none"> - Identify the special needs. - Develop new and the existing facilities to cater for special needs/ for inclusivity. - Procure facilities to address the needs. 	Ramps and Walking rails installed along the path ways for inclusivity.
5.Finance	a) To attain financial stability and sustainability.	a) Expand and diversity sources of income to finance some activities in the college.	<ul style="list-style-type: none"> - Establish and maintain viable income generating projects. - Maintain income generating training programmes. - Streamline revenue collection mechanism through pay bill payment and banking in college account. - Write finding proposals to various financiers. - Enhance hiring out of the college facilities. 	Farming activities diversified to include cattle, pigs, chicken and growing of vegetables.
		b) Improve financial discipline and efficiency.	<ul style="list-style-type: none"> - Establish and document procedures to ensure proper management of college finances. - Prepare departmental and sections procurement plans and budgets. - Maintain strict financial management by following proper procurement and tendering procedures. - Regular reporting. 	Bank account of the college.

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6.Welfare	a) To enhance student and staff welfare services.	a) Strengthened students' welfare department and services.	<ul style="list-style-type: none"> - Enhance medical services offered. - Occasionally review student's diet. - Conduct customers' satisfaction survey. - Retain the students guide. - Support religious societies and clubs activities. - Enhance guidance and counselling. 	<p>Clubs and societies were active.</p> <p>Meals improved</p> <p>Bread offered by the college's bakery.</p>
		b) Strengthen students' leadership and governance.	<ul style="list-style-type: none"> - Streamline students' election procedures. - Train students on leadership and governance. - Participate in students' leadership for a meeting. 	Students trained on leadership and governance.
		c) Enhance teaching and non-teaching staff welfare.	<ul style="list-style-type: none"> - Provide essential facilities and equipment. - Train them on emerging issues. - Purchase of staff uniform. - Plan for team building activities. 	Motivated thorough awards recommendation letters and promotion.
		d) Mainstream cross cutting issues.	<ul style="list-style-type: none"> - Identifying cross cutting issues. - Develop relevant policies to protect members against covid-19. - Implement policies on cross cutting issues. 	Installing hand washing points.

8. Corporate Governance Statement

The board of management members were appointed by the CS Ministry of Education in February 2022. The letters however were delivered late and therefore the inaugural meeting was held on 27th October 2022. During this meeting the chairperson was nominated and the principal was confirmed the secretary to the BOM.

Various committees were formed which included:

- Finance, Procurement and General purpose
- Academic Standards, Quality and Environment
- Discipline, Ethics and Integrity
- Audit
- Human Rights and Students Welfare

Of these only the Finance, procurement and General purpose committee has met to revise the budget.

The board was inducted from 23rd to 25th November 2022 in Peaks Hotel Nanyuki. During the inauguration the roles, responsibilities and duties of the BOM were spelt out. The Ministry of Education and TSC office did the work of inducting the board.

According to the Basic Education Act, 2013 the full board meetings should take place once in a term. The meeting schedules were drawn early so that those working outside the country and those with tight work schedules do not miss out.

The executive board meets when there is need and so far it has met once. There are several policies that need to be put in place. The board has committed to do so.

Due to low enrolment and little finance coming from the Ministry of Education, the board did not embark on any project. At the close of the financial year, there were only 79 students in a college that has a capacity of 900. We only planned on payment of staff salaries and recurrent expenditure. The only major activity was the 83rd graduation ceremony held on 16/6/2023. The board also sponsored students for co-curricular activities i.e. regional and national ball games and drama festivals in March and April 2023. It was not possible as was in all other teacher training colleges to fund the national athletics competitions so they did not take place as earlier planned.

It is hoped that the next financial year will be better so that we can draft and execute the next five years' strategic plan. The 2018 – 2023 strategic plan was poorly executed because it coincided with declining enrolment where we only had one year group of 327 students up to 2020 when they sat for their summative evaluation. The next year had no students at all as the Ministry planned to change the curriculum from primary teacher education to diploma in primary teacher education. On 20th March 2020 the college like all other learning institutions in the country closed due to covid – 19 break out and did not resume until September 2020.

Meanwhile the staff had been teaching the candidates online. This boosted their performance when they sat their summative evaluation in December 2020 recording a pass rate of 79.40%

9. Management Discussion and Analysis

9.1. Budgeted Revenue and Government Grant and Subsidies

In FY 2024/2025 we received less funds than in FY 2023/2024 from the Ministry of Education. The following analysis indicates the total government grants & subsidies the college has received over the last three years.

2022/2023-ksh 11,632,180.45

2023/2024- ksh 13,158,969

2024/2025 ksh 9,308,613 ; with ksh 3,432,119 remitted in July 2025.

Ksh 148,493,359 was the actual revenue for FY 2024/2025 being 96% of targeted expected income. The actual revenue includes 9,308,613 Grants from MOE, Ksh.2,503,551 renting of college facilities, 9,019,617 from other incomes and ksh 4,078,843 sales from college farm and 130,138,912 from student fees. This performance is an increase from the previous year due to new intake of students.

The following were major expenditures among others, employee costs ksh 11,339,430 expenditure on students' ksh 72,490,306, administrative costs ksh 1,691,272 travel and subsistence 4,744,770

These were financed mostly from MOE grants, students' fees and hosting/renting of college facilities.

Surplus for the Financial Year ksh 35,953,883 compared to Ksh 22,873,839 surplus for year 2023-2024

9.2. Summary of the college operational performance.

The college is involved with training of teachers for diploma in teacher education. However, it also engages in few income generating activities that help supplement the bursary especially in this era of rising cost of living and inflation.

a) Summary of fire award performance

General areas of non-compliance

- Biological assets disclosures.
- Failure to tag the assets/animals
- Failure to quantify the trees.

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9.3. College's compliance with statutory requirements:

The college complied with the statutory requirements by deducting and remitting the necessary deductions from employees in good time.

b) Training of key staff on financial reporting.

The college supported the principal, the finance officer and the bursar to attend a workshop organised by IPSAS in September 2023.

Major risks facing the college

- Strategic risk – failure to enrol the required number of learners hence unable to perform maximally.
- Compliance risk – the college may not comply with circulars from government as required. The board will strengthen governance to ensure timely compliance.
- Financial risk – Most of the college funds are from grants by MOE and students fees which is difficult to collect 100%.
- Operational risk – staff and students may fall sick hence missing lessons or assigned work. Prompt action will be taken to rush them to hospital. Sensitization meetings will be done to reduce the risk of transmission.

10 . Environmental and Sustainability Reporting Statement

The college is sensitive to environmental sustainability. The board installed a biogas plant, not only to reduce on the cost of buying wood fuel but also for reduction of the depletion of the ozone layer.

We also undertook tree planting of 520 indigenous trees donated by forestry dept and Meru Red Cross Meru chapter

Employee welfare.

The college has sensitized the employees on the contents of the employment Act, 2007. They are given their entitlements in the name of annual leave, maternity and paternity leave and also medical leave as per the doctor's recommendations.

The board supplements the non-teaching staff to Mombasa annually and the teaching staff as need arises. Upon retirement employees are given a token of appreciation as outlined. This increases staff productivity.

Market place practices

The college has put in place the following practices with respect to:

a) Suppliers

- follows the provisions of the PP & AD Act 2015. The college developed:
 - i. Clear requirements
 - ii. Sought quotations because we had very few items to procure.
 - iii. Paid all the bills within the given period.

Customers/constituents

- iv. The college ensured public participation in the change of the college anthem to reflect our current level of training in CBTE. A teacher educator and a number of students were involved in the product and recording of the same in a studio.
- v. Students' matters are handled immediately bearing in mind that our customers are very sensitive.
- vi. The students are issued with the student-guide on the reporting day.
- vii. Constant communications are done using the noticeboards, students' whatsapp groups and bulk sms.
Internally appointed staffs are issued with letters upon appointment.

11 Report of the Board of Management

The Board members submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the *Meru Teachers Training College* 's affairs.

i) Principal activities

The principal activities of the BOM are set generally accepted diploma in primary teacher and early childhood teacher training in Kenya.

The board complied with the IPSAS financial reporting for 2024/2025.

ii) Results

The results of the Meru Teachers Training College for the year ended June 30 are set out on page 1-37


Board of Management

The members of the Board who served during the year are shown on page vii & viii

Auditors

The Auditor General is responsible for the statutory audit of the *Meru Teachers Training 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/Council
Nairobi
Date: 30.10.2025

12 Statement of Board of Management

Section 83 of the Public Finance Management Act, 2012 and (*section 14 of the State Corporations Act*), require the board members to prepare financial statements in respect of Meru Teachers Training College, which give a true and fair view of the state of affairs of the at the end of the financial period and the operating results of the *Meru Teachers Training College for* that period. The board members are also required to ensure that the *Meru Teachers Training College keeps* proper accounting records which disclose with reasonable accuracy the financial position of the *Meru Teachers Training College*. The council members are also responsible for safeguarding the assets of the *Meru Teachers Training College*.

The board members are responsible for the preparation and presentation of the *Meru Teachers Training College 's* financial statements, which give a true and fair view of the state of affairs of the *Meru Teachers Training College for* and as at the end of the financial period ended on **30th June 2025**. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Meru Teachers Training College ; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the *Meru Teachers Training College* ; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The board members accept responsibility for the *Meru Teachers Training College 's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The board members are of the opinion that the *Meru Teachers Training College 's* financial statements give a true and fair view of the state of *Meru Teachers Training College 's* transactions during the period ended **30TH JUNE 2025**, and of the *Meru Teachers Training College 's* financial position as at that date. The board members further confirm the completeness of the accounting records maintained for the *Meru Teachers Training College*, which have been relied upon in the preparation of the *Meru Teachers Training College 's* financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the board members to indicate that the *Meru Teachers Training College 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 *Meru Teachers Training College 's* financial statements were approved by the Board on 26th August 2025 and signed on its behalf by:

.....
Name **DR. WILSON MUGAMBI**
Chairperson of the Board/Council

.....
Name **DR. GILCHRIST F.M.**
Accounting Officer/Principal

REPUBLIC OF KENYA



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Website: www.oagkenya.go.ke

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

REPORT OF THE AUDITOR-GENERAL ON MERU 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 Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, 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 Meru Teachers College set out on pages 1 to 41, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial statements do not present fairly, in all material respects, the financial position of Meru Teachers 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 Basic Education Act, 2013 and the Public Finance Management Act, 2012 .

Basis for Qualified Opinion

1. Unsupported and Unvalued Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment (PPE) net book value of Kshs.447,438,907 which is at variance with the recomputed net book value of Kshs.446,336,991 as disclosed in PPE movement schedule in Note 21 to the financial statements. The resulting variance of Kshs.1,101,916 has not been explained.

Included in the net book value is Kshs.367,680,000 and Kshs.67,885,703 in respect to land and building respectively. However, valuation report for these assets was not provided for audit review. In addition, physical verification at the College in the month of September, 2025 revealed that eight (8) blocks of classrooms, seventeen (17) blocks of hostels, and twenty-one (21) units of staff house, fifty-five (55) laptops, forty (40) desktop computers and a printer have not been valued and disclosed in the financial statements. Further, under the significant accounting policies, the financial statement has not disclosed the rates of depreciation for the assets hence the depreciation charge for the year could not be confirmed.

Further, the College Management did not provide for audit review an updated non-current assets register. In addition, these assets were not tagged with unique identifiers or reference and properly recorded in both manual and automated registers and were therefore prone to misplacement, loss and misuse.

In the circumstances, the accuracy and completeness of property, plant and equipment (PPE) net book value of Kshs.447,438,907 could not be confirmed.

2. Unsupported Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents balance of Kshs.13,513,772 which as disclosed in Note 18(a) to the financial statements includes a balance of Kshs.13,132,597 in respect to four (4) accounts held by the College. However,

bank reconciliation statements, cash book and bank confirmation certificates for the above accounts were not provided for audit review.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.13,513,772 could not be confirmed.

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

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.154,829,049 and Kshs.148,020,738 respectively resulting to an under-funding of Kshs.6,808,311 or 4% of the budget. Similarly, the College spent Kshs.160,776,035 against actual receipts of Kshs.148,020,738 resulting to an over-utilization of Kshs.12,755,297 or 9% of the actual receipts.

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

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 the 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 Previous Year Matters

In the prior years' audit reports, 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 Meru Teachers College in 2024/2025 revealed that the matters remained unresolved as detailed in Appendix attached.

Other Information

Management is responsible for the Other Information set out on pages iii to xxi which comprise of College Information and Overall Performance, Statement of Performance against College Predetermined Objectives, Environmental and Sustainability Reporting and Statement of College Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the College's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this Other Information and I am required to report that fact. 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 the Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Irregular Transfer of Funds to Unrecognized Institutions

The statement of financial performance reflects use of goods and services amount of Kshs.78,926,353 which as disclosed in Note 12 to the financial statement includes an amount of Kshs.8,193,063 in respect co-curricular activities expenses. Included in this amount is Kshs.3,035,300 paid to various organizations not defined in the Government funding contrary to Regulation 23(2)c of the Public Finance Management (National Government) Regulations ,2015 which states that an Accounting Officer shall, before transferring any funds to an entity within or outside Government, ensure that there is a written assurance from the entity that it shall implement effective, efficient and transparent financial management and internal control systems, or, if such written assurance is not or cannot be given, render the transfer of the funds subject to conditions and remedial measures requiring the entity to establish and implement effective, efficient and transparent financial management and internal control system.

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

2. Failure to Deduct and Remit Public Procurement Capacity Building Levy

The Public Procurement Capacity Building Levy of 0.03% was not and remitted to the Public Procurement Regulatory Authority (PPRA) effective on 1 September, 2024. This was contrary to circular No. 01/2024 referenced PPRA/6/5 VOL II (224) dated 30 August, 2024 which requires that all procuring entities should collect the levy from all suppliers on all procurement contracts signed between the supplier and a procuring entity. The amount should be remitted through e- citizen platform and file monthly returns to the Authority by the 20th day of the subsequent month.

In the circumstances, Management was in breach of law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Weak Human Resource Governance and Controls

Review of human resource records maintained at the College revealed the following anomalies.

- i. The Salaries and Remuneration Commission (SRC) issued an updated salary structure in the year, 2024. However, staff salaries and allowances at the College have not been adjusted to reflect the current approved rates.
- ii. Review of approved establishment revealed that College is operating with staffing gaps in the key teaching areas including Physical Education, Kiswahili, Christian Religious Education, Islamic Religious Education, Home Science, Music, Art, and Craft.
- iii. The College did not provide for audit review an approved HR Manual and a formal career progression plan for its staff.

In the circumstances, the effectiveness of human resource governance and related internal controls at 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 to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and the Board of Management

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

11 November, 2025

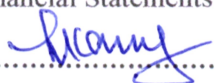
Appendices - Unresolved Previous Year Matters

No	Paragraph	Amount Kshs.
1	Unsupported and Un valued PPE Balance	385,027,362
2	Unsupported Other Expenses	2,144,900
3	Unsupported Repairs and Maintenance Property	1,642,500
4	Unsupported Repairs and Maintenance Property	1,779,496
5	Inadequate documentation of Fuel	1,349,534
6	Budgetary Control and Performance	
7	Failure to Implement Designated Pay bill for Government Services	
8	Non-Compliance with Staff Ethnic Composition Requirement	
9	Irregular Reallocation of Personnel Emoluments	1,709,970
10	Irregular Transfer of Funds to Unrecognized Institutions	2,160,700
11	Inefficiencies in Respect to Income Generating Projects/Activities	
12	Weaknesses in IT Internal Control	
13	lack of Approved Human Resource Policy	
14	Lack of Published Internal Audit Report.	
15	Lack of Risk Management Policy Framework	
16	Ineffective Governance	

14. Statement of Financial Performance for the Year Ended 30 June 2025

	Notes	2024-2025	2023-2024
		Ksh	Ksh
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	12,740,732	13,158,969
		12,740,732	13,158,969
Revenue from Exchange transactions			
Rendering of services- fees from students	7	130,138,912	78,877,872
Sale of goods	8	4,078,843	5,100,203
Rental revenue from facilities and equipment	9	2,503,551	3,301,935
Finance income	10	-	423,059
Other income	11	9,019,617	10,069,354
Revenue from Exchange transactions		145,740,923	97,772,423
Total Revenue		158,481,655	110,931,392
Expenses			
Use of goods and services	12	78,926,353	53,365,554
Employee costs	13	11,339,430	12,022,137
Board /Council Expenses	14	902,500	1,204,349
Depreciation and amortization expense	15	11,052,017	5,596,300
Repairs and maintenance	16	6,008,268	3,541,421
Other expense	17	14,299,204	12,327,792
Total Expenses		122,527,772	88,057,553
Net surplus/(deficit) for the year		35,953,883	22,873,839

The Financial Statements set out on pages 1 to 30 were signed by:

.....


Chairman of Council/Board

.....


Finance Officer

ICPAK No 32227

.....


Principal

Date 30/10/2025

Date 30.10.2025

Date 30.10.2025

15. Statement of Financial Position as at 30th June 2025

Description	Notes	2024-2025	2023-2024
		Ksh	Ksh
Assets			
Current Assets			
Cash and cash equivalents	18	13,513,772	26,269,070
Receivables from non-exchange transactions	19	3,432,119	.00
Receivables from exchange transactions	20	14,694,845	8,125,549
Inventories	21	2,413,257	2,425,376
Investments		-	-
Total Current Assets		34,053,993	*36,819,995*
Non-Current Assets			
Property, plant, and equipment	22	447,438,907	385,027,363
Intangible asset	23	937,500	-
Total Assets		482,430,400	*421,847,358*
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	24	25,112,392	2,034,964
Other account payables	25	976,239	253,633
Total Current liabilities		26,088,631	*2,288,597*
Non-Current Liabilities			
Total Liabilities		26,088,631	*2,288,597*
Net Assets		456,341,769	419,558,761
Reserves		-	-
Accumulated Surplus		456,341,769	419,558,761
Capital Fund		-	-
Net Assets		456,341,769	419,558,761

The Financial Statements set out on pages 1 to 41 were signed by:

.....   

Chairman of Council/Board

Finance Officer

Principal

ICPAK No 32227

Date 30/10/2025

Date 30.10.2025

Date 30.10.2025

* Prior year figure restated to correct re-errors in the previous period

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

16. Statement of Changes in Net Asset For The Year Ended 30 June 2025

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2023	-	396,684,922	-	396,684,922
Revaluation gain	-	-	-	00
Surplus/(deficit) for the year	-	22,873,839	-	22,873,839
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2024	-	419,558,761	-	419,558,761
			-	
At July 1, 2024	-	419,558,761	-	419,558,761
Adjustments		829.125		829,125
Revaluation gain		-	-	00
Surplus/(deficit) for the year	-	35,953,883	-	35,953,883
Capital grants received during the year	-	-	-	-
At June 30, 2025	-	456,341,769	-	456,341,769

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

17. Statement of Cash Flows For the Year Ended 30 June 2025

Description	Note	2024-2025	2023-2024
		Ksh	Ksh
Cash flows from operating activities			
Receipts			
Transfers from other government entities/govt. Grants		9,308,613	13,158,969
Rendering of services- fees from students		123,569,616	70,752,323
Sale of goods		4,078,843	5,100,203
Rental revenue from facilities and equipment		2,516,670	3,301,935
Finance income		-	423,059
Other income		9,019,617	10,069,354
Total Receipts		148,493,359	102,805,843
Payments			
Compensation of employees		11,339,430	12,022,137
Use of goods and services		55,849,925	53,365,554
Repairs and maintenance		6,008,268	3,541,421
BOM Allowances		902,500	1,204,349
Other cost		14,299,204	12,564,782
Total Payments		88,399,327	*82,698,243*
Net Cash Flows from operating activities	26	60,094,032	*20,107,600*
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		72,849,329	*2,479,034*
Proceeds from sale of property, plant and equipment		-	-
Net cash flows used in investing activities		72,849,329	*2,479,034*
Cash flows from financing activities			
Proceeds From Borrowing		-	-
Repayment Of Borrowings		-	-
Deposits receipts		-	-
Net cash flows used in financing activities		-	-
Net Increase/(Decrease) in Cash and Cash equivalents		(12,755,297)	17,628,566
Cash and Cash equivalents at 1 JULY		26,269,070	8,640,504
Cash and Cash equivalents at 30 JUNE	18	13,513,773	26,269,070

* Prior year figure restated to correct re-errors in the previous period

**18. Statement of Comparison of Budget & Actual amounts For Year
 Ended 30 June 2025**

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	Ksh	Ksh	Ksh	Ksh	Ksh	%
Revenue						
Transfers from other levels of government Grants	13,158,969	-	13,158,969	9,308,613	(3,850,356)	-41.0%
Rendering of services-fees from students	103,415,580	-	103,415,580	123,569,616	12,028,487	10.42%
Sale of goods	3,140,000	-	3,140,000	4,078,843	938,843	23.02%
Rental revenue from facilities and equipment	2,996,000	-	2,996,000	2,044,049	(951,177)	-47.0%
Finance income	-	-	-	-	-	%
Other Income	32,118,500	-	32,118,500	9,019,617	(23,098,883)	-256.1%
Total Income	154,829,049	-	154,829,049	148,020,738		
Expenses						
Use of goods and services	69,180,735	-	69,180,735	55,849,925	12,376,826	21.8.0%
Employee costs	12,709,104	-	12,709,104	11,339,430	1,369,674	12.05%
Board /Council Expenses	900,000	-	900,000	902,500	(2,500)	-0%
Repairs and maintenance	3,397,430	-	3,397,430	6,008,268	(2,610,838)	-43.45%
Other expenses/farm expenses	27,739,500	-	27,739,500	14,299,204	13,440,296	93.99.%
Capital Expenditure	40,902,280	-	40,902,280	72,376,708	(29,292,215,00)	(71.62)
Total Expenditure	154,829,049	-	154,829,049	160,776,035		
SURPLUS				(12,755,297)		

1. The difference in performance is due to more enrolment of student during the year

Budget Reconciliation:

Surplus	(12,755,297)
Balance 1.07.2024	26,269,070
Balance 30.06.2025	13,513,773

19. Notes to the Financial Statements

1. General Information

Meru Teachers Training College was started by the Methodist Church in Kenya in 1947 at Kaaga Mission. The main objective was to train P4 Teachers for the Methodist Schools in the greater Meru District. The college derives its mandate from the constitution of Kenya 2010, the Basic Education Act, 2013 and sessional paper No. 14 of 2012.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *Meru 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 in notes to the statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *Meru Teachers Training College*.

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

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

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2023.

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of a Meru Teachers Training College 's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between a Meru Teachers Training College 's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42: Social Benefits	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Meru Teachers Training College provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the Meru Teachers Training College.</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Meru Teachers Training College 's financial performance, financial position and cash flows.</p>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when</p>

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Standard	Effective date and impact:
	<p>IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008). • <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.

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

Standard	Effective date and impact:
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of a Meru Teachers Training College.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

iii. Early adoption of standards

Meru Teachers Training College did not early-adopt any new or amended standards in year 2024.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Meru 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 has been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

The Meru 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 the Meru 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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

b) Budget information

The original budget for FY 202/2025 was approved by the Board June 2024. 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 Meru Teachers Training College upon receiving the respective approvals to conclude the final budget. The Meru Teachers Training College 's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page xx under section xxx of these financial statements.

c) Taxes

Current income tax

The Meru Teachers Training College is exempt from paying taxes as per schedule

Sales tax/ Value Added Tax

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

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

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

d) Investment property

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

e) Property, plant and equipment

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

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Meru Teachers Training College. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Meru Teachers Training College also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Meru Teachers Training College will obtain ownership of the asset by the end of the lease term, the asset is

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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 Meru Teachers Training College. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

g) Intangible assets

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

h) Research and development costs

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

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

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

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i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The Meru Teachers Training College does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements.*

. A financial instrument is any contract that gives rise to a financial asset of one Meru Teachers Training College and a financial liability or equity instrument of another Meru Teachers Training College. At initial recognition, the Meru Teachers Training College measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Financial assets

Classification

The Meru Teachers Training College classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the Meru Teachers Training College '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 a Meru Teachers Training College has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the Meru Teachers Training College

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.

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Fair value through net assets/ equity

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

j) Inventories

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

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

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

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Inventories (Continued)

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

k) Provisions

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

Contingent liabilities

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

Contingent assets

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

l) Social Benefits

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

m) Nature and purpose of reserves

Meru Teachers Training College creates and maintains reserves in terms of specific requirements.

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

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

p) Foreign currency transactions

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

q) Borrowing costs

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

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

r) Related parties

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

s) Service concession arrangements

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

t) Cash and cash equivalents

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

u) Comparative figures

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

v) Subsequent events

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

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

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

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Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

Description	2024-2025	2023-2024
	Ksh	Ksh
Unconditional Grants		
Operational Grant	12,740,732	13,158,969
Total unconditional Grants	12,740,,732	13,158,969

7. Rendering of Services

Description	2024-2025	2023-2024
	Ksh	Ksh
Tuition Fees	3,097,171	1,886,156
Activity Fees	3,129,680	2,109,956
Industrial Attachment Fees		
Examination Fees	24,396,200	67,700
Library Fees	774,800	1,257,100
Facilities And Materials		
Local travel	5,834,330	4,227,587
ICT/ Internet	6,183,360	4,185,489
Personal emolument subsidy	11,960,314	8,102,124
Boarding Equipment and Stores [BES]	46,356,859	27,720,135
Medical Fund	1,552,278	963,274
Repairs Maintenance and Insurance	4,635,260	3,299,643
Vehicle, Repairs, Maintenance and Insurance	9,270,540	6,638,756
Student Council	357,600	583,200
Contingencies\ ADM	3,412,626	2,401,453
Electricity, Water and Conservancy Fees [E.W.C]	6,115,244	3,758,454
Clubs, Societies and Community Service Learning	357,600	583,200
Games Equipment Fees		2,837,248
Lesson Plan Books	715,200	1,163,900
Track Suit		2,402,500
Bank Charges Fees	149,000	243,000
Student Guide/ID	357,600	583,200
Practicum	1,483,250	2,379,210
Medical Charges		281,586
KUCCPS Registration Fees		1,203,000
Total Revenue from The Rendering of Services	130,138,912	78,877,872

(This is revenue received from students as per the fees structure)

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8. Sale of Goods

Description	2024-2025	2023-2024
	Ksh	Ksh
Sale of Farm Produce	4,078,843	5,100,203
Total Revenue from Sale of Goods	4,078,843	5,100,203

(Revenue from sale of farm produce)

9. Rental revenue from facilities and equipment

Description	2024-2025	2023-2024
	Ksh	Ksh
Hire of Facilities and Equipment	83,820	676,200
House Rents	1,105,500	817,000
Hire of Bus	927,231	1,536,735
Hire of Field	387,000	272,000
Total	2,503,551	3,301,935

(This income includes hire of fields' accommodation fees hosting of trainings and staff house rent)

Notes to the Financial Statements (Continued)

10. Finance Income

Description	2024-2025	2023-2024
	Ksh	Ksh
Interest on fixed deposits	0	423,059
Total finance income	0	423,059

(This Revenue is Interest from fixed deposit)

11. Other Income

Description	2024-2025	2023-2024
	Ksh	Ksh
Income from sale of tender	1,000	40,000
Sale of obsolete items	17,130	7489
Graduation fees	0	54,000
Accommodation	1,567,065	8736610
Bakery	0	106,355
Non Fees Income	201,649	62,000
Catering, Conferences and Delegations	706,700	1,062,900
Track suit	1,492,500	0
Games Equipment Fees	1,788,000	0
Medical Charges	692,574	0
KUCCPS Registration Fees	2,553,000	0
Total other income	9,019,617	10,069,354

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Notes to the Financial Statements (Continued)

12. Use of Goods and Services

Description	2024-2025	2023-2024
	Ksh	Ksh
Teaching and learning materials	1,098,016	422,985
Practicum costs	68,300	87,450
Electricity/Water ,Conservancy	2,779,276	2,898,875
Boarding Equip, and stores - students	26,700,189	19,790,834
Administration costs	1,691,272	2,067,831
Co-curricular activities expenses	8,193,063	6,765,320
Examination fees	24,113,990	60,230
Catering, conferences, and delegations	0	442,557
Student uniforms and tracksuit	0	1,483,200
Graduation cost	0	00
Travelling, accommodation, & Fuel	4,744,770	3,285,541
Farm inputs	0	2,060,605
Student council, clubs costs	457,099	175,090
Bank charges	4,499	00
Tender expenses	0	224,516
Insurance	178,304	424,100
Medical/ Co-vid -19 expenses	442,800	415,132
Internet expenses	1,794,854	3,690,153
Bakery expense	0	497,334
Club & Environmental Subsidy	123,560	325,595
Lesson Plan Books Expense	37,500	26,000
Student ID/Guide	198,180	242,000
Vehicle Repairs& Maintenance Expense	2,598,472	2,989,554
Library Books/Straw Board	120,070	120,475
Medical Fund Expenses	0	335,967
P.E Subsidy Expense	3,582,139	1,709,970
Games Equipment expenses	0	1,357,240
Kuccps Expense	0	1,467,000
Total good and services	78,926,353	53,365,554

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Notes To the Financial Statements (Continued)

13. Employee Costs

Description	2024-2025	2023-2024
	Ksh	Ksh
Salaries and wages	10,965,032	11,489,949
Employee related costs – Gratuity	374,398	532,188
Employee Costs	11,339,430	12,022,137

14. Board/Council Expenses

Description	2024-2025	2023-2024
	Ksh	Ksh
BOM Allowances	860,000	781,000
Other Board Expenses	42,500	423,349
Total	902,500	1,204,349

15. Depreciation and Amortization expense

Description	2024-2025	2023-2024
	Ksh	Ksh
Property, plant and equipment	10,739,517	5,596,300
Intangible asset	312,500	
Total depreciation and amortization	11,052,017	5,596,300

16. Repairs and Maintenance

Description	2024-2025	2023-2024
	Ksh	Ksh
Property rehabilitation/Repairs	6,008,268	3,541,421
Total Repairs and Maintenance	6,008,268	3,541,421

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17 Other expense

Description	2024-2025	2023-2024
	Ksh	Ksh
Hire of Bus Expense	393,135	652,946
Hire of Fields Expense	18,000	2,500
Hire of Facilities	18,000	106,000
Accommodation Conferences Expense	949,399	9,250,341
Farm Expenses	3,858,882	638,505
Staff Expenses	75,000	1,677,500
Rents and other expenses	3,015,691	-
Set Books Expense	160,000	-
Student Uniforms and Tracksuit	2,356,000	-
Catering Conference and Delegations	77,265	-
Tender Expenses	17,500	-
Bakery Expense	844,225	-
Medical Fund Expenses	716,407	-
Games Equipment expenses	905,700	-
KUUPS Expense	894,000	-
Total Other expenses	14,299,204	12,327,792

18.Cash and Cash Equivalents

Description	2024-2025	2023-2024
	Ksh	Ksh
Current Account	13,132,597	25,694,786
Fixed Deposits Account	-	-
Others (Mpesa /cash in hand)	381,175	574,284
Total Cash and Cash Equivalents	13,513,772	26,269,070

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

		2024-2025	2023-2024
Financial Institution	Account number	Ksh	Ksh
a) Current Account			
Kenya Commercial Bank	1103275658	772,682	1,728,691
Standard chartered Bank	0102063426000	10,553,055	9,624,634
Co-op Bank	01120075085500	1,806,288	13,341,888
Co-op Bank [CDF]		572	999,571.50
Sub- Total		13,132,597	25,694,786
b) Fixed Deposits Account			
Sub- Total			
c) Others(Specify)			
Cash in Transit Cheques			-
Cash in Hand		36,550	37,369
Mobile Money account		344,625	536,915
Sub- Total		381,175	574284
Grand Total		13,513,772	26,269,070

19. Current Receivables from Non Exchange transactions

Description	2024-2025	2023-2024
	Ksh	Ksh
Current Receivables		
Grant from MOE	3,432,119	-
Total Current Receivables	3,432,119	-

20. Current Receivables from Exchange transactions

Description	2024-2025	2023-2024
	Ksh	Ksh
Current Receivables		
Student Debtors	14,675,817	7,878,744
General Debtors	19,028	246,805
Total Current Receivables	14,694,845	8,125,549

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Notes to the Financial Statements (Continued)

21. Inventories

Description	2024-2025	2023-2024
	Ksh	Ksh
Consumable stores	246,745	1,948,847
Maintenance stores	19,260	33,750
Cleaning Materials stores	2,376	38,200
Catering stores	2,144,876	404,579
Total Inventories at lower of Cost and Net Realizable Value	2,413,257	2,425,376

22. Property, Plant and Equipment

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation Rate		10%	25%	15%	25%	30%	
At 1 st July 2024	367,680,000	15,016,460	6,148,565	1,142,733	635,906	-	390,623,664
Depreciation	-	3,754,115	1,537,141	114,273	190,772	-	5,596,300
Disposals						-	
Impairment	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-
At 30 th Jun 2024	367,680,000	11,262,345	4,611,424	1,028,459	445,134	-	385,027,364
Additions		62,941,863	0	6,114,700	00	2,870,145	71,126,708
Disposals	-	-	-	-	-	-	-
Transfer /Adjustments	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-
At 30 th June 2025	367,680,000	75,428,559	4,611,424	7,143,159	445,134	2,870,145-	456,154,071
Depreciation	-	7,542,856	1,152,856	1,071,474	111,284	861,044	10,739,514
Impairment	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-
At 30 th June 2025	367,680,000	67,885,703	3,458,568	6,071,685	333,850	2,009,101	447,438,907

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23. Intangible asset

Cost	Intangible asset	Total
	Kshs	Kshs
Depreciation Rate	25%	
At 1st July 2024	-	-
Depreciation	-	-
Disposals	-	-
Impairment	-	-
Transfer/Adjustment	-	-
At 30th Jun 2024	-	-
Additions	1,250,000	1,250,000
Disposals	-	-
Transfer /Adjustments	-	-
Revaluations	-	-
At 30th June 2025	1,250,000	1,250,000
Depreciation	312,500	312,500
Impairment	-	-
Transfer/Adjustment	-	-
At 30th June 2025	937,500	937,500

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Notes to the Financial Statements (Continued)

24. Trade and Other Payables

Description	2024-2025	2023-2024
	Ksh	Ksh
Trade payables	22,122,439	1,724,817
Fees paid in advance	2,989,953	310,147
Total Trade and Other Payables	25,112,392	2,034,964
Ageing analysis:		
Under one year	25,112,392	100%
1-2 years		%
2-3 years		%
Over 3 years		%
Total (to tie to totals above)	25,112,392	%

25 . Other Account payables

Description	2024-2025	2023-2024
	Ksh	Ksh
Clubs Deposits	69,518	27,510
PPRA Levy	3,075	0
CDF Bursary	749,500	160,8000
County Bursary	72,000	44,000
Other Bursary	82,146	21,323
Grand Total	976,239	*253,633*

* Prior year figure restated to correct re-errors in the previous period

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26. Cash generated from operations.

	2024-2025	2023-2024
	Ksh	Ksh
Surplus for the year before tax	32,521,764	22,873,839
Adjusted for:		
Depreciation	11,052,017	5,596,300
Non-Cash grants received		-
Contributed assets		-
Impairment		-
Gains and Losses on Disposal of Assets		-
Contribution to provisions		-
Contribution to impairment allowance		-
Finance Cost		(423,059)
Total	43,573,781	28,047,080
Working Capital Adjustments		
Increase /Decrease in Inventory	12,119	(1,338,170)
Increase in Receivables	(6,569,296)	*7,298,101*
Increase in Deferred Income		-
Increase in Payables	23,077,428	696,791
Increase in Payments received in advance		
Net Cash Flow from Operating Activities	60,094,032	*20,107,600*

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

* Prior year figure restated to correct re-errors in the previous period

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Appendix: 1

Implementation Status of Auditor-General Recommendation

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. Unsupported and Unvalued Property, Plant and Equipment Balance	<p>The statement of financial position reflects property, plant and equipment balance of Kshs.385,027,362 as disclosed in Note 22 to the financial statements. Included in the balances are Kshs.367,680,000 and Kshs.11,262,235 in respect to land and building respectively. However, valuation report for these assets was not provided for audit review. In addition, physical inspection at the College in the month of December, 2024 revealed that eight (8) blocks of classrooms, seventeen (17) blocks of hostels, and twenty-one (21) units of staff house have not been valued and disclosed in the financial statements. Further, under the significant accounting policies, the financial statement has not disclosed the rates of depreciation for the assets hence we could not confirm the depreciation charge for the year.</p> <p>The College Management did not provide for audit review an updated non-current asset register. In addition, these assets were not tagged with unique identifiers or reference and properly recorded in both manual and automated registers and were therefore prone to misplacement, loss and misuse. In the circumstances, the accuracy and completeness of property, plant and equipment (PPE) balance of Kshs.385,027,362 could not be confirmed.</p>	Valuation of all the assets in the process	Issue recurring. Issue not addressed	June 2026

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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)
2. Inaccuracies in the Statement of Cash Flows	<p>The statement of cash flow for the year ended 30 June, 2024 reflects cash and cash equivalent balance of Kshs.26,269,070 which is at variance with the re-casted amount of Kshs.28,304,034. The resulting variance balance of Kshs.2,034,964 has not been reconciled. In addition, the statement of cash flows reflects net cash flows from operating activities amount of 18,309,626 while Note 25 to the financial statements discloses net cash flows from operating activities amount of Kshs.(5,686,199) resulting in a variance of Kshs.23,995,825 which has not been explained or reconciled. In the circumstances, the accuracy of the statement of cash flows could not be confirmed.</p>	Cash flows statements were submitted	Resolved	
3. Unsupported Other Expenses	<p>The statement of financial performance and as disclosed in Note 17 to the financial statements reflects an amount of Kshs.12,327,792 in respect to other expense, which further includes an amount of Kshs.9,250,341 for accommodation conference expense. The latter balance includes an amount of Kshs.2,144,900 paid as facilitation fees to staff on hosting various activities at the college. However, review of payment vouchers and their related supporting documents including approved rates, requisition outlining activities and period, attendance list, imprest warrants and signed payment schedule were not provided for audit review in support to the expenditure. In the circumstances, the accuracy and completeness of facilitation fee amount of Kshs.2,144,900 could not be confirmed.</p>	Support documents provided. Policy developed on staff facilitation during hosting	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)
4.	<p>Unsupported Repair and Maintenance of Motor Vehicle</p> <p>The statement of financial performance and as disclosed in Note 12 to the financial statements reflects Kshs.53,365,554 in respect to use of goods and services which further include an amount of Kshs.3,698,042 for repair maintenance and insurance. The latter expenditure includes amounts of Kshs.860,500 and Kshs.782,000 paid for repairs of motor vehicles and supply of spare parts respectively. However, it was noted that procurement documents on identification and engagement of the respective supplier of service including the contract agreement and motor vehicle inspections reports were not provided for audit verification. Further, the College issued imprest amounting to Kshs.303,960 to various staff for repair of motor vehicle without use of imprest register, imprest warrant and evidence of surrender of amount issued as part of accountability for the same. In the circumstances, the accuracy and completeness of repairs and maintenance of motor vehicles amount of Kshs.1,642,500 could not be confirmed.</p>	Support documents provided	Issue resolved	
5.	<p>Unsupported Repairs and Maintenance of Property</p> <p>The statement of financial performance and as disclosed in Note 16 to the financial statements reflects a balance of Kshs.3,541,421 in respect to expenditure on repairs and maintenance. Included in the balance are amounts of Kshs. 863,450 and Kshs.913,046 in respect procurement of goods and services using quotation and procurement of hardware materials using framework contract respectively. However, review of documents revealed that quotation documents from the suppliers, evaluation minutes from the tender evaluation committee the appointment letters to the ad hoc committee, approved professional</p>	The procurement process being done	Issue not 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)
	<p>opinion from the head of procurement and letter of award to the successful bidder were not provided for audit review. Further, it was noted that the suppliers were not in the approved list of prequalified suppliers for the year under review.</p> <p>In the circumstances, the accuracy, completeness and validity of amount of Kshs.1,779,496 spent on repairs and maintenance of property could not be confirmed.</p>			
6. Inadequate Documentation on Fuel Consumption	<p>The statement of financial performance reflects use of goods and services amount of Kshs.53,365,554 which includes travelling, accommodation and fuel amount of Kshs.3,285,541 as disclosed in Note 12 to the financial statements. Included in this amount is Kshs.1,349,534 paid to firms in respect of bulk purchase of fuel by the College. However, Management did not provide for audit review the fuel register, work tickets, detailed orders and receipts to confirm how the bulk fuel purchases were utilized.</p> <p>In the circumstances, the accuracy and completeness of Kshs.1,349,534 paid to firms in respect of bulk purchase of fuel could not be confirmed.</p> <p>The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Meru 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.</p>	Documents provided	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)
Budgetary Control and Performance	<p>The statement of comparison of budget and actual amount reflects approved final budget of Kshs.94,969,400 and actual on comparable basis of Kshs.116,926,341. The resulting variance of Kshs.21,956,941 or 23% represent over collection of revenue. Similarly, college expended Kshs.82,461,252 against actual receipts of Kshs.116,926,341, resulting in to underutilization of Kshs.34,465,089 or 29% of the approved budget.</p> <p>In the circumstances, under-expenditure affected the planned activities and programs and impacted negatively on service delivery to the public.</p>	Re calculations done	Resolved	
1. Failure to Implement Designated Pay bill for Government Services	<p>The statement of financial performance reflects an amount of Kshs.92,036,843 in respect to rendering of services. However, review of documents provided for audit revealed that the College had not implemented the recommended Digital pay bill off 222222 and the College also not been integrated into the e-citizen platform. Management did not provide explanations as to why the institution was not using the recommended pay bill number as directed by Executive office of the President vide circular Ref. No. SH/EOP/1 VOL.II(14) of 10 July, 2023.</p> <p>In the circumstances, Management was in breach of the circular.</p>	Process initiated	Issue not addressed	June 2026
2. Non-Compliance with the law on Staff Ethnic Requirement.	<p>Review of payroll and staff establishment records revealed that College had five (5) employees in Management position (Job group J and above). However, it was established that all employees in the Management position were from the same ethnic community contrary to Section 7(1) and (2) of the National Cohesion and Integration Commission Act, 2008 which states that all public</p>	Management is committed to improve the ratio in the subsequent employments and Implement affirmative action		

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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)
	<p>establishments shall seek to represent the diversity of the people of Kenya in the employment of staff. (2) no public establishment shall have more than one third of its staff from the same ethnic community.</p> <p>In the circumstances, Management was therefore in breach of the law.</p>	<p>recruitment plans in collaboration with NCPWD to progressively achieve the statutory requirement.</p>		
3. Non-Compliance with Third Rule of Basic Pay	<p>Review of payroll revealed that fourteen (14) members of staff had over-committed their salaries beyond two thirds of their basic salary contrary to provisions of Section C. (1)(3) of PSC Human Resource Policies and Procedure Manual, 2016 states that public officers shall not over-commit their salaries beyond two thirds (2 /3) of their basic salaries and Heads of Human Resource Units should ensure compliance.</p> <p>In the circumstances, Management was in breach of the Manual.</p>	<p>Management is committed to improve the ratio in the subsequent employments and Implement affirmative action recruitment plans in collaboration with NCPWD to progressively achieve the statutory requirement.</p>		
4. Irregular Reallocation of Personnel Emoluments	<p>The statement of financial performance and as disclosed in Note 12 to the financial statements reflects an amount of Kshs.53,365,554 in respect to use of goods and services which further include an amount of Kshs.1,709,970 for personal emoluments subsidy expense. However, no evidence of approval from the National Treasury to reallocate funds earmarked for personnel emolument to other expenditure line was provided for audit. This is contrary to Regulations 48.(1) of the Public Finance Management (National Government) Regulations 2015 require that for purposes of section 43(3) of the Act, Accounting Officers,</p>	<p>The authorization to spend on the security firm sort</p>	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)
	<p>may authorize reallocation of funds within programmes or sub-votes provided that (d) the reallocation does not affect the voted provisions from wage to non-wage expenditure or from capital to recurrent expenditure; and (e) allocations earmarked by the National Treasury for a specific purpose may not be used for other purposes, except with Treasury's approval.</p> <p>In the circumstances, Management was in breach of the law.</p>			
5. Irregular Transfer Funds of	<p>The statement of financial performance reflects use of goods and services amount of Kshs.53,365,554 which as disclosed in Note 12 to the financial statement includes an amount of Kshs.6,765,320 in respect co-curricular activities expenses. Included in this amount is Kshs.2,160,700 paid to various organizations not defined in the Government funding contrary to Regulation 23(2)c of the Public Finance Management (National Government) Regulations ,2015 which states that an Accounting Officer shall, before transferring any funds to an entity within or outside Government, ensure that there is a written assurance from the entity that it shall implement effective, efficient and transparent financial management and internal control systems, or, if such written assurance is not or cannot be given, render the transfer of the funds subject to conditions and remedial measures requiring the entity to establish and implement effective, efficient and transparent financial management and internal control system</p> <p>In the circumstances, Management was in breach of the law.</p>	<p>The teacher training colleges fund their co-curricular activities through this association for a common pull as per the principal teacher training colleges association</p>	Resolved	

Meru Teachers Training College
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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.	<p>Inefficiencies Income Generating Projects/Activities</p> <p>Review of records revealed that the College has a number of Income Generating Projects (IGUs) undertaking various activities in the Institution. However, the following anomalies were noted during the audit review.</p> <ul style="list-style-type: none"> i. The college has no policy in place to guide on operations of IGUs. ii. The college did not have in place a committee on income generating units to monitor the performance of the IGUs. iii. Analysis of the performance of the income-generating units revealed that the accommodation and bakery units incurred losses during the year of Kshs.531,731 and Kshs.390,979 respectively. iv. No of records maintained at the farm in respect to livestock kept and their respective production and sales. In addition, records in respect to crop production were not provided for audit verification. v. The College did not provide the Board approved rates for charging the facilities and equipment. <p>In the circumstances, efficiency and effectiveness of controls in management of the income generating units could not be ascertained.</p>	<p>Policy to guide on IGUs operations developed. A committee put place to monitor performance of IGUs and advice on the same</p>	Resolved	
2.	<p>Weaknesses in Information Communication Technology (ICT) Internal Controls</p> <p>Review of the ICT Policy and the control environment revealed the following anomalies.</p> <ul style="list-style-type: none"> i. It was observed that the college has CCTV surveillance cameras in key areas. However, there is no control room where qualified 			

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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)
	<p>personnel monitor the surveillance system real-time to help in quick response to incidents.</p> <p>ii. The server room is not well equipped with cooling system to avoid overheating of the server room.</p> <p>iii. The College does not have back-up server in case the of ICT breakdown. The data is stored in hard drives that are prone to misplacement and theft. In the circumstances, the data could easily be accessed by unauthorized personnel.</p> <p>iv. The college does not have an ICT strategic plan and an ICT Strategic Steering Committee.</p> <p>In the circumstances, safeguards on loss of data, public funds and other assets could not be confirmed.</p>			
3. Lack of Approved Strategic and Operation Plan	Review of records provided for audit revealed that the Institution does not have an approved Strategic Plan and Operation Plan. In the circumstances, lack of Operational and Strategic Plans may lead to disorganization, inefficiency, and even institutional failure			
4. lack of Approved Human Resource Policy 5.	Review of personnel records revealed that the College has approved establishment for forty-two (42) non-teaching staff. However, it was noted that there is no Human Resource Policy and Procedures Manual in place outlining human resource processes on training, recruitment, appraisal, rewards and promotions. Further, the personnel files were not properly updated with signed appointment letters outlining job description and terms of engagement and performance appraisal reports. In the circumstances, the efficiency and effectiveness in handling the human	The management has embarked on development of the policy in the college	Not 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)
	resources matters could not be ascertained.			
6. Lack of Internal Audit Report	During the year under review, the College had no internal audit report published as required by the law. No reasons were provided for this anomaly. In the circumstances, the risk of having weak internal controls and errors and fraud occurring without being detected and possibly addressed in time.	During the year under review, the College had no internal audit report published as required by the law. No reasons were provided for this anomaly.	Not resolved	
7. Lack of Risk Management Policy Framework	During the year under review, it was observed that the College did not have a risk management policy, disaster recovery plan and business continuity plan In the circumstances, in absence of the above approved policies, the processes and guidelines on how to mitigate operational, legal and financial risks as outlined may not be achieved.	The management has developed the policy	Resolved	
8. Failure to Dispose of Unserviceable Assets		Asset disposal committee put in place Asset disposal plan has been developed as attached	Resolved	
9. Ineffective Governance	Review of Board records revealed that eight (8) Board meetings were held during the year, three (3) being full Board meeting, two (2) being Executive Board meeting and three (3) for Finance	The board committees have been formed and minutes of	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)
	<p>Procurement and General Purposes Board Committee meeting. However, it was noted that four (4) Committee namely Academic Standards, Quality and Environment Committee, Discipline, Ethics and Integrity Committee, Audit Committee and Human Rights and Student Welfare Committee did not meet during the year under review and hence were not functional. In addition, Board of Management does not have a work plan for the year.</p> <p>In the circumstances, the effectiveness of governance and oversight in College could not be ascertained.</p>	meetings provided		



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Name: Dr F.M Gichovi
Accounting Officer
Chief Principal Meru Teachers Training College
Date 30.10.2025