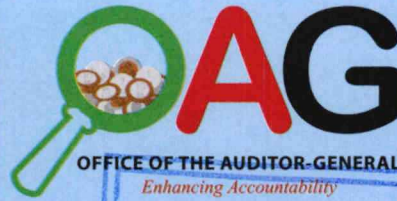



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL  
Enhancing Accountability

 <b>THE NATIONAL ASSEMBLY</b> <b>PAPERS LAID</b>	
DATE: 18 NOV 2025	DAY. TUESDAY
TABLED BY: HON. KIMANI ICHUNGWA MAJORITY LEADER	
CLERK-AT THE-TABLE: INDOFU MWALE HSC	

PARLIAMENT  
OF KENYA  
LIBRARY

**REPORT**

**OF**

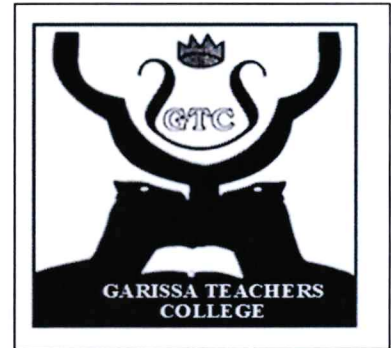
**THE AUDITOR-GENERAL**

**ON**

**GARISSA TEACHERS TRAINING COLLEGE**

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





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***GARISSA TEACHERS' TRAINING COLLEGE***

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30<sup>TH</sup> JUNE 2025**

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

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**Garissa Teacher Training College**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

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**Garissa Teacher Training College**  
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**1. Acronyms and Definition of Key Terms**

**A. Acronyms**

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College

**B. Definition of Key Terms**

**Fiduciary Management** - Members of Management directly entrusted with the entity's financial resources.

**Comparative Year**- Means the prior period.

**Garissa Teacher Training College**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

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**2. Key Entity Information and Management**

**(a) Background information**

Garissa Teachers Training College is located in Garissa County, the North-Eastern region of Kenya within Garissa township along the Garissa – Kismayu road, on a 60-acre piece of land. The college was founded in 1992 by the government of Kenya, and it opened its doors to the first batch

of students in September 1996, with the mandate of training primary school teachers in the cadre of P1 and P2. The P2 grade was phased out in 2004, and then P1 continued up to 2021, when Diploma in Primary Teacher Education (DPTE) and Diploma in Early Childhood Teacher Education

(DECTE) was introduced in Teacher Education to align training with current curriculum (CBC) Competence-Based Curriculum.

The college is focusing its training on DTE and the upgrading of P1 and ECDE in conjunction with the Ministry of Education (MOE) and its agencies, i.e. KNEC, KICD, TSC etc.

**(b) Principal Activities**

The core mandate of Garissa Teachers Training College is to provide teacher education and training.

**VISION**

A centre of Excellence in the provision of quality teacher education training.

**MISSION**

To produce all-round teachers capable of meeting the demands of fast fast-changing society.

**MOTTO**

Education for a better life.

**CORE VALUES**

**Professionalism:** consistently offer quality training and related services that are society-driven.

**Team Work:** Encourage positive teamwork and positive contribution from its members

Motivated and innovative workforce.

**Quality Training:** Provide training which is relevant to the current curriculum to meet the needs of 21st-century learners.

**Love and care:** Always show care and love for all, irrespective of the condition of the learner, so as to give a conducive learning environment.

**Integrity:** Always encourage honesty in all undertakings in the college.

**Justice:** Encourage impartiality while dealing with issues concerning the workers and students.

**Garissa Teacher Training College**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

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**Courtesy:** Give everyone a chance at a fair hearing. To give everyone a hearing to contribute to the development of the college.

**Efficiency:** To provide training which makes the teacher be in a position to give the best and make teaching more effective.

**Improvement:** Consistently upgrade resources required to improve training and teaching for improved results.

**(a) OBJECTIVES:**

- 1) To implement Competency-Based Curriculum (CBC)
- 2) To provide increased training opportunities for trainees that will enable them to be self-reliant.
- 3) To develop Basic theoretical and practical knowledge about the teaching profession to enhance professional commitment and competence.
- 4) To develop in the teacher the ability to communicate effectively.
- 5) To provide teacher education that prepares teachers who can provide suitable learning opportunities and develop children's 21<sup>st</sup> century skills, i.e. self-directed, globally aware, communicators, innovators, financially and economically literate, information and media literate, civically engaged, problem solvers, critical thinkers and collaborators.

The principal activity/mission/ mandate of Garissa Teachers Training College is to provide teacher education and training.

**(c) Key Management**

Garissa Teachers Training College's day-to-day management is under the following key organs:

- Board of Governors/ Council/ Management etc.
- Accounting officer/ Principal
- Management...;

**(d) Fiduciary Management**

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

SN.	Designation	Name
1.	Principal	Mr. Noor Aden Dahir
2.	Deputy Principal Administration	Mr. Ali Abass Abdi
3.	Deputy Principal Academics	Mr. Hukha Abdub
4.	Head of Finance	Ms. Asli Farah
5.	Dean of Curriculum	Ms. Lucy Ndung'u
6.	Dean of Students	Mr. Abdullahi Duntow

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

**(e) Fiduciary Oversight Arrangements**

*1. Finance, infrastructure and projects B.O.M committee*

**6) College Headquarters**

Garissa Teachers' Training College  
Along Garissa - Kismayu Road (A3)  
Po Box 496 – 70100  
Garissa, Kenya

**7) College Contacts**

Telephone: 0725 718 234

Email: [garissattc@gmail.com](mailto:garissattc@gmail.com) / [garissattc@yahoo.com](mailto:garissattc@yahoo.com)

**8) College Bankers**

KCB Bank  
Garissa Branch  
Garissa

Equity Bank Kenya  
Garissa Branch  
Garissa

**9) Independent Auditors**

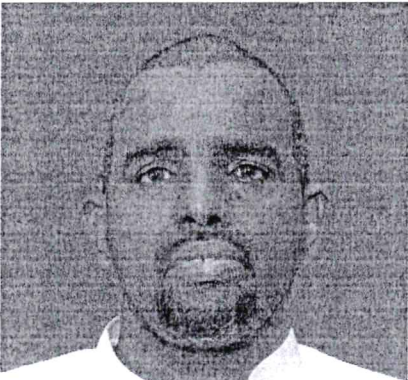

Auditor-General  
Office of the Auditor General  
Anniversary Towers, Institute Way  
P.O. Box 30084  
GPO 00100  
Nairobi, Kenya

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



**10) Principal Legal Adviser**

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



**3.The Board of Management**




	<b>Photo, Name and Position</b>	<b>Brief Profile</b>
<b>1</b>	 <p><b>ABDI MOHAMED HASSAN</b> <b>(CHAIRMAN)</b></p>	<ul style="list-style-type: none"> <li>- Date of birth (10/10/1978)</li> <li>- Businessman</li> <li>- Bachelor’s Degree in Business Administration in Omdurman Islamic University.</li> <li>- Diploma in Community Development from Thika Institute.</li> <li>- Diploma in BA from Islamic University</li> <li>- Board member in different institutions.</li> <li>- Worked as a Cashier in Garissa County Referral Hospital</li> <li>- Worked as In-charge of Sales and Marketing at First Community Bank</li> <li>-</li> </ul>
<b>2</b>	 <p><b>SHEIKH ABDISALAN</b> <b>(EXECUTIVE MEMBER)</b></p>	<ul style="list-style-type: none"> <li>- Date of Birth (22/06/1960)</li> <li>- Businessman</li> <li>- Diploma in Social work from KIA.</li> <li>- Degree in Human Resource Management from Kenyatta University</li> <li>- Short courses/conferences such as project management, public service recruitment and selection in the UK, corporate governance in SA, leadership, mediation and arbitration amongst others.</li> <li>- Member of various Commissions and Boards</li> <li>- Worked with the Young Muslim Association.</li> </ul>

**Garissa Teacher Training College  
Annual Report and Financial Statements for the year ended 30th June 2025**

<p>3</p>	 <p><b>MR. NOOR ADEN DAHIR (PRINCIPAL/SECRETARY BOM)</b></p>	<ul style="list-style-type: none"> <li>- Date of Birth (25/7/1982)</li> <li>- Career Teacher and Teacher Trainer</li> <li>- Bachelor of Education at Kampala University</li> <li>- M&amp;E at Mount Kenya University</li> <li>- Taught as a Teacher.</li> <li>- Accounting Officer</li> <li>- BOM Secretary</li> </ul>
<p>4</p>	 <p><b>MRS. JAWAHIR KEINAN (EXECUTIVE MEMBER)</b></p>	<ul style="list-style-type: none"> <li>- Businesswoman</li> <li>- Masters degree in Inclusion and Special needs from University of Birmigham (UK)</li> <li>- Bachelors degree in Education from Kenyatta University</li> <li>- Diploma in Special needs and a</li> <li>- Certificate in P1 from Shanzu TTC</li> <li>- Worked as a teacher</li> <li>- Executive BOM Member</li> </ul>



**Garissa Teacher Training College  
Annual Report and Financial Statements for the year ended 30th June 2025**

<p>5</p>	 <p><b>AHMED MOHAMED ABDI</b> <b>(MEMBER)</b></p>	<ul style="list-style-type: none"> <li>- Date of Birth – 17/4/1952</li> <li>- Highridge Teachers College</li> <li>- Worked as a teacher</li> <li>- Worked at Nairobi as Assistant and Deputy Director.</li> <li>- Worked as a Provincial Director in North Eastern and Coast Province</li> <li>- Worked as District Adult Education Officer in Wajir, Hola, Lamu, Kilifi and Garissa</li> <li>- Worked as a Headteacher in Wajir Township Primary School</li> <li>- Worked as an Assistant Teacher in Wajir Primary School</li> <li>- Member of the Discipline/ Ethics/ Integrity/Human Rights/Student welfare Committee</li> <li>- PTA Chair</li> </ul>
<p>6</p>	 <p><b>ZEINAB GURE MURSAL</b></p>	<ul style="list-style-type: none"> <li>- BOM Member</li> <li>- Businesslady and</li> <li>- Holds a Diploma</li> </ul>



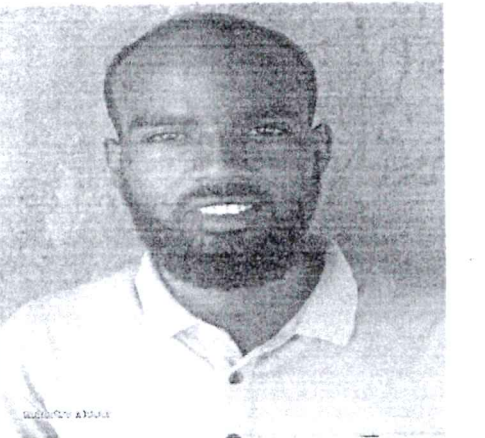
<p><b>7</b></p>	<p><b>HUSSEIN ABDI FARAH</b></p> 	<ul style="list-style-type: none"> <li>- BOM Member</li> <li>- Member of Audit Committee</li> <li>- Member of the Discipline/ Ethics/ Integrity/Human Rights/Student welfare Committee</li> <li>- Holds a masters in Medical microbiology</li> </ul>
<p><b>8</b></p>	<p><b>MR. IRERI LINCOLN</b></p> 	<ul style="list-style-type: none"> <li>- Career Teacher and teacher trainer</li> <li>- Tutors Representative</li> <li>- Academic Committee member</li> </ul>
<p><b>9</b></p>	 <p><b>MOHAMED DUBOW ADEN</b></p>	<ul style="list-style-type: none"> <li>- BOM Member</li> <li>- Member of the Discipline/ Ethics/ Integrity/Human Rights/Student welfare Committee</li> <li>- Holds a masters</li> </ul>

**Garissa Teacher Training College**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

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<p><b>10.</b></p>	 <p><b>ABDI NOOR DUBOW</b></p>	<ul style="list-style-type: none"><li>- BOM Member</li><li>- Member of the Accounts/ Finance/ Procurement/General Purpose Committee</li><li>- Holds a Masters in ART</li></ul>
<p><b>11.</b></p>	 <p><b>ABDULLAHI MOHAMED ABDI</b></p>	<ul style="list-style-type: none"><li>- BOM Member</li><li>- Audit Committee Chairman</li><li>- Member of the Accounts/ Finance/ Procurement/General Purpose Committee</li><li>- Holds a Masters in Accounts</li></ul>

**Garissa Teacher Training College  
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<p>12.</p>		<ul style="list-style-type: none"> <li>- BOM Member</li> <li>- Member of the Discipline/ Ethics/ Integrity/Human Rights/Student welfare Committee</li> <li>- Holds a degree</li> </ul>
<p><b>FARHIYA HAJIR HASSAN</b></p>		
<p>13.</p>		<ul style="list-style-type: none"> <li>- BOM Member</li> <li>- Chairman of the Accounts/ Finance/ Procurement/General Purpose Committee</li> <li>- Degree in Bachelor of Arts</li> </ul>
<p><b>HUSSEIN HARET BORLE</b></p>		
<p>14.</p>		<ul style="list-style-type: none"> <li>- Students Representative</li> <li>- Member of the Discipline/ Ethics/ Integrity/Human Rights/Student welfare Committee</li> </ul>
<p><b>ABDIKHEIR OSMAN</b></p>		

**Garissa Teacher Training College**  
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15.	<b>EBLA HAJI ADEN</b> 	<ul style="list-style-type: none"><li>- Academic Committee member</li><li>- Audit Committee member</li><li>- BOM Member</li><li>- Masters in Education</li></ul>
16.	<b>MAHAT ISSACK HASSAN</b> 	<ul style="list-style-type: none"><li>- BOM Member</li><li>- Academic Committee Chairman</li><li>- Holds a Master's in Art</li></ul>

4. Key Management Team

 <p>1. MR. NOOR ADEN DAHIR</p>	<p><b>THE PRINCIPAL</b></p> <p>-Accounting Officer -Secretary BOM</p>
 <p>2. MR. ALI ABASS</p>	<p><b>-DEPUTY PRINCIPAL- ADMINISTRATION</b></p> <p>-Administrative Duties</p>
 <p>3. MR. HUKHA ABDUB GUYO</p>	<p><b>DEPUTY PRINCIPAL- ADMINISTRATION</b></p> <p>Academics</p>

Garissa Teacher Training College  
Annual Report and Financial Statements for the year ended 30th June 2025

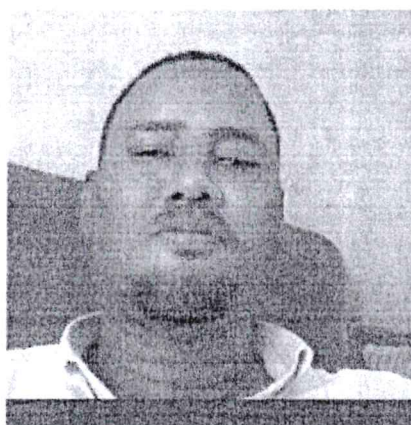
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4. **MDM. LUCY NDUNG'U**

**DEAN OF CURRICULUM**

Head of Academic affairs



5. **MR. ABDULLAHI DUNTOW**

**- DEAN OF STUDENTS**

-Students welfare



6. **MRS. ASLI SALAH FARAH**

**- HEAD OF FINANCE**

- Financial Management and reporting

## **5. Chairman's Statement**

As we reflect on the past year, I am pleased to report that Garissa Teachers Training College has made significant progress under the stewardship of our fully constituted Board of Management, approved by the Ministry of Education and inaugurated on June 10, 2023. Since its formation, the Board has established various committees to enhance governance and operational efficiency.

The Accounts/Finance/Procurement/General Purpose Committee reviewed the college's budgetary estimates for the fiscal year 2024/2025. Following thorough discussions, the committee recommended amendments to the budget, which the Full Board approved on June 22, 2024. I, along with other Board members, have conducted regular visits to the college to monitor the progress of ongoing projects, including renovations and rehabilitations. I am pleased to report that the allocated funds are being utilized effectively for their intended purposes.

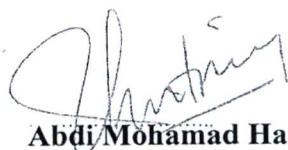
Despite our progress, the Board remains concerned about the state of our infrastructure. The rising number of teacher trainees has put pressure on our tuition and boarding facilities, many of which are ageing and in need of significant repair. These structures, inherited from Boys Town Primary School, require urgent attention.

To ensure the sustainability of our institution, we have also launched outreach programs to engage the community and raise awareness about the importance of teacher training.

As we look to the future, I extend my heartfelt gratitude to the Ministry of Education, the Teachers Service Commission, our area Member of Parliament, and all our partners for your unwavering support. Together, we are confident that Garissa Teachers Training College will continue to grow and provide quality education for future generations of teachers.

Thank you for your continued support.

Sincerely,



**Abdi Mohamad Hassan**  
**Chairman, Board of Governors**

## **6. Report of the Principal**

As we embark on the 2024-2025 financial year, I am honoured to present this report reflecting on our progress and challenges since my appointment as Principal in January 2023, following the handover from my predecessor. I would like to acknowledge the continued leadership of our Chairman, who has been instrumental in guiding us since his appointment in June 2023, as well as the unwavering support of the Board of Management.

Building on the strategic objectives set forth by my predecessor and our Chairman, we remain dedicated to enhancing curriculum development, improving infrastructure, and expanding our human resource capabilities. Our efforts are focused on increasing student enrollment and integrating ICT solutions to meet the evolving demands of modern teacher education.

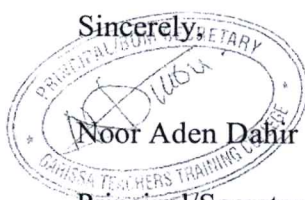
While we have made notable progress, we still face significant challenges. Staffing remains a critical issue, with a persistent shortage of qualified trainers across all technical departments. As previously reported, our limited resources have allowed us to employ only nine trainers, which is inadequate given the growing student population and diverse program offerings. Additionally, security concerns stemming from our remote location highlight the need for enhanced fencing to ensure the safety of our students and staff. We also require reliable internet connectivity and a Management Information System (MIS) to streamline our admissions, fee payments, and exam registration processes.

Looking ahead to this financial year, my focus will be on addressing these staffing and security challenges. I am committed to improving our infrastructure and creating a safe, conducive learning environment for academic success. We will prioritize the integration of ICT solutions to enhance operational efficiency, further establishing Garissa Teachers Training College as a leader in teacher education within the region.

I would like to express my heartfelt gratitude to the Ministry of Education, the Teachers Service Commission, our dedicated staff, and our Chairman for their ongoing support. A special thank you goes to our students for their dedication to their studies during this transition period. Together, we are committed to building a brighter future for teacher education in Garissa County.

Thank you for your continued support.

Sincerely,



Noor Aden Dahir

Principal/Secretary, Board

**Garissa Teacher Training College**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

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

In accordance with Section 81 Subsection 2(f) of the Public Finance Management Act, 2012, Garissa Teachers Training College presents its statement of performance against predetermined objectives for the year ended June 2023. The college operates under a strategic plan that encompasses two primary strategic pillars.

**Strategic Pillars**

**Pillar 1: Quality Teacher Education and Training**

This pillar focuses on enhancing the quality of teacher education programs to ensure that graduates are well-equipped to meet the educational needs of the community.

**Pillar 2: Community Engagement and Support**

This pillar emphasises building strong relationships with local communities and stakeholders to promote education and support the implementation of educational initiatives.

Garissa Teachers Training College develops its annual work plans based on these strategic pillars. The Board assesses performance against the annual work plan every quarter. For the fiscal year 2024/2025, the college achieved its performance targets set for its two strategic pillars, as summarised in the table below.

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
<b>Quality Teacher Education and Training</b>	Enhance the quality of teacher training programs.	- % increase in student satisfaction rates	- Curriculum review and updates	- 85% satisfaction rate among graduates
		- % of graduates securing teaching positions	- Professional development workshops for faculty	- 90% of graduates are employed within 6 months
		- Number of accredited programs	- Implementation of new teaching methodologies	- 3 new programs accredited
<b>Community Engagement and Support</b>	Strengthen partnerships with local schools and stakeholders.	- Number of community outreach programs	- Workshops and seminars for local educators	- 5 outreach programs conducted
		- % increase in community participation	Collaborations with NGOs and local government	- 30% increase in community engagement

### **Performance Analysis**

#### **Pillar 1: Quality Teacher Education and Training**

The college successfully enhanced its teacher training programs through a comprehensive curriculum review and the introduction of new teaching methodologies. This initiative resulted in an 85% satisfaction rate among graduates and a remarkable 90% employment rate within six months of graduation. Additionally, the college achieved accreditation for three new programs, expanding its offerings and improving the quality of education provided.

#### **Pillar 2: Community Engagement and Support**

Garissa Teachers Training College strengthened its community engagement efforts by conducting five outreach programs aimed at enhancing local educational practices. These initiatives increased community participation in educational activities by 30%, demonstrating the college's commitment to fostering partnerships that support educational advancement.

#### **Conclusion**

The achievements outlined above reflect the college's alignment with its strategic objectives and its commitment to fulfilling performance contracts. The management of Garissa Teachers Training College will continue to focus on these strategic pillars to ensure the sustained growth and effectiveness of its educational programs and community engagement efforts. Moving forward, the college aims to build on these successes, addressing any challenges that may arise and continuously improving its offerings to better serve the educational needs of the region.

## **8. Corporate Governance Statement**

Garissa Teachers Training College is committed to upholding the highest standards of corporate governance, which are essential for our mission to provide quality education. The current Board, appointed in June 2023, consists of the following members:

- **Abdi Mohamad Hassan (Chairman)**
- **Sheikh Abdisalam Mohamad (Executive BOM Member)**
- **Mrs. Jawahir Keinan (Executive BOM/Member)**
- **Mr. Ahmed Mohamed Abdi (Member/PTA Chair/Executive BOM Member)**
- **Noor Aden Dahir (Principal/Secretary)**
- **Zeinab Gure Mursal (Member)**
- **Mahat Issack Hassan (Member/Academic Chair)**
- **Hussein Abdi Farah (Member)**
- **Ebla Haji Aden (Member)**
- **Ireri Lincoln (Member)**
- **Mohamed Dubow Aden (Member)**
- **Abdi Noor Dubow (Member)**
- **Abdullahi Mohamed Abdi (Member/Audit Committee Chair)**
- **Farhiya Hajir Hassan (Member)**
- **Hussein Haret Borle (Member / Finance Committee Chairman)**
- **Abdi Kheir Osman (Member / Student representative)**

Throughout the 2024-2025 financial year, the Board has convened several meetings to address key issues and set strategic direction for the College. These discussions have laid the groundwork for effective governance and have helped identify priority areas for improvement.

The Board has also initiated the development of a succession plan to ensure a robust pipeline of future leadership and continuity within the College. Our appointment process for Board members remains transparent, focusing on qualifications and alignment with the College's mission. Procedures for removal will comply with legal and regulatory standards to ensure fairness. The Board is responsible for overseeing management performance, ensuring compliance with legal obligations, and safeguarding stakeholder interests.

To facilitate effective governance, an induction program has been organized for all new Board members to familiarize them with the College's operations and governance framework. Ongoing training will be provided as needed, and the Board plans to implement regular assessments of its performance and that of individual members to foster continuous improvement.

Policies to manage conflicts of interest have been established, requiring members to disclose any potential conflicts and recuse themselves from related decision-making processes. Board remuneration is aligned with industry standards to attract and retain qualified members while

**Garissa Teacher Training College**  
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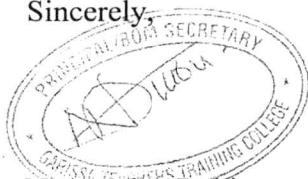
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ensuring accountability. The Board is committed to maintaining ethical conduct and integrity in all dealings, guided by a Code of Conduct that informs decision-making.

An independent governance audit will be conducted annually to evaluate the effectiveness of our governance framework and identify areas for improvement. The new Board will serve a term of three years, focusing on strengthening governance practices and advancing the mission of Garissa Teachers Training College.

Thank you for your continued support.

Sincerely,



**Noor Aden Dahir**  
Principal/Secretary, Board

## **9. Management Discussion and Analysis**

### **The entity's operational and financial performance**

During the period ended 30th June, 2025, the College continued to execute its mandate of teacher training in DTE, and Upgrade (UPPTE). In adherence to the government policies, the college was able to collect and receive Kshs. 83,247,845.00 from fees collection only. The government grants received were Kshs. 7,957,876.00

The college has documented its operational policies on diverse aspects that will assist in governance; these are Academic Policy, Finance Policy, Students' Fees Policy, Alcohol and Drug Abuse policy, HIV/Aids policy, Presidential Directives, risk management policy among others.

### **Entity's compliance with statutory requirements**

During the Yearly Period under review, the college complied with the following statutory requirements, among others: Public Audit Act 2015, Education Act 2012, Labour Relations Act 2007, PSC Act 2017, and PFM Act 2012. We have been able to submit the National Social Security Funds (NSSF), Pay as You Earn (PAYE), and Social Health Authority (SHA) dues on behalf of our BOM workers.

### **Key projects and investment decisions the entity is planning/implementing.**

Garissa Teachers Training College has completed the process of installing 1no. water tank, construction of 20 bathrooms and 20 toilets and semi semi-permanent hostel in the college, which will go a long way in improving and making the learning environment conducive, with monies from fees as per the vote heads.

### **Major risks facing the entity**

The major risks facing the college include the following, among others:

1. Low fees payments by students.
  2. High cost of foodstuffs and other resources for learning.
- The Ministry has demanded strict adherence to the fee guidelines given yet the cost of living is at its highest, which has a negative effect on the budgetary estimates, yet the college has to maintain high standards.

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

Garissa Teachers Training College has not been able to submit/honour its statutory obligations to State Corporations or agencies because the BOM workers have not received their salaries from February 2023 – December 2023, which comes as a grant from the MOE. The college does not have any Court Order that affects its running.

### **The entity's financial probity and serious governance issues**

During the period ended 30.06.2025, the College did not have serious governance issues apart from sometimes the BOM workers have low morale and are always walking to the Principal's office to raise the issue of their delayed salary arrears, which the BOM is addressing to pay in piecemeal as funds are received.

## 10. Environmental And Sustainability Reporting Statement

### **Sustainability Strategy and Profile**

At Garissa Teachers Training College, we are committed to embedding sustainability into our educational practices and campus operations. Under the guidance of our management team, particularly our accounting officer, we have embraced a sustainability strategy that reflects both local needs and international best practices.

**Community Engagement:** Our outreach programs have fostered partnerships with local schools to promote environmental education, reaching over 1,000 students in the region.

#### Shortcomings

Despite our progress, challenges remain. Limited resources have hindered our ability to scale up sustainability projects, and we recognise the need to enhance our engagement with local communities and stakeholders.

### **Environmental Performance**

#### **Environmental Policy**

Our college has established a comprehensive environmental policy aimed at minimising our ecological footprint and promoting sustainability in teacher education. This policy guides our operations and serves as a framework for continuous improvement.

#### Evidence of Policy Implementation

##### Successes and Shortcomings

While we have made strides in waste management and water conservation, further efforts are needed to address issues such as single-use plastics and overall environmental awareness within our community.

### **Employee Welfare**

#### **Hiring Policies**

Our hiring practices prioritise diversity and gender balance, actively promoting an inclusive workplace. We engage stakeholders in reviewing these processes to ensure they are effective and equitable.

#### **Skill Development**

We provide ongoing professional development opportunities for our staff, including training in sustainable practices relevant to teacher education. Our appraisal system rewards contributions to both individual and institutional sustainability goals.

#### **Safety and Compliance**

We strictly adhere to the Occupational Safety and Health Act of 2007 (OSHA), ensuring a safe working environment through regular training sessions and compliance audits.

#### Marketplace Practices

#### **Responsible Competition Practices**

Garissa Teachers Training College fosters a culture of integrity, adhering to principles of fair competition and transparency. Our policies include anti-corruption measures and ethical guidelines for interactions with other educational institutions.

#### **Responsible Supply Chain**

We prioritise maintaining strong relationships with our suppliers, ensuring that contracts are honoured and payments made promptly, which supports local businesses and fosters community trust.

#### **Ethical Marketing Practices**

**Garissa Teacher Training College**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

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Our marketing strategies emphasise truthfulness and respect for our audience, promoting our educational programs ethically while safeguarding consumer rights.

**Product Stewardship**

We are committed to protecting the rights and interests of our students, ensuring that all educational materials and resources provided meet high standards of quality and sustainability.

**Corporate Social Responsibility / Community Engagements**

In the past year, Garissa Teachers Training College has actively engaged in several CSR initiatives that positively impact our community. Notable activities include:

**Charitable Giving:** We supported local health initiatives with cash donations and educational materials, benefiting various local organisations.

**Environmental Education:** Our outreach programs involved conducting workshops on environmental sustainability in schools, engaging over 500 local students.

**Community Service Projects:** Our students participated in tree planting and clean-up campaigns in local neighbourhoods, enhancing community awareness of environmental issues.

Through these efforts, Garissa Teachers Training College remains dedicated to fostering sustainable practices and community engagement, striving to lead by example in teacher education and training in North Eastern Kenya. We continue to seek opportunities for improvement and collaboration, ensuring that our college is a model of sustainability and community service.

**Garissa Teacher Training College**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

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**11. Report of the Council/Board of Governors**

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 College's affairs.

**Principal activities**

The principal activities of Garissa Teachers Training College are to provide teacher education and training.

**Results**

Garissa Teachers Training College students did not sit for the main exams.

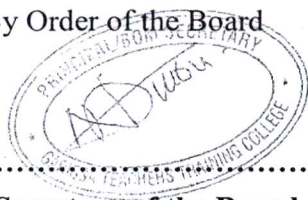
**Board of Directors**

The members of the Board /Council who served during the year are shown on page xx.

**Auditors**

The Auditor General is responsible for the statutory audit of the College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the period ended June 30, 2025.

By Order of the Board



.....  
**Secretary of the Board**

**Date: 26/08/2025**

**Garissa Teacher Training College**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

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**12. Statement of Board of Governors/ Council's Responsibilities**

Section 83 of the Public Finance Management Act, 2012 requires the Board members to prepare financial statements in respect of Garissa Teachers Training College, which give a true and fair view of the state of affairs of Garissa Teachers Training College at the end of the financial period and the operating results of Garissa Teachers Training College for that period. The Board members are also required to ensure that the Garissa Teachers Training College keeps proper accounting records which disclose with reasonable accuracy the financial position of Garissa Teachers Training College. The Board members are also responsible for safeguarding the assets of Garissa Teachers Training College.

The Board members are responsible for the preparation and presentation of Garissa Teachers Training College's financial statements, which give a true and fair view of the state of affairs of Garissa Teachers Training College as at the end of the financial period ending on 30 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 entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of Garissa Teachers Training College; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

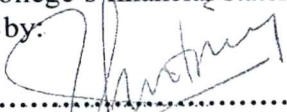
The Board members believe that Garissa Teachers Training College financial statements give a true and fair view of the state of Garissa Teachers Training College transactions during the period ended 30 June 2025 and of Garissa Teachers Training College financial position as at that date.

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

Nothing has come to the attention of the Board members to indicate that the Garissa 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 College's financial statements were approved by the Board on **26/08/2025** and signed on its behalf by:

  
.....

**Name: Abdi Mohamad Hassan**  
**Chairperson of the Board/Council**

  
.....

**Name: Noor Aden Dahir**  
**Accounting Officer/Principal**

# REPUBLIC OF KENYA



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

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

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### **PREAMBLE**

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

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

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

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

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

#### **Qualified Opinion**

I have audited the accompanying financial statements of Garissa Teachers Training College set out on pages 1 to 36 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 position of Garissa Teachers Training College as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Doubtful Recovery of Receivables from Exchange Transactions**

The statement of financial position reflects a balance of Kshs.22,649,213 in respect of current portion of receivables from exchange transactions as disclosed in Note 16 to the financial statements. Included in this balance is Kshs.22,252,913 and Kshs.396,300 relating to student debtors and rental debtors respectively. A balance of Kshs.13,482,403 of the accounts receivables was outstanding for more than two (2) years. This is an indication that no efforts were made to recover the long outstanding balance. In addition, the Management did not make provisions for bad and doubtful debts to take care of debts that may not be recoverable.

In the circumstance, the recoverability of receivables from exchange transactions of Kshs.13,482,403 could not be confirmed.

#### **2. Unconfirmed Ownership of Property, Plant and Equipment**

The statement of financial position reflects a balance of Kshs.93,572,488 in respect of property, plant and equipment. The College occupies a parcel of land measuring approximately 44.11 acres. However, ownership documents for the land were not provided for audit. Further, inspection of the Colleges' assets revealed that four (4) unserviceable vehicles were grounded for more than five (5) years. Although, Management sought approval to dispose the vehicles in August, 2020 as at the time of audit, the approval had not been granted. It was also noted that a number of the College's fixed assets, including furniture, computers and other equipment, were not tagged or labelled with unique identification numbers. Proper asset tagging is a fundamental control measure that facilitates tracking, verification and accountability of institutional property.

In the circumstances, the accuracy, completeness and ownership of property, plant and equipment balance of Kshs.93,572,488 could not be confirmed.

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

## **Emphasis of Matter**

### **1. Budget Performance and Control**

The statement of comparison of budget and actual amounts for the year ended 30 June, 2025 reflects budgeted total revenue of Kshs.113,591,520 against actual revenue of Kshs.99,200,825, resulting in an underfunding of Kshs.14,390,695 or approximately 13% of the approved budget. Similarly, the College spent Kshs.99,824,834 against actual receipts of Kshs.99,200,825, resulting in an over-expenditure of Kshs.824,009, or approximately 1% of the actual receipts.

The under-funding affected the planned activities and may have impacted negatively on the operations of the College.

### **2. Under-Collection of Rent**

The statement of financial performance reflects revenue from exchange transaction in respect of facilities and equipment of Kshs.7,995,104 as disclosed in Note 8 to the financial statements. Included in this revenue is income from rental facility of Kshs.1,180,800. Documents provided for audit review revealed that the College should have collected Kshs.1,577,100, leading to under-collection of Kshs.396,300. Further, the College does not have a rent collection policy which clearly shows how houses are allocated and rent is collected from the teachers and non-teaching staff. Some of the occupants are not employees of the College, making it hard to collect rent from them.

The College also experiences difficulties in collecting rent from teachers as the amount is not deducted from their payroll leading to under-collection.

The under collection of rent may have impacted negatively on the operations of the College.

### **3. Under-Collection of Fees**

Included in the statement of financial performance is revenue from rendering of services relating to fees from students of Kshs.83,247,845 as disclosed in Note 7 to the financial statements. The College fees' structure compared to the number of students revealed that the College was supposed to collect Kshs.117,542,366, leading to under-collection of Kshs.34,294,521.

The under collection of fees may have impacted negatively on the operations of the College.

My opinion is not modified in respect of these matters.

### **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 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 Information**

The Management is responsible for the Other Information set out on page iii to xxvi which comprise of Key Entity Information, Board of Management, Key Management Team, Chairman's Statement, Report of the Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting Statement, Report of the Board of Management, and Statement of Board of Managements' 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, 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 effects of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **1. Long Outstanding Trade and Other Payables**

The statement of financial position reflects a balance of Kshs.22,988,024 in respect of trade and other payables from exchange transactions as disclosed in Note 18 to the

financial statements. Included in this balance are trade payables of Kshs.8,338,825, salary arrears of Kshs.11,282,436, project balance of Kshs.252,224 and other payables of Kshs.3,114,539. Review of the records provided revealed that all the payables were outstanding for more than three (3) years. The Management did not explain why the pending bills were not treated as a first charge in the first quarter of 2024/2025 financial year as required by Regulation 42(1)(b) of the Public Finance Management (National Government) Regulation, 2015.

In the circumstance, accumulation of long outstanding accounts payable may lead to litigation and interest charges.

## **2. Non-Disclosure of Finance Officer's ICPAK Membership Number**

The Institute of Certified Public Accountants of Kenya (ICPAK) membership number for the finance officer who signed the financial statements was not disclosed in the relevant sections of the financial statements. This was contrary to the requirements by the Annual Financial Reporting Template issued by the Public Sectors Accounting Standards Board (PSASB).

In the circumstances, the presentation of the financial statements did not fully comply with the PSASB prescribed format.

## **3. Non-Compliant with the National Cohesion and Integration Act in Staff Composition**

Review of employees' records revealed that 76% of the College's employees were from the dominant ethnic community. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and no public establishment shall have more than one third of its staff from the same ethnic community.

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

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 matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance

section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective

## **Basis for Conclusion**

### **Ineffective Internal Audit Arrangements**

Review of the internal controls and governance structure at the College revealed that the College had an arrangement with the Ministry of Education in compliance with the requirement of Section 73(1)(a) of Public Finance Management Act, 2012 for the County Internal Audit Unit to conduct internal audit. However, Management did not provide evidence of any internal audit conducted during the year under review.

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

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

### **Responsibilities of the Management and 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.

The 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**

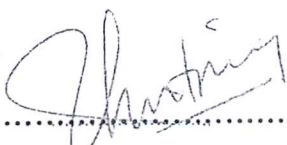
**Nairobi**

**30 October, 2025**

**Garissa Teacher Training College**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

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

	Notes	2024-2025	2023-2024
		Kshs	Kshs
<b>Revenue from Non-Exchange transactions</b>			
Transfers from other National Government entities	6	7,957,876	11,498,448
		<b>7,957,876</b>	<b>11,498,448</b>
<b>Revenue from Exchange transactions</b>			
Rendering of services- fees from students	7	117,542,366	42,690,233
Rental revenue from facilities and equipment/Seminar	8	7,995,104	538,500
<b>Revenue from Exchange transactions</b>		<b>125,537,470</b>	<b>43,228,733</b>
<b>Total Revenue</b>		<b>133,495,346</b>	<b>54,727,181</b>
<b>Expenses</b>			
Use of goods and services	9	65,243,954	28,628,091
Employee costs	10	22,881,287	6,385,844
Board /Council Expenses	11	527,000	396,000
Depreciation and amortization expense	12	6,463,954	6,257,076
Repairs and maintenance	13	2,883,086	5,856,078
Finance costs	14	95,000	15,847
<b>Total Expenses</b>		<b>98,094,281</b>	<b>47,538,936</b>
<b>Net surplus/(deficit) for the year</b>		<b>35,401,065</b>	<b>7,188,245</b>

  
 .....  
**Chairman of Council/Board**

**Date: 26/08/2025**



**Principal**

**Date: 26/08/2025**

  
 .....  
**Finance Officer**

**ICPAK No:**

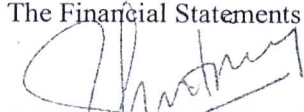
**Date: 26/08/2025**

**Garissa Teacher Training College**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

**15. Statement of Financial Position As At 30th June 2025**

Description	Notes	2024-2025	2023-2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	15	6,768,646	8,963,970
Current portion of receivables from exchange transactions (rent debtors/sundry debtors)	16	22,649,213	3,487,208
<b>Total Current Assets</b>		<b>29,417,859</b>	<b>12,451,178</b>
<b>Non-Current Assets</b>			
Property, plant, and equipment	17	93,572,488	91,761,323
<b>Total Non-Current Assets</b>		<b>93,572,488</b>	<b>91,761,323</b>
<b>Total Assets</b>		<b>122,990,347</b>	<b>104,212,501</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables from exchange transactions	18	22,988,024	38,120,540
<b>Total Current Liabilities</b>		<b>22,988,024</b>	<b>38,120,540</b>
<b>Non-Current Liabilities</b>			
Non- Current Borrowings	19	3,975,208	5,465,911
<b>Total non- current liabilities</b>		<b>3,975,208</b>	<b>5,465,911</b>
<b>Total Liabilities</b>		<b>26,963,232</b>	<b>43,586,451</b>
<b>Net Assets</b>		<b>96,027,115</b>	<b>60,626,050</b>
<b>Represented By:</b>			
Accumulated Surplus		34,101,890	-1,299,175
Capital Fund		61,925,225	61,925,225
<b>Net Assets</b>		<b>96,027,115</b>	<b>60,626,050</b>

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


  
 Abdi Mohamad Hassan  
 Chairman of Board



Noor Aden Dahir  
 Principal

Date: 26/08/2025

Date: 26/08/2025

  
 Asli Farah  
 Finance Officer

ICPAK No:

Date: 26/08/2025

**Garissa Teacher Training College**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

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

<b>Description</b>	<b>Accumulated Fund</b>	<b>Capital Grants/Fund</b>	<b>Total</b>
<b>At July 1, 2023</b>	<b>-8,487,420</b>	<b>61,925,225</b>	<b>53,437,805</b>
Surplus/(deficit) for the year	7,188,245	0	7,188,245
<b>At June 30, 2024</b>	<b>-1,299,175</b>	<b>61,925,225</b>	<b>60,626,050</b>
<b>At July 1, 2024</b>	<b>-1,299,175</b>	<b>61,925,225</b>	<b>60,626,050</b>
Surplus/(deficit) for the year	35,401,065	0	35,401,065
<b>At June 30, 2025</b>	<b>34,101,890</b>	<b>61,925,225</b>	<b>96,027,115</b>

**Garissa Teacher 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
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other National Government entities	6	7,957,876	11,498,448
Rendering of services- fees from students	7	83,247,845	42,690,233
Rental revenue from facilities and equipment	8	7,995,104	538,500
<b>Total Receipts</b>		<b>99,200,825</b>	<b>54,727,181</b>
<b>Payments</b>			
Use of goods and services	9	65,243,954	15,919,553
Employee costs	10	22,881,287	19,768,629
Board Expenses	11	527,000	396,000
Repairs and maintenance	13	2,883,086	5,856,078
<b>Total Payments</b>		<b>91,535,327</b>	<b>41,940,260</b>
<b>Net Cash Flows from operating activities</b>		<b>7,665,498</b>	<b>12,786,921</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets	17	-8,275,119	-3,697,408
<b>Net cash flows used in investing activities</b>		<b>-8,275,119</b>	<b>-3,697,408</b>
<b>Cash flows from financing activities</b>			
Repayment Of Borrowings	19	-1,490,703	-1,490,703
Penalty loan	14	-95,000	-15,847
<b>Net cash flows used in financing activities</b>		<b>-1,585,703</b>	<b>-1,506,550</b>
<b>Net Increase/(Decrease) in Cash and Cash equivalents</b>		<b>-2,195,324</b>	<b>7,582,963</b>
Cash and Cash equivalents at 1 JULY	15	8,963,970	1,381,007
<b>Cash and Cash equivalents at 30 JUNE</b>	15	<b>6,768,646</b>	<b>8,963,970</b>

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
	Kshs	Kshs	Kshs	Kshs	Kshs	%
	<b>a</b>	<b>b</b>	<b>c=(a+b)</b>	<b>d</b>	<b>e=(c-d)</b>	<b>f=d/c*100</b>
<b>Revenue</b>						
Transfers from other National Government entities	12,039,660.00	0	12,039,660	7,957,876	4,081,784	66%
Rendering of services- fees from students	78,981,860	14,000,000	92,981,860	83,247,845	9,734,015	90%
Rental revenue from facilities and equipment	8,570,000.00	0	8,570,000	7,995,104	574,896	93%
<b>Total Revenue</b>	<b>99,591,520.00</b>	<b>14,000,000</b>	<b>113,591,520</b>	<b>99,200,825</b>	<b>14,390,695</b>	<b>87%</b>
<b>Expenses</b>						
Use of goods and services	71,400,000	0	71,400,000	65,258,342	6,141,658	91%
Employee costs	23,091,520	3,408,480	26,500,000	22,881,287	3,618,713	86%
Board /Council Expenses	600,000	0	600,000	527,000	73,000	88%
Repairs and maintenance	4,500,000	0	4,500,000	2,883,086	1,616,914	64%
Finance cost	0	0	0	0	0	
<b>Total Expenditure Payments</b>	<b>99,591,520</b>	<b>3,408,480</b>	<b>103,000,000</b>	<b>91,549,715</b>	<b>11,450,285</b>	
<b>Surplus For the Period</b>			<b>10,591,520</b>			
Capital Expenditure-Development	0	14,000,000	14,000,000.00	8,275,119	5,724,881	59%
<b>Totals</b>	<b>99,591,520</b>	<b>17,408,480</b>	<b>117,000,000</b>	<b>99,824,834</b>	<b>17,175,166</b>	<b>85%</b>

**19. Notes to the Financial Statements**

**1. General Information**

Garissa Teachers Training College is established by and derives its authority and accountability from Education Act Chapter 211. The College is wholly owned by the Government of Kenya and is domiciled in Kenya. The College's principal activity is Diploma in Primary Teachers Education (DPTE).

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

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

3. Adoption of New and Revised Standards

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

There are no new and amended standards issued in the financial year.

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

Standard	Effective date and impact:
IPSAS 43: Leases	<b>Applicable 1<sup>st</sup> January 2025</b> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<b>Applicable 1<sup>st</sup> January 2025</b> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45: Property Plant and Equipment	<b>Applicable 1<sup>st</sup> January 2025</b> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46: Measurement	<b>Applicable 1<sup>st</sup> January 2025</b> The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.

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	<ul style="list-style-type: none"> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48: Transfer Expenses	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49: Retirement Benefit Plans	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><b><i>Applicable 1<sup>st</sup> January 2027</i></b></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ul>

**iii. *Early adoption of standards***

The College did not early adopt any new or amended standards in the year 2025

#### **4. Summary of Significant Accounting Policies**

##### **a) Revenue recognition**

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

##### **Transfers from other government entities**

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

##### **ii) Revenue from exchange transactions**

##### **Rendering of services**

The 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 college.

##### **Interest income**

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

##### **Rental income**

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

**b) Budget information**

The original budget for FY 2024/2025 was approved by the Council or Board on **22 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 entity upon receiving the respective approvals to conclude the final budget. Accordingly, the College did not have recorded additional for FY 2024/2025 budget following the Council/ Board's approval. The College budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

**c) Taxes**

***Current income tax***

The college is tax compliant (PAYE and VAT).

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

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

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

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

**d) Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. 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 entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

**f) Leases**

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the 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 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 Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

**g) Intangible assets**

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

**h) Research and development costs**

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

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

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

**i) Financial instruments**

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. A financial instrument is any contract that gives rise to a financial asset of one College and a financial liability or equity instrument of another entity. At initial recognition, the 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.

***Financial assets***

***Classification***

The 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

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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 cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an College has made an irrevocable election at initial recognition for particular investments in equity instruments.

#### **Subsequent measurement**

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

#### **Amortized cost**

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

#### **Fair value through net assets/ equity**

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

### **Fair value through surplus or deficit**

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

### **Trade and other receivables**

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

### **Impairment**

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

### ***Financial liabilities***

#### ***Classification***

The 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.

### **Inventories (Continued)**

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

#### **k) Provisions**

Provisions are recognized when the College has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the 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 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 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 *Entity* in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

#### **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 College recognises a social benefit as an expense for the social benefits scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

**m) Nature and purpose of reserves**

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

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

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

**o) Employee benefits**

**Retirement benefit plans**

The College provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an College pays fixed contributions into a separate entity (NSSF) 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**

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

**s) Service concession arrangements**

The *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 *College* recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the *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.

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

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

### **Estimates and assumptions.**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The *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 *College*. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

### **Useful lives and residual values**

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

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

### **Provisions**

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

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

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**6. Transfers from other National Government entities**

Description	2024-2025	2023-2024
	Kshs	Kshs
<b>Unconditional Grants</b>		
Capitation Grants	7,957,876	11,498,448
<b>Total unconditional Grants</b>	<b>7,957,876</b>	<b>11,498,448</b>

**6 (a) Transfers from other Government entities (Categorized)**

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	2023-2024
	Kshs	Kshs	Kshs	Kshs	Kshs
Min of Education- State Dept of Early learning and Basic Education	7,957,876	0	0	7,957,876	11,498,448
<b>Total</b>	<b>7,957,876</b>	<b>0</b>	<b>0</b>	<b>7,957,876</b>	<b>11,498,448</b>

**7. Rendering of Services**

Description	2024-2025	2023-2024
	Kshs	Kshs
Tuition Fees	117,542,366	42,690,233
<b>Total Revenue from The Rendering of Services (fees from students)</b>	<b>117,542,366</b>	<b>42,690,233</b>

*(Provide brief explanation for this revenue)*

**8. Rental revenue from facilities and equipment**

Description	2024-2025	2023-2024
	Kshs	Kshs
Rent	1,180,800	538,500
Hiring of the bus/hall/chairs/seminars	6,814,304	-
<b>Total</b>	<b>7,995,104</b>	<b>538,500</b>

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**9. Use of Goods and Services**

Description	2024-2025	2023-2024
	Kshs	Kshs
Boarding Equipment and stores	21,377,556	15,523,613
PTE Examination	13,026,500	-
Electricity, water and cons	2,668,294	1,548,928
Tuition equipment and stores	5,791,158	3,707,334
Local transport and travelling	3,230,707	1,783,601
Medical fund	470,526	128,045
Activity	4,587,391	3,035,300
Contingencies	326,400	-
Teaching practice	126,000	-
Student Council	121,012	-
Computer It	518,500	-
Seminar	5,421,395	976,500
Administrative cost	3,347,866	1,420,347
Accommodation	336,600	-
Insurance	64,808	39,573
Fund Account	24,900	-
KUCCUP	35,000	-
Transfer	3,769,341	-
Facilitation		464,850
<b>Total good and services</b>	<b>65,243,954</b>	<b>28,628,091</b>

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**10. Employee Costs**

Description	2024-2025	2023-2024
	Kshs	Kshs
Personal Emolument – Non teaching	5,429,674	-
Personal Emolument Subordinate staff	8,520,658	4,361,700
Personal Emolument Subsidy	4,539,472	
Advance to staff	298,000	277,000
Payee	539,602	171,874
Gratuity	1,878,248	957,160
SHIF	440,158	226,350
NSSF	1,235,475	391,760
<b>Employee Costs</b>	<b>22,881,287</b>	<b>6,385,844</b>

**11. Board/Council Expenses**

Description	2024-2025	2023-2024
	Kshs	Kshs
Board Allowance	527,000	396,000
<b>Total</b>	<b>527,000</b>	<b>396,000</b>

**12. Depreciation and Amortization expense**

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, plant and equipment	6,463,954	6,257,076
<b>Total depreciation and amortization</b>	<b>6,463,954</b>	<b>6,257,076</b>

**13. Repairs and Maintenance**

Description	2024-2025	2023-2024
	Kshs	Kshs
Repairs Maint. And Improvement	1,548,301	5,148,868
Vehicle Repairs And Maintaince	1,334,785	707,210
<b>Total Repairs and Maintenance</b>	<b>2,883,086</b>	<b>5,856,078</b>

**14. Finance Costs**

Description	2024-2025	2023-2024
	Kshs	Kshs
Penalty on Loan from Commercial Banks	95,000	15,847
<b>Total Finance Costs</b>	<b>95,000</b>	<b>15,847</b>

15. Cash and Cash Equivalents

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Account	6,768,410	8,955,884
Cash in Hand	236	8,085
<b>Total Cash and Cash Equivalents</b>	<b>6,768,646</b>	<b>8,963,970</b>

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

Financial Institution	Account number	2024-2025	2023-2024
		Kshs	Kshs
<b>a) Current Account</b>			
Kenya Commercial Bank, Main Account	1107817862	262,179.11	1,391,846
Equity Bank, Main Account	0580294933499	6,455,402.86	7,564,004
Equity Bank - KNEC	<b>0580284298734</b>	50,285	-
Kenya Commercial Bank- Development	<b>1146833229</b>	543.50	33
<b>Sub- Total</b>		<b>6,768,410</b>	<b>8,955,884</b>
<b>b) Others</b>			
Cash in Hand		236	8,085
<b>Sub- Total</b>		<b>236</b>	<b>8,085</b>
<b>Grand Total</b>		<b>6,768,646</b>	<b>8,963,970</b>

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**16. Receivables from Exchange transactions**

**16 (a) Current Receivables from Exchange transactions**

Description	2024-2025	2023-2024
	Kshs	Kshs
<b>Current Receivables</b>		
Sundry Debtors	22,252,913	3,059,188
Rent Debtors	396,300	428,020
<b>Total Current Receivables</b>	<b>22,649,213</b>	<b>3,487,208</b>

**16 (b) Ageing Analysis of Receivables from Exchange transactions**

Description	2024-2025		2023-2024	
	Kshs	% of total	Kshs	% of the total
Less than 1 year			793,953	23%
Between 1- 2 years	9,166,810	40%	1,968,060	56%
Between 2-3 years	13,086,103	58%	0	%
Over 3 years	396,300	2%	725,195	21%
<b>Total (a+b)</b>	<b>22,649,213</b>	<b>100%</b>	<b>3,487,208</b>	<b>100%</b>

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**17. Property, Plant and Equipment**

Cost	Buildings	Motor vehicles	Furniture and fittings	Computers	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Depreciation Rate</b>	<b>2.50%</b>	<b>25%</b>	<b>12.50%</b>	<b>12.50%</b>	
<b>At 1 July 2023 (previous year)</b>	<b>86,585,632</b>	<b>12,000,000</b>	<b>6,000,000</b>	<b>2,000,000</b>	<b>106,585,632</b>
Additions	3,697,408	0	0	0	3,697,408
<b>At 30<sup>th</sup> June 2024 (previous FY)</b>	<b>90,283,040</b>	<b>12,000,000</b>	<b>6,000,000</b>	<b>2,000,000</b>	<b>110,283,040</b>
At 1 July 2024	90,283,040	12,000,000	6,000,000	2,000,000	110,283,040
Additions	8,275,119	0	0	0	8,275,119
<b>At 30<sup>th</sup> June 2025 (current year)</b>	<b>98,558,159</b>	<b>12,000,000</b>	<b>6,000,000</b>	<b>2,000,000</b>	<b>118,558,159</b>
<b>Depreciation And Impairment</b>					
<b>At 1 July 2023 (previous year)</b>	<b>4,264,641</b>	<b>6,000,000</b>	<b>1,500,000</b>	<b>500,000</b>	<b>12,264,641</b>
Depreciation	2,257,076	3,000,000	750,000	250,000	6,257,076
<b>At 30 Jun 2024 (previous year)</b>	<b>6,521,717</b>	<b>9,000,000</b>	<b>2,250,000</b>	<b>750,000</b>	<b>18,521,717</b>
At 1 July 2024	6,521,717	9,000,000	2,250,000	750,000	18,521,717
Depreciation	2,463,954	3,000,000	750,000	250,000	6,463,954
<b>At 30<sup>th</sup> Jun 2025</b>	<b>8,985,671</b>	<b>12,000,000</b>	<b>3,000,000</b>	<b>1,000,000</b>	<b>24,985,671</b>
<b>Net Book Values</b>					
<b>At 30<sup>th</sup> Jun 2024</b>	<b>83,761,323</b>	<b>3,000,000</b>	<b>3,750,000</b>	<b>1,250,000</b>	<b>91,761,323</b>
<b>At 30<sup>th</sup> Jun 2025</b>	<b>89,572,488</b>	<b>0</b>	<b>3,000,000</b>	<b>1,000,000</b>	<b>93,572,488</b>

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

**Valuation**

The Assets are yet to be valued

**17 (a) Property, Plant and Equipment at Cost**

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Buildings	98,558,159	8,985,671	89,572,488
Motor Vehicles including Motorcycles	12,000,000	12,000,000	0
Furniture, And Fittings	6,000,000	3,000,000	3,000,000
Computers	2,000,000	1,000,000	1,000,000
<b>Total</b>	<b>118,558,159</b>	<b>24,985,671</b>	<b>93,572,488</b>

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**18. Trade and Other Payables**

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Trade payables	8,338,825		8,745,825	
Salary Areas	11,282,436		25,085,452	
Project balance	252,224		-	
Other Payables- GAWASCO	3,114,539		4,289,263	
<b>Total Trade and Other Payables</b>	<b>22,988,024</b>		<b>38,120,540</b>	
<b>Ageing analysis:</b>	<b>2024-2025</b>	<b>% of the Total</b>	<b>2023-2024</b>	<b>% of the Total</b>
Under one year			4,289,263	11%
1-2 years				
2-3 years				
Over 3 years	22,988,024	100%	33,831,277	89%
<b>Total (to tie to totals above)</b>	<b>22,988,024</b>	<b>100%</b>	<b>38,120,540</b>	<b>100%</b>

**19. Borrowings**

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Balance at beginning of the year	5,465,911		6,956,614	
Repayments of domestic borrowings during the year	(1,490,703)		(1,490,703)	
Balance at end of the year	<b>3,975,208</b>		<b>5,465,911</b>	

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**19 a) Analysis of External and Domestic Borrowings**

<b>Description</b>	<b>2024-2025</b>	<b>2023-2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Kenya shilling loan	3,975,208	6,956,614
<b>Total balance at end of the year</b>	<b>3,975,208</b>	<b>6,956,614</b>

**19 b) Breakdown of Long and Short-Term Borrowings**

<b>Description</b>	<b>2024-2025</b>	<b>2023-2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Long Term Borrowings	3,975,208	6,956,614
<b>Total</b>	<b>3,975,208</b>	<b>6,956,614</b>

**Garissa Teachers Training College**

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***Retirement Benefit Asset/Liability***

*Garissa Teachers Training College Contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National social security Act. The College's Obligation under the scheme. Other than NSSF, Garissa Teachers Training College has defined contribution Scheme, PAYE and SHA.*

## **20. Financial Risk Management**

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

The college's financial risk management objectives and policies are detailed below:

### **(i) Credit risk**

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

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained.

### **Financial risk management (continued)**

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The College has significant concentration of credit risk on amounts due

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

### **(ii) Liquidity risk management**

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

**(iii) Market risk**

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

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

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

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

**a) Foreign currency risk**

The College's has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The College's manages foreign exchanges foreign exchange risk form future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

**Garissa Teachers Training College**  
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**21. Events After the Reporting Period**

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

**22. Ultimate And Holding Entity**

The College is a Teachers College under the Ministry of Education

**23. Currency**

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

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**24. Appendices**

**Appendix 1: Implementation Status of Auditor-General Recommendations**

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

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
1	Long Outstanding Receivables from Exchange Transactions	Pledges were made by CDFs and County government bursaries to fully sponsor students but in vain. Strict fees collection measures are being put in place hence forth.		
2	Unconfirmed Property Plant and Equipment Assets	Wrote to government valuer to value the property of the college and are expected to do the same		
3	Unsupported Trade Payables	Have retrieved vital documents like invoices for the creditors		
4	Unapproved Long-Term Borrowings	Have the approval from the County Director of Education		
5	Budget Performance and Control	This depended on 1 <sup>st</sup> year enrolment estimates		
6	Non-Disclosure of Finance Officer's ICPAK Membership Number	Finance Officer is pursuing CPA Advance level		

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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)
7	Lack of Ethnic Diversity in Staff Composition	The staff in question is only based on non-teaching staff but ethnic diversity is also shown in the composition of teachers (both BOM and TSC)		
8	Non-Compliance in Constitution of the Audit Committee	Appointed CPA Abdullahi as Chair and a member of Audit Committee		
9	Lack of Risk Management Policy	Developed the Risk Management Policy and approved by the Board		



Principal/BOM SECRETARY  
 GARISSA TEACHERS TRAINING COLLEGE

**Noor Aden Dahir**

**Principal**

**Date: 26/08/2025**

