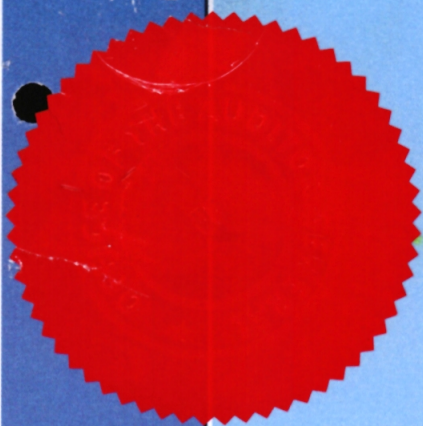


REPUBLIC OF KENYA



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REPORT

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 30 JUL 2025	DAY: Wednesday
TABLED BY:	Hon. Owen Baya, CBS, MP Deputy Majority Leader
CLEAR AT IN-TABLE:	Loma/le

OF

THE AUDITOR-GENERAL

ON

**BISHOP MAHON TEACHERS TRAINING
COLLEGE**

FOR THE YEAR ENDED

30 JUNE, 2023

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Bishop Mahon Teachers Training College

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

Bishop Mahon Teacher Training College
Annual Report and Financial Statements for the year ended 30th June 2023

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1. Acronyms & Glossary of Terms

BOM	Board of Management
MOE	Ministry of Education
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TSC	Teachers Service Commission
CBC	Competency Based Curriculum
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College
BMTTC	Bishop Mahon Teachers Training College
Fiduciary Management	Key management personnel who have financial responsibility in the entity
BES	Boarding Equipment and Stores
TES	Tuition Equipment and Stores
LTT	Local, Transport and Travelling
EWC	Electricity, Water and Conservancy

2. Key Entity Information and Management

(a) Background information

The college was established under the **Basic Education Act No 14 of 2013** Act on 15th February 2021. The entity is domiciled in Kenya and has no branches. The institute is under the Ministry of Education.

(b) Principal Activities

The principal activity/mission/ mandate of the entity is to train of Diploma in Primary Teacher Education and Diploma in Early Childhood Development Education – Both Pre-service and the Upgrade

Vision:

To be a centre for Holistic and competitive teacher training

Mission:

To equip a community of learners with skills and knowledge to be responsible global citizens, educators and champions of our own success

Core Objective:

Honesty, Integrity, Professionalism, Team work and Positivity

(c) Key Management

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

Board of Management
Chief Accounting officer/ Principal
Management Staff

(d) Fiduciary Management

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

No.	Designation	Name
1.	Principal	Mrs Leah Losiru
2.	Deputy Principal	Mr. Mark Wabuli
3.	Dean of Curriculum	Mrs. Ruth Mutali
4.	Dean of students	Mr. Julius Atieno
5	Bursar	Mr. Moses Edapal

Key Entity Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

i) Finance Procurement and General-Purpose Committee Members

1. Rev. Fr. Paul Areman
2. Dr. Jacob Lolelea
3. Mrs. Leah Losiru
4. Ms. Doreen Kari

Functions

- To ensure that all expenditures are in line with the approved budget
- To supervise and due process is followed
- To monitor from time to time how funds are utilized in the College
- To monitor closely all procurements and due process is followed
- To ensure that all suppliers strictly follow their quotation prices without varying the prices.
- To ensure that all books of accounts are written and are up to date
- To physically check all bank slips, withdrawals against the bank statements
- To handle all matters relating to supervising maintaining of store records

ii) Audit and Risk Committee

Members

1. Mrs. Susan Aletea
2. Mrs. Christine Malcom
3. Mr. Brizan Were
4. Wilson Losike

Functions

- To examine in depth all payment vouchers and receipts and report to the board any disparity
- To examine all used receipt books, cheque books delivery notes, invoices and payment voucher.
- To examine in depth all enrolment registers for the previous year.
- To examine all movable and immovable assets for the previous year.
- To examine all cheque books counterfoils for the previous year.
- To examine all tender records for the previous year.
- To examine all procurement records for the previous year.
- To verify all projects records for the previous year.
- To verify the audit and inspection reports for the previous year.
- To respond to audit queries after scrutinizing the report on audited accounts.

Key Entity Information and Management (Continued)

iii) Academic Standards, Quality and Environment Committee

Members

1. Dr. Ngasike John Teria
2. Dr. Jacob Lolelea
3. Mrs. Leah losiru
4. Mr. Micah Chirchir
5. Mr. Ang'ela Peter

Functions

- To handle all academic matters in the college
- To device ways and means of improving academic standards
- To analyse national examination results against the FACE exams
- To ensure that each student has enough text books and other learning materials
- To ensure that all students are learning in safe class rooms, the toilets are safe and clean, the eating place is clean and safe, and water in the college is clean and safe

iv) Discipline Ethics and Integrity Committee

Members

1. Pst. Dalmus Esekon
2. Mr. Philip Ilete
3. Mrs. Carolyne Lopatio

Functions

- To deal with all matters relating to discipline of students
- To work closely with the guidance and counselling committee in improving discipline in college
- To handle all integrity cases involving teaching and non- teaching staff
- To promote ethics and integrity in the college
- To carry out any other assignment which may be referred to them by the board of management

v) Human Rights and Students Welfare Committee

Members

1. Rev. Fr. Paul Areman
2. Mr. Seamus Ekuwom
3. Mr. Ang'ela Peter

Functions

- To receive and discuss all cases of admissions, transfers, suspensions, and replacements at the college level

Key Entity Information and Management (Continued)

- To recommend to the Board of Management all cases admissions, transfers, suspensions, and replacements from the college level
- To receive from students/teacher trainees or student leaders all cases relating to human rights abuse and their welfare in general
- To carry out student census in the college or any other institutions of basics educations and submit a report to the Board of management

(f) Entity Headquarters

Bishop Mahon Teachers Training College
P.O. Box 148-30500
Lodwar, KENYA

(g) Entity Contacts

Bishop Mahon Teachers Training College
Telephone: (254) 112972138/0729398332
E-mail: bishopmahontt@gmail.com

(h) Entity Bankers

Kenya Commercial Banks
Lodwar Branch






(i) Independent Auditors




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

3.The Board of Management




No.	Member/ Director	Details
1.	 VERY REV. PAUL AREMAN	<p><u>D.OB:- 1972</u> <u>Academic Qualifications:-</u> -Master's Degree in Social Development. <u>Work Experience:-</u> 1. A priest at Catholic Diocese of Lodwar 2. Lecturer at Turkana University College <u>Responsibility:-</u> 1. BOM Chairperson 2. Human Rights and Students Welfare Committee</p>
2.	 MRS. LEAH LOSIRU	<p><u>D.O.B:- 1972</u> <u>Academic Qualifications:-</u> Masters of Arts degree <u>Work Experience:-</u> Principal Bishop Mahon TTC <u>Responsibility:-</u> 1. Secretary to BOM 2. Finance, Procurement and General purpose Committee</p>
3.	 MRS. SUSAN ALETIA	<p><u>D.O.B:- 1974</u> <u>Academic Qualifications:-</u> Masters of Science degree in Disaster Management <u>Work experience:-</u> UN Kenya Gender Advisor Turkana County government. <u>Responsibility:-</u> Audit and Risk committee</p>
4.	 DR. JACOB LOLELIA	<p><u>D.O.B:- 13.11.1974</u> <u>Academic Qualification:-</u> Doctor of Philosophy of Education <u>Work Experience:-</u> University Lecturer <u>Responsibility:-</u> 1. Finance, Procurement and general purpose. 2. Academic standards, Quality assurance and Environment committee.</p>

**XXX TTI/TVC /National Polytechnic/Teacher Training College
Annual Report and Financial Statements for the year ended 30th June 2023**



5.	 MR. WILSON LOSIKE	<p><u>D.O.B:</u> - 12.06.1985 <u>Academic Qualifications:</u> - Bachelor Degree of Arts <u>Work Experience:</u> - Education Secretary- Diocese of Lodwar <u>Responsibility:</u> - Audit and Risk Committee member</p>
6.	 MR. BRIZAN WERE	<p><u>D.O.B:</u> - 1983 <u>Academic Qualifications:</u> - Bachelors degree in Education <u>Work Experience:</u> - Chief Executive Officer Start UP Lions Turkana <u>Responsibility:</u> - Audit and Risk Committee member</p>
7.	 MRS. CHRISTINE MALCOM	<p><u>D.O.B:</u> - 1974 <u>Academic Qualifications:</u> - Masters degree in Business Administration. <u>Work Experience:</u> - KCB Lodwar branch manager <u>Responsibility:</u> - Audit and Risk Committee member</p>
8.	 MR. PHILIP ILETE	<p><u>D.O.B:</u> - 1995 <u>Academic Qualifications:</u> - Bachelor Degree in Business Management (Human Resource) <u>Work Experience:</u> - Senior Human Resource Management and Development Officer. <u>Responsibility:</u> - Discipline, Ethics and Integrity</p>
9.	 MS. DOREEN KAARI	<p><u>D.O.B:</u> - 1980 <u>Academic Qualifications:</u> - KCSE <u>Work Experience:</u> - Business person <u>Responsibility:</u> - Human Rights and students' welfare</p>

<p>10</p>	 <p>MR. MICAH CHIRCHIR</p>	<p><u>D.O.B:</u> - 1974 <u>Academic Qualification:</u> - Bachelor Education Arts <u>Work Experience:</u> - Lecturer at Bishop Mahon TTC <u>Responsibility:</u> - Academics Standards, Quality Assurance and Environment Committee member</p>
<p>11</p>	 <p>MR. ANGELA PETER</p>	<p><u>D.O.B:</u> -1999 <u>Academic Qualifications:</u> Craft Certificate in ECDE <u>Work Experience:</u> -BMTTC Student Council chairperson <u>Responsibility:</u> - 1. Human Rights and students' welfare Committee 2. Academic Standards, Quality and Environment Committee</p>
<p>12</p>	 <p>MR. SEAMUS I. EKUWOM</p>	<p><u>D.O.B:</u> - 1975 <u>Academic Qualifications:</u> - Master degree in Sociology of Education <u>Work Experience:</u> - Senior Education Program Officer <u>Responsibility:</u> - Human Rights and Students Welfare Committee</p>

4. Key Management Team

Staff	Responsibility
 <p>Mrs. Leah Losiru Chief Principal/Secretary BOM MBA</p>	<ul style="list-style-type: none"> - Teaching and administering teaching functions - General administration - Human Resource Management - Financial Management and Control - Any other relevant duties
 <p>Mr. Mark Wabuli Deputy Principal MEd</p>	<ul style="list-style-type: none"> - Responsible for the provision of the operational management to ensure service delivery in the institution. - The role further provides support to the head of the institution in the development and implementation of education plans, policies, programs and curriculum activities. - Other delegated duties
 <p>Mrs Ruth Mutali Dean of Curriculum MEd</p>	<ul style="list-style-type: none"> - Teaching - Provision of administrative services and technical assistance to teaching staff in the areas of curriculum development, implementation and evaluation - Other delegated duties

Bishop Mahon Teacher Training College
Annual Report and Financial Statements for the year ended 30th June 2023

 <p>Mr. Julius Atieno Dean of Students BEd</p>	<ul style="list-style-type: none"> - Teaching - Deals with Learners welfare including sharing information with learners, colleagues and other interested parties to promote learners' success and development - Other delegated duties
 <p>Mr. Moses E. Edapal Bursar, Diploma in Accountancy, CPA Part II SEC 4</p>	<ul style="list-style-type: none"> - Custody and maintenance of books of accounts and accountable documents - Ensuring a proper record for each transaction is kept - Ensuring that statutory obligations are paid in time - Working with auditors in ensuring accountability preparation - Preparing regular financial reports as instructed

5. Chairman's Statement

Pre-amble

BMTTC is relatively new public institution situated in Turkana Central Sub-County of Turkana County and started through community initiative spearheaded by the first Governor of Turkana County, His Excellency Josephat Kooli Nanok in the year 2020

The institution is domiciled in the former Teachers' resource Centre and later Turkana DICECE.

The rationale of starting the college was to plug the hitherto existing gaps in terms of absence of a tertiary institution of this nature in Turkana county, a scenario that disadvantaged students graduating from secondary schools in the county, and had interest and passion in pursuing teacher education. Such students had to travel to other parts of the country far away from Turkana to pursue their dreams of being educators.

The institution was registered by the county education board on 15th February 2020, the pioneer board of management comprising of 14 members inaugurated on 20th August 2020 and the first Principal deployed by the TSC with effect from 12th October 2020.

The BOM was immediately tasked to ensure that the institution put in place strategies and mechanisms to admit new students as soon as the MOE allowed the resumption of teacher training following an earlier freeze upon the scrapping of the P1 course and pending the roll out of the new CBC.

The BOM therefore embarked on stakeholder linkages and enlisted the support of Turkana County Government, the community, and the county Political leadership to give a helping hand in the development of infrastructural and other cadre of facilities.

The Turkana County government specifically, donated to the institution a number of capital assets in form of land, offices, tuition, boarding, dinning and ablution facilities.

The significant milestone paved the way for the admission of the first cohorts of upgrade to Diploma in Early Childhood and Primary Teacher Education trainees (67 in number) on 4th October 2021 and the deployment of seven additional tutors to join the principal. The number of non-teaching staff stood at 20.



CHAIRMAN

6. Report of the Chief Principal

Bishop Mahon Teacher Training College is a new public college situated in Turkana Central Sub County in Turkana County. It was started through community effort as the area had no tertiary institutions where students would go for further education after completion of secondary Education.

Achievements

Under the able strategic leadership and guidance of the Board, the Management and Staff have accomplished the following:

- Enrolled 63 students out of 150 originally budgeted for year ended 30 June 2023
- Engagement of reliable BOG staff who diligently offered their services in the year
- Improvement of basic physical facilities such as toilets and playing grounds.
- Planting of over 100 trees and flowers and general beautification of the college.
- Active involvement in sports and co-curricular activities.
- Creation of partnerships and cordial relations with the neighbouring community as part of corporate social responsibility etc.).

Challenges

The FY 2022/2023 had its fair share of challenges some of which include:

- The strategic plan is at draft stage development 2023
- Lack of Financial policy manual to guide in compliance with Financial management procedures
- No organisation culture- the college management is working to establish a culture through development of the college code of conduct e.g. logo, vision, mission and core values
- Limited funds to implement some of the planned activities and financial obligations on time
- Lack of HRM policy manual to guide Management on Human Resource procedures
- Limited funds to hire desired professional support staff in key areas like Internal Audit, Finance, Procurement, and Human Resource leading to challenges in the implementation and compliance with ideal regulatory and reporting requirements
- Lack of essential equipment and facilities for administrative staff, internet connectivity, etc.
- Shortage of Government employed trainers in Music, Arts and Craft courses that led to engagement of Part time trainers. This in turn led to higher wage bill.
- Lack of land for agriculture and fields for Physical Health Education-
- Lack of infrastructure e.g. special rooms, Learning Resource Centre and internet for effective and efficient implementation of the Competency Based Curriculum - The College has written proposals to the Ministry of Education for funding. The college has also collaborated closely with local Government institutions that are well endowed to be facilitated on short loan some equipment e.g. sports, games, tablets and furniture or share fields so as to enable training to take place effectively.

Report of the Chief Principal (Continued)

Despite the challenges, I am sincerely grateful to the Board of Management for the dedication and guidance provided during the year and to the entire staff of Bishop Mahon Teachers Training College for their teamwork and cooperation that led to the realization of the College's mandate.

I am grateful to the Ministry of Education, T.S.C, Diocese of Lodwar, Turkana County Government and neighbouring community members for offering technical, financial and physical support to the college during the financial year ended 30 June 2022.



MRS LEAH LOSIRU
PRINCIPAL/BOM SECRETARY

for

7. Statement of Performance against Predetermined Objectives

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the Accounting officer to include in the financial statement, a statement of the national government entity's performance against predetermined objectives.

Bishop Mahon Teachers Training College is in the process of developing the Strategic Plan during the FY 2022/2023 and therefore it was not possible to compare the performance against predetermined objectives during the year ended 30 June 2023

The strategic plans were as follows; -

1. Curriculum issues
2. Students affairs
3. Resource mobilization
4. Human Resource Development
5. Physical facilities
6. Promote ICT and e-learning
7. Emerging issues

Consequently, annual work plans based on the above strategic pillars were not developed. Assessment of the Board's performance against its annual work plan could not be done on a quarterly basis during the year ended 30 June 2023

8. Corporate Governance Statement

Process of appointment

Bishop Mahon TTC Board had sixteen (16) members appointed in the prescribed process laid out by the Ministry of Education. The BOM was constituted as below

- Twelve (12) members appointed by the Cabinet Secretary;
- Student Representative
- Tutors Representative
- The County director of Education representing the PS- MoE
- The Principal as the Board Secretary and Chief Accounting Officer

Removal of Board members

The appointment of a member to a Board of Management or to its committees may be revoked and the member may vacate office if the member

- Resigns by giving notice in writing to the Cabinet Secretary; the person shall cease to be a member of the Board from the date specified in the notice.
- Becomes insolvent or has conveyed or assigned his property or has made a proposition or arrangement for the benefit of his creditors;
- Is sentenced by a court of law to imprisonment for a term of six months or more;
- Is incapacitated by physical or mental illness;
- Has been absent from three consecutive meetings of the Board without leave;
- Where the member is a representative, has his appointment revoked by the nominating body
- Is otherwise unable or unfit to discharge his functions as a member of the Board on account of any matter in the Act.

The roles of the board members include:

- Overseeing the conduct of education and training in the institution in accordance with the provisions of the Act and any other written law;
- Promoting and maintaining standards, quality and relevance in education and training in the institution in accordance with the Act and any other written law;
- Administering and managing the property of the college
- Developing and implementing the institution's strategic plan;
- Reviewing and approving annual budget estimates of revenue and expenditure for the Institution and incurring expenditure on behalf of the institution;
- Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institutions, in consultation with the Authority;
- Making regulations governing college, conduct and discipline of the staff and students;
- Discharging all other functions conferred upon it by the Act

Corporate Governance Statement (Continued)

Conflict of Interest

- If a member of the Board has any conflict of interest, he/she declares the same in the meeting.
- A disclosure of interest made shall be recorded in the minutes of the meeting at which it is made
- A member of the Board who contravenes this commits an offence and is liable to a fine or imprisonment.

Remuneration of Board Members

Members of a Board of Management are paid in respect of their services such remuneration or allowances as approved by Cabinet Secretary, Ministry of Education

Board Accountability and Financial Reporting

- The Board of Management should ensure that top management keeps proper books and records of accounts of the income, expenditure and assets of the college and review performance of management on Quarterly basis and submit reports to MoE
- within a period of three months from the end of each financial year, Board of Management submit Annual Financial Report to the office of the Auditor- General, Ministry of Education, Controller of Budget, Treasury, and Commission of Revenue Allocation and stamped copy of the report kept by the Principal/Chief Secretary of the Board
- Provide relevant supporting schedules to external auditors when called upon in accordance with the Public Audit Act, 2015.

9. Management Discussion and Analysis

Entity's compliance with statutory requirements

-The college did not comply with the statutory requirements of registration and deduction of NSSF, NHIF from BOG Staff and PAYE for eligible BOG Staff as at 30th June 2023

The Board is in the process of registration in the financial year ended 30th June 2023 to avoid penalties and interests

Key projects and investment decisions the entity is planning/implementing

- Acquisition of internet connectivity routers and SIM cards and Fiba connectivity
- Equipping College library with relevant books and learning materials
- Office furniture – storage cabinets
- Generator and changeover switch
- Acquisition of solar panels and power failure back up facilities
- Expansion of water connectivity to various points in the college

Major risks facing the entity

- Uncertainty in regard to student enrollment due to restrictive entry points
- Liquidity risk to fund desired projects due to low enrolments
- Insecurity due high rate of unemployment in the community

Material arrears in statutory/financial obligations

There were no material arrears and financial obligations faced by the college during the year ended 30 June 2023

The entity's financial probity and serious governance issues

There was no probity and serious governance issues face during the year ended 30 June,2023

10. Environmental and Sustainability Reporting Statement

Sustainability strategy and profile

Bishop Mahon TTC key sustainability strategies include aggressive marketing of the services opportunity to potential beneficiaries in Turkana Central Sub County and neighboring sub counties which include Loima, Turkana South, Turkana East, Turkana West and Turkana North to ensure that the college can boost enrollment for regular and upgrade students.

Environmental performance

On environment, the college staff have managed to plant over 500 hundred trees and flowers in the college in line with National Environment Management authority requirements.

Employee welfare

Bishop Mahon Teachers Training College plans to develop a Human Resource manual that will ensure consistency, transparency, fairness, and merit-based hiring.

The college further hopes to continually develop skills for its employees to improve organization performance. It hopes to conduct Annual Performance Appraisal and Training Needs Assessments to establish how well the employees are performing their duties as well as the employees that need training, salary increment and job promotion.

Market place practices-

The organisation should outline its efforts to:

a) Responsible competition practice.

Bishop Mahon Teachers Training College is steadfast in its fidelity to anti-corruption practices and remain a corruption free zone. A public poster is duly erected at the gate reminding clients and suppliers of commitment of management in ensuring fair dealings and above-board transactions.

The management does not engage in political alienations and practices responsible political involvement at Sub county and County Government levels

b) Responsible Supply chain and supplier relations- maintains good business practices: -

Bishop Mahon TTC management are strongly committed to promoting local content in its procurement processes in accordance with AGPO regulations and will always strive to ensure that all goods supplied on credit are paid within 30 days to minimize pressure on its local suppliers

The management has made it part of its culture to treat its suppliers responsibly by honouring contracts and making payment within agreed credit terms.

c) Responsible marketing and advertisement-outline efforts to maintain ethical marketing practices.

Management strives to admit trainees without discrimination. This is aimed at enhancing equity and access to college education and acquisition of skills by students from all walks of life

d) Corporate Social Responsibility / Community Engagements

The plight of the immediate community remains a daily concern for the college. The College has on several occasions used its facilities to help clean the surrounding California Market as well as encouraging community members to enroll students and pay fee in kind i.e. through supply of food items (firewood, maize, beans and vegetables among others)

11. Report of the Board of Management

The Board members submit their report together with the audited financial statements for the year ended June 30, 2023, which show the state of Bishop Mahon Teachers Training College affairs.

Principal activities

The principal activities of the college is to train of Diploma in Primary Teacher Education teachers (DPTE) and Diploma in Early Child Teacher Education (DECTE) – Both Pre service and the Upgrade

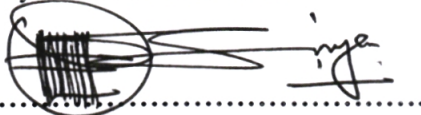
Board of Management

The members of the Board who served during the year are shown on page viii to xii

Auditors

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

By Order of the Board



.....
Secretary of the Board
Bishop Mahon Teachers Training College
Lodwar
Date: 23/5/2025

12. Statement of Board of Governors' Responsibilities

Section 81 of the Public Finance Management Act, 2012 and Early Childhood Development and Basic Education Act No 14 of 2013-require the Board members to prepare financial statements in respect of Bishop Mahon Teachers Training College, which give a true and fair view of the state of affairs of the college at the end of the financial year and the operating results of the college for that year ended June 30, 2023. The Board members are also required to ensure that the college keeps proper accounting records which disclose with reasonable accuracy the financial position of the Bishop Mahon Teachers Training College. The council members are also responsible for safeguarding the assets of Bishop Mahon Teachers Training College.

The Board members are responsible for the preparation and presentation of Bishop Mahon Teachers Training College's financial statements, which give a true and fair view of the state of affairs of the college for and as at the end of the financial year ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the college, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the college, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

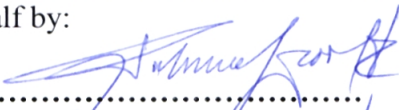
The Board members accept responsibility for Bishop Mahon Teachers Training College's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Early Childhood Development and Basic Education Act No 14 of 2013.

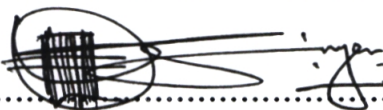
The Board members are of the opinion that Bishop Mahon Teachers College's financial statements give a true and fair view of the state of the college's transactions during the financial year ended June 30, 2022, and of the college's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the college, which have been relied upon in the preparation of the College's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Board members to indicate that Bishop Mahon 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 BMTTC financial statements were approved by the Board on 28/09/2023 and signed on its behalf by:


.....
Name *Joseph Erasmus*
Chairperson of the Board/Council


.....
Name
Accounting Officer/Principal

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON BISHOP MAHON TEACHERS TRAINING COLLEGE FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Bishop Mahon Teachers Training College set out on pages 1 to 28, which comprises of the statement of financial position as at 30 June, 2023, the statement of financial performance, statement of changes in net assets, statement of cash flows, the statement of comparison of budget

Report of the Auditor-General on Bishop Mahon Teachers Training College for the year ended 30 June, 2023

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 Bishop Mahon Teachers Training College as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Doubtful Accounts Receivables

The statement of financial position reflects receivables from exchange transactions balance of Kshs.6,202,777 as disclosed in Note 14 to the financial statements. However, the supporting schedules, detailed ageing analysis and invoices issued were not provided for audit review.

Further, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy, completeness and recoverability of the accounts receivable balance of Kshs.6,202,777 could not be confirmed.

2. Unsupported Cash and Cash Equivalents

The statement of financial position reflects a balance of Kshs.1,255,612 in respect of cash and cash equivalents as disclosed in Note 13 to the financial statements. However, the balance includes cash in hand amount of Kshs.84,649 which was not supported by cash count certificate or board of survey report.

In addition, Management operated without a bank account register detailing the date the bank account was opened, purpose of the account and authorized signatories to the account.

In the circumstances, the validity, accuracy and completeness of the cash and cash equivalents balance of Kshs.1,255,612 could not be confirmed.

3. Lack of Valuation and Ownership Documents for Property, Plant and Equipment

The statement of financial position reflects nil balance in respect of property, plant and equipment as disclosed in Note 15 to the financial statements. However, title deed, allotment letters or other documents to support land ownership were not provided for

audit. Although Management explained that the College took over the former Turkana DICECE College owned by the Turkana County government and all the property including land, buildings and furniture have not been officially transferred from the ownership of the Turkana County government to the College, no minutes or other documentary evidence was provided to support the claim.

In the circumstances, the accuracy and completeness of the nil balance and ownership of the property, plant and equipment could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts for the year ended 30 June, 2023 reflects the final budgeted revenue of Kshs.20,478,900 against actual receipts of Kshs.13,362,686 resulting in an under collection of Kshs.7,116,217 or 35% of the budget. Similarly, the actual expenditure was Kshs.8,420,210 against actual receipts of Kshs.13,362,686 resulting in an underutilization of Kshs.4,942,476 or 37% of the actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the 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 xxii which comprises of Key Entity Information and Management, 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 Board of Governors and Statement of Board of Governors/Council's 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 USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Failure to Deduct and Remit Statutory Deductions

The statement of financial performance for the year ended 30 June, 2023 reflects employee costs of Kshs.2,264,762 as disclosed under Note 10 to the financial statements. However, there was no evidence provided to show that the Management deducted and remitted statutory monthly National Hospital Insurance Fund (NHIF) as required by Section 16(1) of NHIF Act that provides that the employer of a liable person shall be liable to deduct and to pay the contribution to the Board on behalf of and to the exclusion of that person.

In addition, there was no evidence that the Management recovered and remitted National Social Security Fund (NSSF) deductions from the employees' salaries for year under review as provided by Section 20(1)(a) of the NSSF Act that requires an employer to pay to the Pension Fund in respect of each employee in his or her employment.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Internal Audit Function

During the financial year ending 30 June, 2023, there was no internal audit review of the College's activities contrary to Section 73(3)(b) of the Public Finance Management Act, 2012 which requires that the Internal Auditor shall conduct internal auditing which includes risk-based, value-for-money and systems audits aimed at strengthening internal control mechanisms that could have an impact on achievement of the strategic objectives of the entity.

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

2. Non-Establishment of Occupational Safety and Health Committee.

Review of the College operations, as an occupier, revealed that the College did not establish a Safety and Health Committee at the workplace as required under Section 9(1) of the Occupational Safety and Health Act, 2007. Further, Management did not provide a safety and health audit report as required under Section 11(1) which stipulates that the occupier of a workplace shall cause a thorough safety and health audit of his workplace to be carried out at least once in every period of twelve (12) months by a safety and health advisor.

In the circumstances, the safety and health of the College as a workplace could not be confirmed.

3. Weak Information Technology Internal Control Environment

Review of the Information Technology Internal Controls revealed that the College did not have an ICT Policy, had not developed an IT continuity and disaster recovery plan which is important in ensuring that the College recovers its functionality in case of an unplanned incident or disaster.

Further, the College did not have an approved IT strategic committee and strategic plan which is important in performing the oversight function and formulation of policies to ensure that the IT department functions properly to assist in achievement of the College's objectives in an economic, efficient and effective way.

In the circumstances, effectiveness of internal controls on management of ICT could not be confirmed.

4. Lack of Risk Management Policy and Strategy

Management did not have in place an approved risk management policy and risk management framework including strategies and procedures put in place to assess, identify, measure, prioritize and mitigate risks in the entity.

In the circumstances, Management lacks a mechanism to aid in detection and mitigation of any possible risk in the College and operations may be disrupted in case of a disaster.

5. Lack of an Approved Staff Establishment and Human Resource Policies

The College operates without an authorized staff establishment to support the establishment of appropriate structures to manage staffing, posting, training, skills retention, and succession plans. It was therefore not possible to establish the criteria used by the Board to fill positions within the College.

In addition, there was no approved Human Resource policies, procedures and guidelines and salary structure. Although Management provided an organogram for the institution, the same had not been approved.

In the absence of an approved staff establishment, it was not possible to determine if the College operated with an optimal number of staff.

6. Lack of a Board Charter and Board Work Plan

The statement of financial performance for the year ended 30 June, 2023 reflects use of goods and services amount of Kshs.5,994,208 which includes administration costs of Kshs.804,079 as disclosed in Note 9 to the financial statements. The administration costs further includes an amount of Kshs.50,000 being board expenses. Verification of the documents provided revealed that the College did not have a board charter and board work plan in place contrary to the Mwongozo Code of Governance for State Corporations. There was no evidence of quality assurance process, risk management strategies and board members competency development in the governance objective of the board. In addition, the Board membership comprised of fifteen members, exceeding the required ceiling of nine (9) members contrary to the Governance parameter 1.1 paragraph 3 of the Mwongozo code of Governance for state corporation that requires the Board membership of all State Corporations to be between seven (7) and nine (9) members.

In the circumstances, the effectiveness of the governance mechanisms 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 control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and the Board of Management

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

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

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

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

The Board of 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 overall 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 for 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

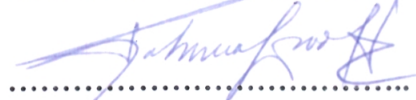
24 June, 2025

Bishop Mahon Teacher Training College
Annual Report and Financial Statements for the year ended 30th June 2023

14. Statement of Financial Performance for the Year Ended 30 June 2023

	Notes	2022-2023	2021-2023
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	3,323,355	2,882,655
Donations and borrowing (Public Harambee)	7	-	1,301,580
Total revenue from non-exchange transactions		3,323,355	4,184,235
Revenue from Exchange transactions			
Revenue from facilities and equipment	-	-	-
Rendering of services- fees from students	8	10,039,331	5,522,586
Revenue from Exchange transactions		10,039,331	5,522,586
Total Revenue		13,362,686	9,706,821
Expenses			
Use of goods and services	9	5,994,208	3,906,069
Employee costs	10	2,264,762	1,640,500
Board Expenses	11	55,000	88,500
Repair and Maintenance	12	106,240	1,555,839
Total Expenses		8,420,210	7,190,908
Net surplus/(deficit) for the year		4,942,476	2,515,913

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



Chairman of Board



Finance Officer

ICPAK No



Principal

Date 23/05/2025

Date 23/05/2025

Date 23/05/2025

Bishop Mahon Teacher Training College
Annual Report and Financial Statements for the year ended 30th June 2023

15. Statement of Financial Position As At 30th June 2023

Description	Notes	2022-2023	2021-2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	13	1,255,612	698,211
Receivables from exchange transactions	14	6,202,777	1,817,702
Inventories		-	-
Total Current Assets		7,458,389	2,515,913
Non-Current Assets			
Property, plant, and equipment	15	-	-
Total Non-Current Assets		-	-
Total Assets		7,458,389	2,515,913
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions		-	-
Refundable deposits from		-	-
Total Current Liabilities		--	-
Total Liabilities		-	-
Net Assets		7,458,389	2,515,913
Capital Fund		-	-
Accumulated Surplus		7,458,389	2,515,913
Total Net Assets and Liabilities		7,458,389	2,515,913

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



Chairman of Board

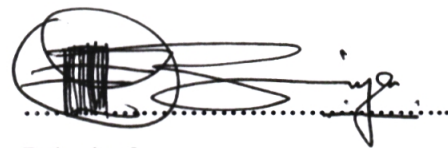
Date 23/05/2025



Finance Officer

ICPAK No

Date 23/05/2025



Principal

Date 23/05/2025

Bishop Mahon Teacher Training College
 Annual Report and Financial Statements for the year ended 30th June 2023

16. Statement of Changes in Net Asset For The Year Ended 30 June 2023

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2021				
Accumulated retained earnings	-	-	-	-
Surplus/(deficit) for the year	-	2,515,913		2,515,913
Capital Grants received during the year	-	-	-	-
At June 30, 2022	-	2,515,913		2,515,913
At July 1, 2022	-	2,515,913		2,515,913
Accumulated retained earnings				
Surplus/(deficit) for the year	-	4,942,476		4,942,476
Capital Grants received during the year				
At June 30, 2023	-	7,458,389		7,458,389

Bishop Mahon Teacher Training College
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17. Statement of Cash Flows For The Year Ended 30 June 2023

Description		2022-2023	2021-2022
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities	6	3,323,355	2,882,655
Public Contributions	7	-	1,301,580
Rendering of services-fees from students	8	5,654,256	3,704,884
Total Receipts		8,977,611	7,889,119
Payments			
Use of goods and services	9	5,994,208	3,906,069
Employee costs	10	2,264,762	1,640,500
Board Expenses	11	55,000	88,500
Repairs and maintenance	12	106,240	1,555,839
Total Payments		8,420,210	7,190,908
Net Cash Flows from operating activities		557,401	698,211
Cash flows from investing activities		-	-
Purchaser of property, plant & equipment		-	-
Cash flows from financing activities		-	-
Net Increase/(Decrease)in Cash and Cash equivalents		557,401	698,211
Cash and Cash equivalent as at 1 July 2022	13	698,211	-
Cash and Cash equivalent as at 30 June 2023	13	1,255,612	698,211

Bishop Mahon Teacher Training College
Annual Report and Financial Statements for the year ended 30th June 2023

18. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2023

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other National Government entities	6,000,000	-	6,000,000	3,323,355	2,676,645	45%
Rendering of services- fees from students	14,478,900	-	14,478,900	10,039,331	4,439,569	31%
Total Income	20,478,900		20,478,900	13,362,686	7,116,214	
Expenses						
Use of goods and services	15,829,900	-	15,829,900	5,994,208	9,835,692	62%
Employee costs	3,000,000	-	3,000,000	2,264,762	735,238	25%
Board Expenses	150,000	-	150,000	55,000	95,000	63%
Repairs and maintenance	500,000	-	500,000	106,240	393,760	79%
Total Expenditure	19,479,900	-	19,479,900	8,420,210	11,059,690	
Surplus For the Period	999,000	-	999,000	4,942,476		

19. Notes to the Financial Statements

1. General Information

Bishop Mahon Teachers Training College is established by and derives its authority and accountability from Early Childhood Development and Basic Education Act No.14 of 2013. The college is wholly owned by the Government of Kenya and is domiciled in Kenya.

The entity's principal activity is to train Primary Teacher Education teachers – Both Pre- service and the Upgrade at Diploma level

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Bishop Mahon Teachers Training College accounting policies. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Bishop Mahon Teachers Training College accounting policies. 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.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

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

Bishop Mahon Teacher Training College
Annual Report and Financial Statements for the year ended 30th June 2023

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

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

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

iii. **Early adoption of standards**

Bishop Mahon TTC did not early-adopt any new or amended standards in year 2022/2023.

Notes to the Financial Statements (Continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

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

Interest income

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

Rental income

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

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

b) Budget information

The original budget for FY 2022/2023 was approved by the Council or Board on 25th May 2023. 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. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page xx under section xxx of these financial statements.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per first schedule of the income tax Act CAP 470.

Sales tax/ Value Added Tax

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

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

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

d) Investment property

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

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition 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 Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no

Notes to the Financial Statements (Continued)

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

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

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

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial

Notes to the Financial Statements (Continued)

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

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Notes to the Financial Statements (Continued)

Fair value through net assets/ equity

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

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

Notes to the Financial Statements (Continued)

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.

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

k) Provisions

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

Contingent liabilities

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

Notes to the Financial Statements (Continued)

Contingent assets

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

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

m) Nature and purpose of reserves

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

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

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

Notes to the Financial Statements (Continued)

Payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

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.

p) 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.

q) Related parties

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

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

Bishop Mahon Teacher Training College
Annual Report and Financial Statements for the year ended 30th June 2023

Notes to the Financial Statements (Continued)

s) 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.

t) Comparative figures

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

u) 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 30th 2023.

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Useful lives and residual values

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

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

Provisions

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

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

Bishop Mahon Teacher Training College
Annual Report and Financial Statements for the year ended 30th June 2023

Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

6 (a)

Description	2022-2023	2021-2022
	Kshs	Kshs
Unconditional Grants		
Operational Grant	3,323,355	2,882,665
Unconditional Development grants	-	-
Other Grants	-	-
Total unconditional Grants	3,323,355	2,882,665
Total Government Grants and Subsidies	3,323,355	2,882,665

6 (b) 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 2022-2023	2021-2022
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department of Basic Education	3,323,355	-	-	3,323,355	2,882,655
Total	3,323,355	-	-	3,323,355	2,882,655

7. Public Contributions and Donations

Description	2022-2-23	2021-2022
	Kshs	Kshs
Public Donations	-	1,301,580
Donations from Local Leadership	-	-
Total Donations and Contributions	-	1,301,580

Bishop Mahon Teacher Training College
Annual Report and Financial Statements for the year ended 30th June 2023

Notes to the Financial Statements (Continued)

8. Rendering of Services

Description	2022-2023	2021-2022
	Kshs	Kshs
Tuition Fees	637,661	363,392
BES Fees	3,558,139	2,027,727
Local Transport and Travelling Fees	454,714	259,134
Medical fees	90,943	51,827
Activity Fees	272,829	155,481
Repair and Maintenance Fees	596,737	340,071
Vehicle repair and Maintenance Fees	606,286	345,513
Gratuity	151,571	-
Administrative/Contingencies Fees	303,143	172,756
Teaching Practice Fees	378,928	215,945
Track suits Levy	348,614	-
Electricity Water and Conservancy	599,616	341,711
Registration Fees	30,314	17,276
Student council Fees	75,786	43,189
Personal Emoluments Fees	501,701	362,260
Computer and Internet Fees	606,286	345,513
COVID Response Levy	303,143	172,756
Student ID Fees	45,471	25,713
Clubs and Environment Fees	151,571	-
Library Books	75,786	43,189
Students Guide Book	30,314	17,276
TP Lesson Plan Books	181,886	103,654
Bank Charges	37,893	21,595
Examination Fee		-
Total Revenue from The Rendering of Services	10,039,331	5,522,585

The revenue amount of Kshs. 10,039,331 for rendering of services consists of actual receipts of Kshs. 5,654,256 and receivables amount of Kshs. 4,385,075.

Bishop Mahon Teacher Training College
Annual Report and Financial Statements for the year ended 30th June 2023

Notes To the Financial Statements (Continued)

9. Use of Goods and Services

Description	2022-2023	2021-2022
	Kshs	Kshs
Teaching and learning materials	133,209	109,780
Electricity, Water and conservancy	396,279	310,720
Activity	413,800	315,342
Boarding expenses	2,080,960	978,044
Local Travelling and accommodation	944,350	675,485
Medical	7,900	5,250
Administrative/Contingencies	804,079	399,177
Student council	30,930	16,000
Internet expenses	15,000	-
Teaching Practice	240,140	-
Clubs & Environment	-	30,500
Student ID	10,300	18,465
COVID 19 Response	-	69,250
Bank Charges	7,461	4,656
KNEC Examination	909,800	973,400
Total other expenses	5,994,208	3,906,069

10. Employee Costs

Description	2022-2023	2021-2022
	Kshs	Kshs
Salaries and wages	2,264,762	1,477,500
BOG Casual Works	-	163,000
Employee Costs	2,264,762	1,640,500

11. Board Expenses

Description	2022-2023	2021-2022
	Kshs	Kshs
Sitting allowance	55,000	88,500
Total	55,000	88,500

Bishop Mahon Teacher Training College
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Notes To the Financial Statements (Continued)

12. Repairs and Maintenance

Description	2022-2023	2021-2022
	Kshs	Kshs
Property (Refurbishment of buildings and playing ground)		1,301,580
Equipment repairs and maintenance	106,240	254,259
Total	106,240	1,555,839

13. Cash and Cash Equivalents

Description	2022-2023	2021-2022
	Kshs	Kshs
Current Account	1,255,612	698,211
Total Cash and Cash Equivalents	1,255,612	698,211

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

Financial Institution	Account number	2022-2023	2021-2022
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1279460105	60,969	127,074
Kenya Commercial Bank	1279475935	1,109,994	545,835
Sub-Total		1,170,963	672,909
Cash in hand		84,649	25,302
M-Pesa		-	-
Total		1,255,612	698,211

14. Receivables from Exchange transactions

14(a) Current Receivables from Exchange transactions

Description	2022-2023	2021-2022
	Kshs	Kshs
Current Receivables		
Student Debtors	6,202,777	1,817,702
Total Current Receivables	6,202,777	1,817,702

Bishop Mahon Teacher Training College
Annual Report and Financial Statements for the year ended 30th June 2023

Notes to the Financial Statements (Continued)

14 (b) Ageing Analysis of Receivables from Exchange transactions

Description	2022-23		2021-2022	
	Kshs		Kshs	
	Current FY	% of total	Comparative FY	% of total
Less than 1 year	4,385,075	71%	1,817,702	100%
Between 1- 2 years	1,817,702	29%	-	%
Total (a+b)	6,202,777	100%	1,817,702	100%

15. Property, Plant and Equipment

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 July 2022 (previous year)	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-	-	-
At 30th June 2023	-	-	-	-	-	-	-	-

Valuation

As per National Treasury guidelines, Land and buildings were not valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020).

Bishop Mahon Teacher Training College
Annual Report and Financial Statements for the year ended 30th June 2023

Notes to the Financial Statements (Continued)

15 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles including Motorcycles	-	-	-
Computers and Related Equipment	-	-	-
Office Equipment, Furniture, And Fittings	-	-	-
Total	-	-	-

16. Financial Risk Management

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

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

(i) Credit risk

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

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

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

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Annual Report and Financial Statements for the year ended 30th June 2023

Notes to the Financial Statements (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 entity has significant concentration of credit risk on amounts due from xxxx

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

(ii) Liquidity risk management

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

The table below represents cash flows payable by the company under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1- 3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2022(previous year)				
Trade Payables	-	-	-	-
Total	-	-	-	-
At 30 June 2023(current year)	-	-	-	-
Trade Payables	-	-	-	-
Total	-	-	-	-

(iii) Market risk

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

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

Notes to the Financial Statements (Continued)

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

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

17. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

- i) The National Government;
- ii) The Parent Ministry;
- iii) Key management;
- iv) Board of Management

18. Events After The Reporting Period

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

19. Ultimate And Holding Entity

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

20. Currency

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

Bishop Mahon Teacher Training College
Annual Report and Financial Statements for the year ended 30th June 2023

20. Appendices

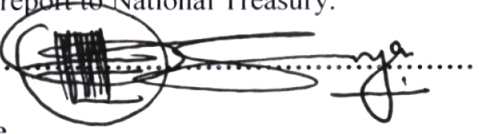
Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	N/A			

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.

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Name
Thomas L. Esinyen
(Principal/BOM Secretary
Date 28/5/2025

Bishop Mahon Teacher Training College
Annual Report and Financial Statements for the year ended 30th June 2023

Appendix II- Inter-Entity Confirmation Letter

Bishop Mahon Teachers training college wishes to confirm the amounts disbursed to you as at 30th June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Reference Number	Date Disbursed	Amounts Disbursed by Ministry of Education (Kshs) as at 30th June 2023				Total (D)=(A+B+C)	
		Recurrent (A)	Development (B)	Inter- Ministerial (C)			
0110046881	04/10/2022	648,896	-	-	648,896	648,896	
0110051210	16/02/2023	792,121	-	-	792,121	792,121	
0110054628	27/06/2023	706,285	-	-	706,285	706,285	
0110054525	27/06/2023	1,182,053	-	-	1,182,053	1,182,053	
Total		<u>3,323,355</u>	≡	≡	<u>3,323,355</u>	<u>3,323,355</u>	

In confirm that the amounts shown above are correct as of the date indicated.

Head of Accountants department of beneficiary Entity:

Name MOSES EDAPAL Sign
[Signature] Date 23/05/2025