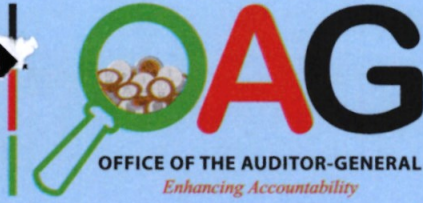
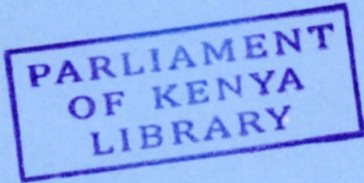


REPUBLIC OF KENYA



REPORT




OF

THE AUDITOR-GENERAL

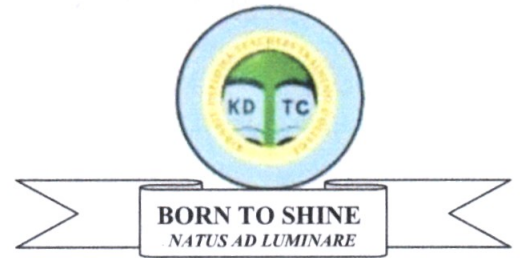
ON

**ST. PAUL'S KIBABII DIPLOMA TEACHERS'
TRAINING COLLEGE**

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

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 11 MAR 2026	DAY: WEDNESDAY
TABLED BY:	LEADER OF MAJORITY PARTY HON. OWEN BAYA, MP
CLERK-AT-THE-TABLE:	J. LEMERELLE

St. Paul's Kibabii Diploma Teachers' Training College
Annual Report and Financial Statements for The Year Ended 30th June 2025



St. Paul's Kibabii Diploma Teachers' Training College

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30TH JUNE 2025

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

St. Paul's Kibabii Diploma Teachers' Training College
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1. Acronyms & Definition of key Terms

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

2. Key Entity Information and Management

a) Background information

Kibabii Diploma Teachers' Training College, Registration Number P/TC/606/14 Chapter 212 of the Laws of Kenya was established by the Ministry of Education after a feasibility evaluation in 2007. The College is mandated to educate and train Diploma teachers for secondary schools in Kenya. In May 2014, the College was re-registered as St. Paul's Kibabii Diploma Teachers' Training College, Registration Number 3954000010 to create a clear distinction between the College and Kibabii University.

St. Paul's Kibabii Diploma Teachers' Training College is located on two campuses in Bungoma County. Tuuti Campus is on 4.97 acres of land in Bungoma South Sub- County, approximately 5 km from Bungoma Town along Bungoma-Chwele Road. Syombe Campus is on 50 acres of land in Bumula Sub-County, around 3 km off Bungoma-Malaba Road along Kimaeti-Myanga Road. The student enrolment in the financial year stands at 328. The College is managed by a Board of Management comprising 14 members. The workforce of the College comprises 43 TSC Teacher Educators and 73 Non-teaching staff.

b) Principal Activities

St. Paul's Kibabii Diploma Teachers' Training College is mandated to conduct Diploma Teacher Training and the College operations are dictated by its philosophical principles as enshrined in the College mandate, motto, vision statement, mission statement, core values and objectives as follows:

Mandate

To train Diploma Teachers for secondary schools

Motto

Born to shine (Natus ad Luminare)

Vision

A Global model institution in Teacher Training

Mission

To provide and promote education and training to produce dynamic, dependable and resourceful teachers

c) Key Management

Day-to-day management of the College is under the following key organs;

- i. Board of Management
- ii. Accounting Officer/ Principal
- iii. Senior Management Team

d) Fiduciary Management

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

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No.	Designation	Name
1.	Principal	Barasa, Saul Wafula
2.	Deputy principal	Agnes Asenwa Mungai
3.	Registrar	Ruth Mutali
4.	Dean of students	Welimo Margaret
5.	Finance Officer	Muchele David

e) Fiduciary Oversight Arrangements

Fiduciary oversight of the college is carried out by the different committees of the board as follows;

(i) Audit Committee

This Committee ensures that the institutional books are audited and it gives the status of audit of College accounts and audit of all College facilities. This oversight Committee also ensures that the College Administration complies with the audit requirements of the Ministry and reports to the Full Board.

(ii) Finance, Procurement and General Purpose Committee

This Committee oversees the procurement of goods & services and personnel (in terms of employment) to the College. The Committee also goes through the financial statements of the College to ascertain correctness. It ensures that the College adheres to the financial and procurement procedures of the government and reports to the Full Board.

(iii) Academic, Standards Quality and Environmental Committee

This Committee oversees the academic programmes of the College as well as the institution's performance in both internal and external examinations. It also oversees issues of staffing in the academic departments and reports to the Full Board.

(iv) Human Rights and Student Welfare Committee

This Committee oversees the general welfare of students and staff (both teaching and non-teaching) and issues of student governance.

(v) Discipline, Ethics and Integrity Committee

This Committee handles referral discipline cases of both students and staff (teaching and non-teaching) and reports to the Full Board.

(vi) College Infrastructure Committee

This Committee oversees development projects in the College and prioritises the projects to be undertaken. They also propose the Board's prioritised projects to the Ministry. Since this Committee comes up with the development plans of the institution, it entirely controls the development expenditure of the College.

f) Entity Headquarters

St Paul's Kibabii Diploma Teachers' Training College
P.O. Box 931-50200
Bungoma, KENYA

g) Entity Contacts

Telephone: (254) 0789916967, 0704474375
E-mail: kibabiidttc@yahoo.com
Website: www.kibabii.ac.ke

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h) Entity Bankers

Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

Kenya Commercial Bank
P.O. Box 380-50200
Bungoma, Kenya

Cooperative Bank of Kenya
P.O. Box 1964-50200
Bungoma, Kenya

i) Independent Auditors

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

j) Principal Legal Adviser

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

3. The Board of Management

The Basic Education Act 2015, Section 56 guides the appointment of Board of Management. The present Board was appointed in October 2022 and subsequently inaugurated on 22nd October, 2022. The board members of St. Paul's Kibabii Diploma Teachers' Training College as constituted are as highlighted below:



Prof. Simiyu Wandibba
Chairperson BoM, Executive member.

Prof. Simiyu Wandibba is a retired Professor of Anthropology, University of Nairobi. He was born on 1st January, 1945. Prof. Wandibba holds a BA degree in History and Education from the University of Nairobi and an MA in Archaeology from the same University. In 1977 he was awarded a scholarship by the Foundation for Research into the Origin of Man (FROM) to study for a PhD in Archaeology at the University of Southampton in the UK which he completed in 1980. He was then working as a Research Scientist at the National Museums of Kenya and after his studies rose through the ranks to head the Division of Archaeology. In 1991, he joined the University of Nairobi as an Associate Professor in the Institute of African Studies, and was appointed Full Professor in 1994. Prof. Wandibba has published widely in peer reviewed journals, has chapters in books and conference proceedings as well as books to his credit. He has acted as External Examiner for the Sub-Department of Archaeology at the University of Dar es Salaam, Department of History, Archaeology and Political Science at Kenyatta University, Department of Anthropology and Human Ecology at Moi University, Faculty of Arts and Social Sciences at Makerere University, Department of Gender and Development Studies at Kenyatta University, Department of Sociology and Anthropology at Maseno University, and Institute of

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Women, Gender and Development Studies at Egerton University. Between January and June 1987, Prof. Wandibba was a Fulbright Senior Scholar in Residence at the University of Illinois at Urbana-Champaign in the US, while between November 1997 and April 1997 he was a Visiting Professor of Anthropology at the Institute of African Area Studies at Kyoto University, Japan. He was also a Senior Visiting Scholar at the Turkana Basin Institute, State University of New York at Stony Brook in the US. Finally, Prof. Wandibba was a Research Associate at the National Museums of Kenya. Apart from these academic and professional engagements, Prof. Wandibba served as Member and Vice Chairman of the Task Force on Community Land and Evictions and Resettlement Bills of the Ministry of Lands between 2012 and 2014. In addition, he has served on a number of Boards of Governors/Management, including those of Namilama Secondary School, St. Mary's Kibabii Boys High School, St. Cecilia Misikhu Girls High School, St. Christopher Mabanga Girls Secondary School and Kasosi S.A. Secondary School.



Dr. Carolyne Wakoli
Vice Chairperson BOM,
Chairperson Discipline, Ethics
and Integrity Committee

Dr. Carolyne Wakoli was born on 22 November, 1960, She holds a Ph.D in Counselling Psychology from Kabarak University; Master of Education in Guidance and Counseling in 2007(Kenyatta University); and Bachelor of Education Degree in 1985(University of Nairobi). She is a Lecturer at Alupe University in Busia County (2017 to date). She is an accredited Counselor affiliated to KCPA (Kenya Counselors Professional Association), IMLU (International Medico- Legal Unit), Shield for Justice and Clarion International. Dr. Caroline Wakoli is currently the Chair of the Department (COD) of Humanities and Social Sciences in the School of Education and Social Sciences. She is an academic leader for Bachelor of Arts, Community Development and Chairperson, Complaints and Complements Handling Committee. She is a member of several committees such as: the Alupe University Institutional Scientific Ethics Review Committee (ISERC), Library Advisory Committee, Research Committee in the School of Education and Social Sciences, National and Integration Committee and Coordinator of the Students' Advisory Groups. She is a member of The Busia County Menstrual Hygiene Management Steering Committee. She has worked with torture survivors in. Mt. Elgon, Kodiaga G.K Prison, Eldoret G.K Prison, Shimo la Tewa Prison and Bostal Institute Shikuza as a counsellor.



Mr. Saul Barasa Wafula
Secretary BoM, Executive
Member

Mr. Saul Barasa Wafula was born on 13 July, 1965. He is currently pursuing Master of Philosophy in Educational Administration. He holds a Bachelor of Education from Kenyatta University (1986-1989). Since then, he has attended the following professional courses: (2014 – 2015) Diploma in Educational Management offered by the Kenya Education Management Institute (KEMI); (2011)- Quality Management System ISO 9001 – 2008; (2011)Performance Contracting course; (2006) -Financial and stores Management in school accounting; (2002)- In- Service course for Principals and Heads of Departments; (1999) -KESI course on Re-engineering the Management of Schools; (1999) -KESI course on Trainer of Trainers; and, (1996) -KESI course on Educational Management Stage 1. (1983 – 1984):Kenya Advanced Certificate of Education(KACE) Malava Boys High School; (1979 – 1982): Kenya Certificate of Education (KCE); (1972 – 1978); Certificate of Primary Education (CPE)

Mr. Saul Barasa is the CEO of the college, Secretary to the Board and the Accounting Officer.

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Professor .Ibrahim Wafula Khatete was born on 11th November 1962. He holds a Ph.D. in Education Planning (U.O.N).He holds Masters of Education, Maseno University Kisumu, Kenya 1997-2002 (Economics of Education and Planning), he graduated with a Bachelor of Education (Science), Kenyatta University, Nairobi, Kenya 1983-1986 (Mathematics and Physics) He is Senior Lecturer Department of Educational Administration and Planning, School of Education, University of Nairobi from 2015 to date, from 2015 to date he is Strategic Management Unit (SMU) Manager Kikuyu Campus, from 2007 – 2016 he was Departmental examinations officer for all courses offered by the department of Educational Administration and Planning, School of Education, University of Nairobi

Prof. Ibrahim Wafula Khatete
Chairperson Human Rights
and Students Welfare



Mrs. Jacqueline Onyango
Chairperson Audit

Mrs. Jacqueline Onyango was born on 26TH May 1968. She holds a Master's degree in Curriculum Studies from University of Nairobi and a Bachelor of Education Degree from Kenyatta University. She also holds a Certificate in Education Planning from the International Institute of Education (IIEP-UNESCO). She has attended short courses in curriculum in USA, France, Tanzania, Japan, South Korea and Hungary, she is currently undertaking a PhD in Curriculum Development (Teacher Education) at Moi University, Eldoret. Mrs. Jacqueline Onyango is the Senior Deputy Director in charge of Basic Education Curriculum Development . Prior to joining KICD, she was a lecturer at Machakos Teachers Training College and has trained teachers and curriculum developers in South Sudan and Botswana. She has also participated in a nationwide Ministry of Education research study



Dr. Henry Namsyule Wanjala
Chairperson Academic
Standards, Quality and
Environmental Committee

Dr. Henry Namsyule Wanjala was born on 19th August 1948. He holds a Ph.D. M.Ed. (Kenyatta University). He also holds B.Ed. Music from University of Nairobi. Lecturer and chairman, Department of Music and Dance 2016 to date. Prior to joining Kenyatta University, he was Principal lecturer at Kagumo Diploma College. He also served as Music lecturer at Eregi Teachers Training College.

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Mrs. Bartoo Perpetua Jerono.
Executive Member and
member infrastructure
committee

Mrs. Bartoo Perpetual Jerono was born on 7th October 1967. She holds Masters of Philosophy in Educational psychology from Moi University. She also holds Bachelor of Education (Arts) Moi University

Currently, she is Ag. Deputy Registrar, Examinations department, Moi University. From 2015-2016 she was Senior Assistant Registrar Examinations Department at Moi University. Prior to joining Moi University She was a Principal in a secondary school later joining Provincial administration as a District Officer



Ms. Catherine Buteyo
Member Audit committee

Ms. Catherine Buteyo was born on 4th January 1962. She holds Masters in TESL from Birmingham University, she also holds Bachelor of Education arts from Kenyatta University. She is a Lecturer Moi University from 1992 to date. Prior to joining Moi University She also worked at Teachers Service Commission She is a Member of Radio Board Catholic Diocese of Eldoret. She also serves in various boards of management which includes, Vice Chairperson St. Elizabeth Lunao Secondary, Kimumu Secondary School, Parents Association Nova Pioneer Girls Schools among others



Rev. Fr. Chrispinus
Wekhanya Butorire,
executive member Audit
and discipline, ethics and
integrity committees

Rev. Fr. Chrispinus Wekhanya Butorire was born on 30th December, 1972. He holds a Bachelor of Sacred Theology, (1998-2002); and a B.A in Philosophy and Religious Studies (Jan 1996-1998). He was ordained as a Deacon in July, 2003 and has worked in various parishes and churches: He is the Secretary of the Catholic Diocese of Bungoma since October 2023 to date. He attended Sirisia Secondary School (1990-1993) and attained Kenya Certificate of Secondary Education. He serves the Catholic Church doing pastoral activities to enrich the spiritual life of the church in Kisoko. The activities include prayer and sharing; social services to the elderly; home mission by teaching and evangelising; Family apostolate among others. He has served in many parishes in different capacities such as Mundika Parish (March, 2003); (August, 2003) Amukura Parish as an education and youth coordinator; Kibabii Catholic Church (June 2005); St. Leo the Great, Kimilili Parish as an Assistant Parish Priest, Youth Chaplain of the parish (2005-2007); Christ the king – Assistant Parish Priest (2007-2018); Parish priest Butunyi Catholic Church; Holy Trinity Webuye Parish –Parish Priest (August 2022- August, 2023). He is the Founder of Bumutiru and Bumala Parishes. He served as member of BOM Ndengelwa, Musikoma Secondary Schools, St. Augustine Butunyi Boys. Education Secretary and Young Christian Students' Chaplain (September 2023).

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Dr. Kennedy Okemwa was born on 1 January, 1971, He holds a Phd (Educational Planning and Administration); Master's in Education (Administration and Management, Kenyatta University); Bachelor of Education (Economics and Geography), and a Diploma in Human Resource Management from Kenya Institute of Management .Currently, he works as Assistant, teacher education examinations management services division (KNEC) Prior to joining KNEC he was working as Senior Lecturer Narok Teachers' Training College in the year 2007.

Dr. Kennedy Okemwa,
Chair Academic standards
quality and environmental



Prof. Joseph Kiprono Lelan was born on 16 August, 1960. He holds Phd. (Educational Administration) from Moi University; Master of Science (Educational Leadership), Drake University- Des Moines, Iowa. U.S.; Bachelor of Education, University of Nairobi; and a Diploma in Education Siriba Teachers' College..He is currently working as Head of Department/Chairperson, Department of Educational Management and Policy Studies, School of Education, Moi University. He worked as Education Officer In-charge of Secondary School Administration and Special Education, Keiyo District before joining Moi University.

Prof. Joseph Kiprono Lelan
Member Finance, Procurement and
General Purposes Committee



Mrs. Florence Amoiti was born 25 December, 1969. She holds Masters of Business Administration, University of Nairobi and Bachelor of Arts, Kenyatta University. Currently, she works as Secretary, Administration in the office of Attorney General and Department of Justice. She earlier worked as Secretary, Administration in the State department of Sports and State department of Housing and Urban development. She also worked as a County Commissioner Tharaka Nithi, and Deputy County Commissioner in Mwala, Machakos County.

Mrs. Florence Amoiti; Member Discipline,
Ethics and Integrity

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Mr. Patrick S. Khaemba was born on 7th July, 1961. He holds Master of Education (Education Communication and Technology); Bachelor of Arts (University of Nairobi), and a Post Graduate Diploma in Education (Kenyatta University). He is Rt. Regional Director of Education. Before his retirement he worked as Director, Field coordination and co-curricular activities; Deputy Director Field coordination; Executive Secretary, Kenya schools and Colleges National drama festival. He taught English at Chwele Girls and Eregi Teachers' Training College. He was awarded Head of State Commendation (HSC).

Mr. Patrick S. Khaemba
Chairperson College Infrastructure
Committee






Ms. Elizabeth Shinoji was born on 23 August, 1976. She holds a B.Ed(Arts) from Kenyatta University. She is a Teacher Educator at Kibabii Diploma Teachers' Training College. She is the Assistant Registrar in charge of TIMS and NEMIS; Trainer in retooling exercise of Junior Secondary teachers; KNEC examiner for UDPTE; and HOS Media Technology. Other roles she plays include: Chairperson, teaching staff welfare, representative of teaching staff on the Board of Management; Chairperson, Gender Mainstreaming committee under Performance Contracting, Drama trainer and Patron, SDA Group.

Ms. Elizabeth Shinoji
Member Human rights and
Students' welfare

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4. Key management

1.	 <p>Mr. Saul Wafula Barasa</p>	<p>He is the CEO of the college, Secretary of the Board of Management and the Accounting Officer. He holds a Bachelor of Education from Kenyatta University.</p>
2.	 <p>Mrs. Agnes Mungai</p>	<p>She deputizes the Principal. In charge of discipline, transport and Security in college. She holds Masters Degree in Arts</p>
3.	 <p>Ms. Mutali Ruth</p>	<p>Registrar College Registrar coordinating academic programmes in the College. She holds Bachelor Degree in Education</p>

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4.	 <p>Mrs. Margaret Welimo</p>	<p>Dean of students She is in charge of students' welfare in the College. She holds Masters Degree in Arts</p>
5.	 <p>Mr. David Simiyu Muchele</p>	<p>Finance Officer In charge of Finance management in college. He holds Associate of science in Accounting and CPA Part one</p>
6.	 <p>Ven. Elizabeth Nanjala Wasike</p>	<p>PC Coordinator In charge of performance contracting implementation. Holds Masters Degree in Science (Entrepreneurship and Innovation)</p>

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5. Chairman's Statement

St. Paul's Kibabii Diploma Teachers' Training College is an institution mandated to train Diploma teachers for secondary schools in Kenya. During the Financial Year 2024/2025, the following key activities were undertaken:

1. Prepared teacher trainees for the DTE exams. One group of teacher trainees sat the DTE examinations.
2. The College also engaged in community activities that created a harmonious relationship with the community around the College and brought on board relevant stake holders from the community.
3. The Performance Contract for the FY 2024/2025 was also drafted, negotiated, vetted and signed. The College implemented most of the commitments despite the financial constraints.
4. In order to raise awareness and to keep the College staff informed and updated on current issues, sensitizations and trainings were done both teaching and non-teaching staff.

Successes

1. A total of 155 Diploma in Teacher Education graduates were released to the pool of teachers within this period.
2. Capacity building was done for both teaching and non-teaching staff to ensure that the staff at Kibabii Diploma Teachers Training College was well-informed and motivated.

Challenges

1. The recurrent grant was retained at KES. 111,709,364, which was not disbursed on time therefore affecting service delivery in college
2. There was low enrolment of teacher trainees which affected fee collection and therefore reduced the recurrent budget.

Way forward

Funds being available, we wish to do the following: complete the tuition block to ease congestion in the lecture halls, prepare field for sports and purchase one bus.

Apart from this, it is hoped that enrolment will improve. The main mandate of the College is to produce diploma teachers so we hope to improve performance in the KNEC examinations and exceed expectations in the School Based

Assessments (SBA)



Prof. Simiyu Wandibba
Chairperson
Board of Management

6. Report of the Chief Principal

St. Paul's Kibabii Diploma Teachers' Training College has the main mandate to train diploma teachers for secondary schools in Kenya. Since inception in the year 2007, the College has trained and released 3983 teachers who have graduated into the teaching profession. During the Financial Year 2024/2025, the following key activities were undertaken:

1. Preparation of trainees for the DTE exams which were done in July 2024 and graduated in November 2024.
2. The College engaged in various community activities that have enhanced a harmonious co-existence with its neighbours that include the local administration. Activities done included tree planting, cleaning of Kimaeti Market and peer counsellors Community service at Nalondo Special School. Some teacher trainees were selected by the Presidential Entertainment Committee, who entertained the President in spoken word and dance during the 2024 Madaraka Day celebration that was held at Masinde Muliro Stadium –Kanduyi, Bungoma County.
3. The Performance Contract for the FY 2024/2025 was also drafted, negotiated, vetted, signed and implemented during the year. The College was able to implement most of the commitments amidst financial constraints
4. In order to raise awareness and to keep the College staff informed and updated on current issues, the College engaged in capacity building for both teaching and non-teaching staff in ICT integration in teaching and learning, business process reengineering and

Successes

1. A total of 155 graduates were released to the pool of teachers within this period.
2. Staff capacity building was done for teaching and non-teaching staff. This addressed the gaps from the Training Needs Assessment Report that informed administrative decisions made to ensure that staff at St. Paul's Kibabii Diploma Teachers Training College remain well-informed and motivated.
3. Revenue collected from hire of College facilities improved due hire of college facilities
4. Completion of the ground and first floors of the tuition block
5. Students' participated in co-curricular activities as committed in performance Contract and realized the following good performance;
 - i. Ball games – position 1 hand ball
 - ii. Drama – position 1 choral verse and proceeded to Gala
Position 2 Spoken word, solo dance, stand-up comedy, feature film and mime
 - iii. Music - Position 1 own composition and choral chant
Position 2 set solo verse, African Solo Verse Speaking and Hotuba
 - iv. Athletics and Scouting participated up to national levels
 - v. Some students, who participated in Drama, were selected by the Presidential Entertainment Committee to entertain the President in Spoken word and Dance during the Madaraka Day Celebrations held at Masinde Muliro Kanduyi Stadium, Bungoma County.

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Challenges

1. The recurrent grant was retained at KES. 111,709,364 but was not disbursed on time by the government thus affecting prompt payment to suppliers and effective service delivery to our customers.
2. Construction of the tuition block stalled due to failure by the government to release KES. 50 million for development for financial year 2024/2025.
3. Failure to implement some Performance Contract projects due to non-disbursement of development funds by the Ministry of education for financial year 2024/2025
4. There was low enrolment of teacher trainees which affected fee collection thus impacting negatively on the recurrent budget.

Way forward

Funds being available, we wish to do the following: complete the tuition block to ease congestion in the lecture halls, prepare field for sports and purchase one bus.

Apart from this, it is hoped that enrolment will improve. The main mandate of the College is to produce diploma teachers so we hope to improve performance in the KNEC examinations and exceed expectations in the School Based Assessments (SBA)

Financial performance

The College has done relatively well in liquidity cash flow; all revenue collected and grants received were prudently used in acquisition of goods, services and works. However, the financial position has been affected by reduction and late disbursement of grants by the government leading to delays in payment of suppliers and poor service delivery within the financial year. During the financial year the College received Ksh111,709,364 as Recurrent grants and did not receive ksh.50 million as Development grant. This severely affected the College on-going project of construction of the tuition block which stalled.



Per Mr. Saul W. Barasa
Principal

7. Statement of Performance against Predetermined Objectives

St. Paul's Kibabii Diploma Teachers Training College has three strategic themes and five objectives within current Strategic Plan for the FY 2023- FY 2027. These strategic themes are as follows:

1. Provision of Quality Education and Training
2. Sustainable Institutional Growth and Development
3. Community Outreach

The College develops its annual work plans based on the above three themes. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The St. Paul's Kibabii Diploma Teachers Training College achieved its performance targets set for the FY 2022/22 period for its three strategic themes, as indicated in the table below:

S/N	Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
	Provision of Quality Education and Training	To provide quality education and training	Expand learning and teaching resources	Procure teaching and learning resources	dequate teaching and learning resources
			Undertake performance Appraisal of staff	Conduct staff appraisal and address gaps among staff members	Improved performance of Staff members.
			Strengthen the College Management Systems.	CCTV installation in the College	Security is enhanced
			Enhance the use of ICT in delivery of education programmes	Integrate ICT in teaching and learning	Enhanced acquisition of 21st century skills by students.
		To establish and improve infrastructure and physical facilities for effective and efficient delivery of	Create games, sports and recreational facilities	Engage students in diverse co-curricular activities	Students participated in various co-curricular competitions at Zonal and National levels.

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		services to all stakeholders.		Purchase games sports equipment	Acquired more games sports
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					equipment
			Construct adequate infrastructure	Construct Tuition block	In the process of Completing tuition block
Sustainable Institutional Growth and Development	To expand and sustain College initiated income generating programmes and activities.	Establish income generating programmes	Establish aquaponic ponds		Produced fish
			Partner with examining bodies		Administered external examinations
			Hiring of College facilities		Hired College facilities at a fee
			Farming		Planted Sukuma wiki
			Establish and operationalize bakery		Operationalized bakery
Community Outreach	To mobilize staff, students and the community within the proximity of the College to address health and emerging issues.	Engage students in community work	Organize workshops and seminars on HIV, common communicable diseases		Conducted workshops on HIV & AIDS, common communicable diseases
			Organize campaigns on environmental challenges.	Organize partnership with other institutions on environmental conservation	Planted trees within the College
	To develop and maintain good working relationships with other institutions and organizations and empower the communities living around the College.		Develop and implement out-reach programmes to improve community livelihoods Sensitize the community on peace Community a round Syombe Campus was sensitized on peace during Chief's Baraza		

St. Paul’s Kibabii Diploma Teachers’ Training College
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8. Corporate Governance Statement

The members of the Board of Management have committed themselves to the service of St. Paul’s Kibabii Diploma Teachers’ Training College and to uphold the tenets of good corporate governance by being innovative, transparent, accountable, persons of integrity, socially responsive, as well as promote excellence and exercise fairness in all their dealings

Board of Management

The Board of Management consists of fourteen members inclusive of the Chief Principal as the secretary. In the year ended 30th June 2025 the board held (4) Committee meetings. The Board of Management members and their meetings attendance are indicated in the table below;

FULL BOARD OF MANAGEMENT MEETINGS IN FINANCIAL YEAR 2024/2025

(i) Meetings held by the Full Board of Management (old) in the financial year 2024/2025

Meetings held by the Full Board of Management (new) in the financial year 2024/2025

S/N	NAME	DATES			
		28/09/2024		18/03/2025	07/06/2025
1.	Prof. Simiyu Wandibba	✓	✓	✓	
2.	Dr. Carolyne Wakoli	✓	✓	✓	
3.	Rev. Fr. Chrispinus Wekhanya Butorire	✓	✓	✓	
4.	Mr Saul Barasa W.	✓	✓	✓	
5.	Dr. Ibrahim Khatete	✓	✓	✓	
6.	Dr. Henry Wanjala	✓	✓	✓	
7.	Dr. Kennedy Okemwa	✓	✓	✓	
8.	Dr. Joseph Lelan	✓	✓	✓	
9.	Mrs. Florence Amoit	x	✓	✓	
10.	Ms. Perpetua J. Bartoo	✓	✓	✓	
11.	Ms. Elizabeth Shinoji	✓	✓	✓	
12.	Mrs. Jackline Onyango	x	✓	✓	
13.	Ms. Catherine Buteyo	✓	✓	✓	
14.	Mr. Patrick S. Khaemba	✓	✓	✓	

Succession Plan

According to the Basic Education Act, 2015, a Board of Management appointed under these regulations shall remain in office for a term of three years, which shall be renewable for one further term. The College Board is constituted in such a way that at its expiry, at least half of the membership remains in the next board for continuity.

Board Charter

The College Board has a charter in place which guides its activities.

Appointment and Removal of Board Members

Members of the board are appointed and removed as per the Basic Education Act 2015, Section 56. The present Board was appointed in October 2022 and inaugurated on 22nd October, 2022. During the inauguration, Professor Simiyu Wandibba was elected as the Chairperson, Mr. Saul Barasa was confirmed as the Board Secretary and the following were selected to form the Executive Committee;

1. Prof. Simiyu Wandibba
2. Mr. Patrick Sirengo Khaemba
3. Rev. Fr. Chrispinus Wekhanya Butorire
4. Mrs. Bartoo Perpetual Jerono
5. Mr. Saul Barasa

9. Management Discussion and Analysis

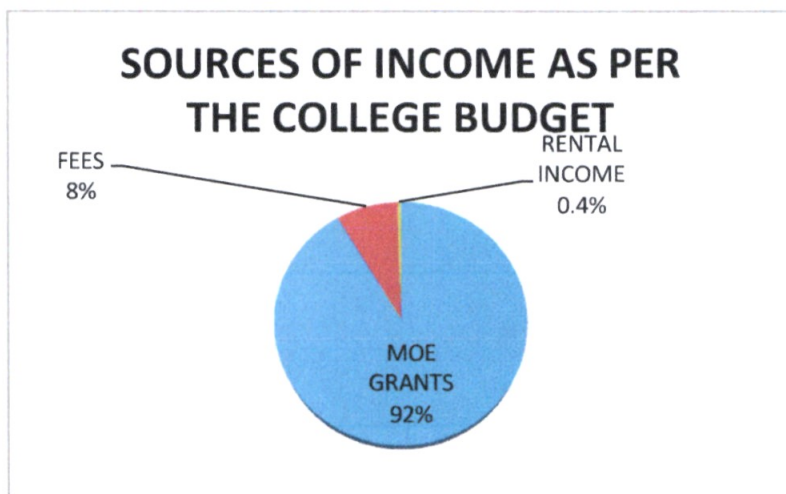
The college has strived to meet its financial obligations due to reduction in both development and recurrent grants, this has led to delayed completion of College development projects and failing to meet its operational and strategic plan commitments within the timeframe stipulated.

Currently the College is putting up tuition block and Laboratories, the project is moving slowly due to limited funding from the Ministry of Education.

The college operates on three main sources of income;

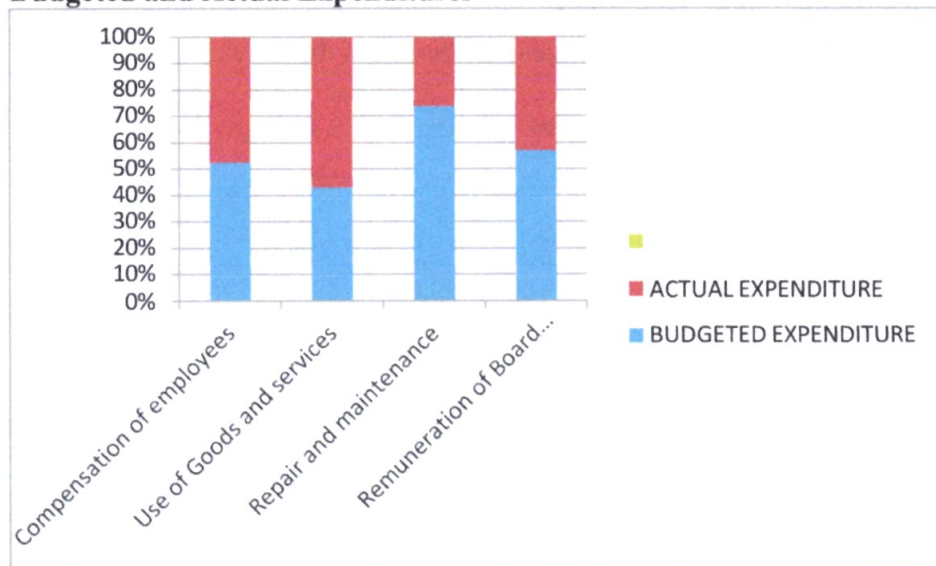
- a) Grants from the Ministry of Education i.e recurrent grants and development grants
- b) Fees from students
- c) Hire of college facilities.

Grants from the Ministry of Education represents more than 60% of the college budget, fees from students come second and hire of college facilities come last as show in the pie chart below.

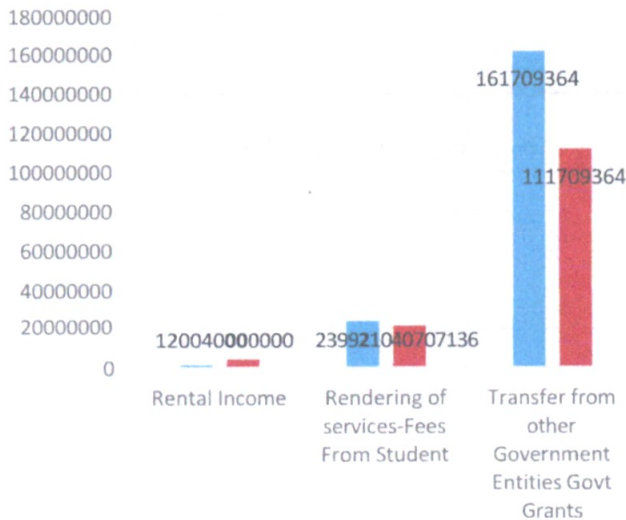


The college prepares a budget at the end of each financial year. The college activities are run in accordance with the approved budget by the BoM. In this financial year, college activities have been severely affected due to underfunding from the MoE and low enrolment of students. The graph below shows budgeted income against actual income and budgeted expenditure against actual expenditure.

Budgeted and Actual Expenditures



Budgeted and Actual Income



Recurrent grants were also reduced drastically therefore affecting the daily operations of the College.

The pending bills have gone up as a result of reduction of recurrent grants. Currently the College pending bills is over 55 million and most suppliers and service providers are finding it more

St. Paul's Kibabii Diploma Teachers' Training College
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difficulty to continue supplying goods and offering of services to the College due to delayed payment.

Section A

The entity's operational and financial performance

Development Grants

The College did not receive development grant from the Government of Kenya in the FY 2024/2025.

Financial Performance

During the year under review the incomes were KES. **148,228,163** while expenditure was KES. **225,303,748**. This resulted to a deficit of KES. **-77,075,585**

Section B

Entity's compliance with statutory requirements

In the year under review the college complied with all the statutory obligations

10. Environmental And Sustainability Reporting Statement

St. Paul's Kibabii Diploma Teachers Training College is committed to providing and promoting education and training with a view to producing dynamic, dependable and resourceful teachers

Sustainability strategy and profile

St. Paul's Kibabii Diploma Teachers Training College has a strategic policy that outlines our commitment to environmental stewardship, social responsibility and economic resilience. The policy is a guide to decision making on integrating sustainability into all areas of our operation. The policy aims at achieving quality education, good health, clean water and sanitation, gender equality, affordable and clean energy, resilient infrastructure and fostering innovations, climate action (take urgent action to climate change) and inter institutional partnerships in education. However implementation of the Environmental and sustainability policy is affected by some factors; geo political instability (e.g mass demonstrations), inflation, climate driven disasters and resource scarcity, International climate policy, sustainability challenge, supply chain shift and trade policy.

The college is to advertise its contracts in the EGP system, the suppliers are to be sensitized to register to the system. Tenders are reserved for special groups that are registered with the national treasury (AGPO) with an allocation of 30% of the total procurement. Timelines are provided depending on the procurement method and indicated in the tender document.

i. Political sustainability strategy

Kenya's education system is highly influenced by political factors, which dictates the type of education system a country can have. It determines management in education.

ii. Macro-economic factors

The barriers affecting the broad trends in macroeconomic sustainability in our college are :-

- Gender disparity, high poverty level, teacher Supply and quality, inadequate financial resources

References (political)

- In our College /institutions, politically students are supported with bursaries from the political wing and government grants. The united nations conference on environment and development (UNCED- 1992) called for all countries to develop education for sustainable development.

(a) References - macro

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- These includes factors like diseases e.g Covid 19 that affected the education programme in all countries .

Environmental performance

KDTTC has a clear environmental policy that guides operations of the Environmental Sustainability Committee. Through the committee 2000 trees were planted in 2024/2025 financial year.

Biodiversity: KDTTC has succeeded in compost pit establishment, availability of dust bins and sanitary bins, emptying of sewerage systems through registered firms etc
The shortcomings of the above are inadequate funds to manage the relevant activities, disposal delays and bad odour.

To mitigate the above, the following is to be done;

Allocation of enough funds, award tenders to bidders with capacity, locating compost pit far from residential areas, Compost pit to emptied timely.

Market place practices

a) Responsible competition practice

KDTTC has established a corruption prevention committee (CPC) that deals with corruption issues, corruption reporting boxes and hotline number where both members and the public are encouraged to report corruption cases. Quarterly reports are made to EACC by the secretary of the corruption prevention committee.

Political involvement has helped in pushing for funding of the college.

By adhering to employment policy, fair competition is achieved. This is so even in inter institutional sports up to national level. Advertising of college tenders will be through e-GP to allow competition.

The college has established IMIS system where one can access self-service from the college.

There is an established playbill number for fees and other payments hence going cashless.

b) Responsible supply chain and supplier relations

KDTTC advertises its tenders to allow competition, has been allowing bidders to witness opening of tenders, subsequently they are informed of the tender results .This allows successful bidders to supply and payments are timely when funds are available. The college has registered to e-GP system which is to be rolled out soon.

c) Responsible marketing and advertisement or responsible engagement with citizens

KDTTC has been advertising tenders through Public Procurement Information Portal (PPIP).Bidders have been downloading the tender documents from PPIP.We have been Providing suppliers/service providers with specifications through LPO's and LSO's.In addition ,suppliers are sensitized on AGPO requirement, however, the college is moving to e-GP system.

d) Product Stewardship or Awareness Creation

The users are encouraged to raise requisitions providing specifications so that they are captured in LPO/LSOs for the right quality to be procured.KDTTC has a disciplinary committee, guiding and counselling committee, installed complaints and compliments boxes and has an anonymity phone in place.

The staff is sensitized to register with SHA and NSSF to benefit from their services.

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The college has established Road Safety Committee which sensitizes staff on license and logbook matters.

The Anti-Corruption Committee ensures protection of whistle blowers through use of anonymity phone

Tree Planting November 2024



St. Paul's Kibabii Diploma Teachers' Training College
Annual Report and Financial Statements for The Year Ended 30th June 2025

Employee welfare

Amani club tree planting with students at Bishop Atundo Secondary School, Kimaeti on 27/5/23

Employee welfare

KDTTC has a recruitment policy that guides on matters of employment. The gender ratio is outlined as per the Kenya constitution 2010 and employment Act 2007.



The staff is guided by the BOM and the ministry of education on their performance. The guidelines on employment are updated periodically for relevance.

Employee skills are managed and improved through delegation, matching tasks to skills, effective communication, training and developing employees, career management and rotational employee roles.

There is an annual appraisal system and reward to outstanding performers. Motivation is done by provision of some meals and transport to staff.

The college has a clear safety policy and implementation of some measures concerning the same. This includes installation of fire extinguishers, fire blankets, horse reels, training safety skills to catering staff and providing employees with safety gears.

PHOTO WASTE BIN

Corporate Social Responsibility / Community Engagements

In this financial year 2023/2024 the college engaged in the following activities with the community:



1. Water received from CPF Bungoma during our hosting of the National intercollegiate athletics and ball games



2. Cooperation of the College with the Bungoma Foresters in receiving indigenous tree seedlings and planting



11. Report of the Board of Management

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

Principal activities

The principal activities of the St. Paul's Kibabii Diploma Teachers Training College is to train diploma teachers for secondary schools.

Results

The results of the entity for the year ended June 30 are set out on page

Council/Board of Governors

The members of the Board who served during the year are shown on page xxv.

Auditors

The Auditor General is responsible for the statutory audit of the *entity* in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of the *entity* for the year/period ended June 30, 2025, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

.....

Secretary of the Board

Nairobi

Date:

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

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, and Basic Education Act, 2013 require the council members to prepare financial statements in respect of St. Paul's Kibabii Diploma Teachers' Training College, which give a true and fair view of the state of affairs of St. Paul's Kibabii Diploma Teachers' Training College at the end of the financial year/period and the operating results of the entity for that year/period. The council members are also required to ensure that St. Paul's Kibabii Diploma Teachers' Training College keeps proper accounting records which disclose with reasonable accuracy the financial position of St. Paul's Kibabii Diploma Teachers' Training College. The council members are also responsible for safeguarding the assets of St. Paul's Kibabii Diploma Teachers' Training College.

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

The Board members accept responsibility for St. Paul's Kibabii Diploma 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 Basic Education Act, 2013. The Board members are of the opinion that St. Paul's Kibabii Diploma Teachers' Training College's financial statements give a true and fair view of the state of St. Paul's Kibabii Diploma Teachers' Training College's transactions during the financial year ended June 30, 2025, and of St. Paul's Kibabii Diploma Teachers' Training College's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for St. Paul's Kibabii Diploma Teachers' Training College, which have been relied upon in the preparation of St. Paul's Kibabii Diploma Teachers' Training College's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the board members to indicate that St. Paul's Kibabii Diploma Teachers' Training College will not remain a going concern for at least the next twelve months from the date of this statement.

St. Paul's Kibabii Diploma Teachers' Training College
Annual Report and Financial Statements for The Year Ended 30th June 2025

Approval of the financial statements

The St. Paul's Kibabii Diploma Teachers' Training College's financial statements were approved by the Board on 28th August 2025 and signed on its behalf by:

Approval of the financial statements

The *St. Paul's Kibabii Diploma Teachers Training College* financial statements were approved by the Board on 28th August, 2025 and signed on its behalf by:

Prof. Simon Wandibba
.....
Name *[Signature]*
Chairperson of the Board

GODFREY MACHANJI
.....
Name *[Signature]*
Accounting Officer/Principal

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON ST. PAUL'S KIBABII DIPLOMA TEACHERS' TRAINING COLLEGE FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of St. Paul's Kibabii Diploma Teachers' Training College set out on pages 1 to 32, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of

Report of the Auditor-General on St. Paul's Kibabii Diploma Teachers' Training College for the year ended 30 June, 2025

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of St. Paul's Kibabii Diploma Teachers' Training College as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unconfirmed Receivables from Exchange Transactions Balance

The statement of financial position and Note 17 to the financial statements reflect receivables from exchange transactions balance of Kshs.2,310,116 in respect to student debtors. However, the students' general ledgers and aging analysis were not provided for audit review. The debtors were supported by a schedule which does not indicate the dates, invoices numbers and amounts, and payments made during the year to arrive at the outstanding balances stated therein. Further, the Management did not provide evidence of efforts made to collect the outstanding debts.

In the circumstances, the accuracy, completeness and recoverability of receivables from exchange transactions balance of Kshs.2,310,116 could not be confirmed.

2. Unconfirmed Trade and Other Payables from Exchange Transactions Balance

The statement of financial position reflects trade and other payables from exchange transactions balance of Kshs.59,130,201, and as disclosed in Note 20 to the financial statements. However, the detailed ledgers and aging analysis for payables were not provided for audit. The payables were supported by a schedule which does not indicate the dates, invoices numbers and amounts, and payments made during the year to arrive at the outstanding balances stated therein. Further, the Management did not provide evidence of efforts made to settle the outstanding payables.

In the circumstances, the accuracy, validity and completeness of trade and other payables from exchange transactions balance of Kshs.59,130,201 could not be confirmed.

3. Misstatement of Cash flows from Operating Activities

Note 23 to the financial statements in respect to cash generated from operations indicates net cash flow from operating activities of Kshs.19,942 and deficit for the year of

Kshs.77,075,585. The net cash flow was adjusted by decrease in receivables of Kshs.441,449, increase in payables of Kshs.59,130,201, and increase in prepayments of Kshs.339,753. However, the statement of financial position reflects increase of receivables of Kshs.8,847,665, increase in payables of Kshs.11,555,508 and increase in payments received in advance of Kshs.993,305. This results in unreconciled variances of Kshs.8,406,216, Kshs.47,574,693, and Kshs.653,552 respectively. Further, the statement did not reconcile the deficit for the year of Kshs.77,075,585 with the net cash flow from operating activities of Kshs.19,942.

In the circumstances, the accuracy and completeness of net cash flow from operating activities of Kshs.19,942 could not be confirmed.

4. Off Setting and Unlawfulness Overdrawing of a Bank Account

The statement of financial position and Note 16 to the financial statements reflects cash and cash equivalents balance of Kshs.120,226, which comprises six bank accounts and cash at hand. However, a College account held in a local bank had an overdrawn cash book and bank statement balance of Kshs.1,647. This was contrary to Regulation 82 (7) of the Public Finance Management (National Government) Regulations, 2015, which requires that no official government bank account shall be overdrawn. Further, International Public Sector Accounting Standards (IPSAS) 1, on Presentation of financial statements, states that offsetting reduces the clarity of financial statements. Presenting items separately allows stakeholders to evaluate the gross exposures and obligations of the public sector entity.

In the circumstances, Management was in breach of the law and the accuracy and completeness of cash and cash equivalents balance of Kshs.120,226 could not be confirmed.

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

Material Uncertainty Related Sustainability of Services

The statement of financial performance reflects a deficit of Kshs.77,075,585 (2023-2024: Kshs.73,125,145 and 2022/2023 Kshs.48,994,254) which increased the retained earnings from a negative balance of Kshs.117,008,335 as at 30 June, 2024 to a negative balance of Kshs.148,899,694 as at 30 June, 2025.

Further, the College's current liabilities balance of Kshs.60,531,992 exceeded its current assets balance of Kshs.17,860,293 resulting to a negative working capital of

Kshs.42,671,699 which means the College may not be able to meet its short-term obligations.

The Management has not disclosed with adequate details in the financial statements indicating that material uncertainty exists and measures taken to mitigate the same.

In the circumstances, this casts significant doubts on the College's ability to continue to sustain its services.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.147,761,914 and Kshs.145,918,067 respectively, resulting to under-funding of Kshs.1,843,847 or 1% of the budget. Similarly, the college spent Kshs.145,898,125 against expenditure budget of Kshs.136,901,364 resulting to an over-expenditure of Kshs.8,996,761 or 7% of the budget.

The over-expenditure suggests possible reliance on unconfirmed funding sources or poor financial planning, which may lead to cash flow challenges and breach of budgetary controls.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the report for the previous year, several issues were raised under Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance as stated in **Appendix 1**. However, the issues had not been resolved and Management did not provide satisfactory reasons for the delay in resolving the issues.

Other Information

The Management is responsible for the Other Information set out on page iii to xxxii which comprise of Key Entity Information and Management, The Board of Management, Key Management, Chairman's Statement, Report of the Chief Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting

Statement, Report of the Board of Management, Statement of Board of Management'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 THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with Two Third Basic Salary Rule

Review of the college payroll for the month of June, 2025 revealed that salary deductions for seven (7) employees' exceeded two-thirds of their basic salary contrary to Section 19(3) of the Employment Act, 2007, which states that without prejudice to any right of recovery of any debt due and notwithstanding the provisions of any other written law, the total amount of all deductions which, under the provisions of Sub-Section (1), may be made by an employer from the wages of his employee at any one time shall not exceed two thirds of such wages or such additional or other amount as may be prescribed by the Minister either generally or in relation to a specified employer or employee or class of employers or employees or any trade or industry.

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

2. Non-Compliance with Law on Staff Ethnic Diversity

Review of payroll records revealed that out of the one hundred and seventeen (117) employees and fourteen (14) Board members of the college, one hundred and twenty (120) or 92% staff were from the dominant community. The percentage comprises nine (9) out of fourteen (14) or 64% Board members, forty-one (41) out of forty-six (46)

or 89% teaching staff, and seventy (70) out of seventy-one (71) or 98% non-teaching staff. This was contrary to Section 7(2) of the National Cohesion and Integration Act, 2008, which stipulates that no public establishment should employ more than one-third of its staff from the same ethnic community.

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

4. Non-Compliance with Climate Change Regulations

St. Paul's Kibabii Diploma Teachers' Training College being a learning institution which offers and impact knowledge to students should consider on how to engage learners and schools in building resilience to climate change in the future. During the year under review, the College had an established environmental committee but failed to allocate enough resources as per the budget during the financial year. This was contrary to Article 69 of the Constitution of Kenya on Obligation in respect of the environment which states that, (1) The state shall- (a) ensure sustainable exploitation, utilization, management and conservation of the environment and natural resources, and ensure the equitable sharing of the accruing benefits; (b) work to achieve and maintain a tree cover of at least ten per cent of the land area of Kenya; (c) protect and enhance intellectual property in, and indigenous knowledge of, biodiversity and the genetic resources of the communities; (d) encourage public participation in the management, protection and conservation of the environment; (e) protect genetic resources and biological diversity; (f) establish systems of environmental impact assessment, environmental audit and monitoring of the environment; (g) eliminate processes and activities that are likely to endanger the environment; and (h) utilize the environment and natural resources for the benefit of the people of Kenya. (2) Every person has a duty to cooperate with State organs and other persons to protect and conserve the environment and ensure ecologically sustainable development and use of natural resources.

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, I confirm that nothing come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

Responsibilities of the Management and the Board of Management

The 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 the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

The 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, the Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error

and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 December, 2025

Appendices

Appendix 1: Unresolved Prior Year Matters

Reference No. of the Auditor-General's Report	Title of Audit Issue
	Report on the Financial Statements
1	Incorrect Comparative Balances
2	Unsupported Depreciation for Property, Plant and Equipment
3	Material Uncertainty Related to Going Concern
	Report on Lawfulness and Effectiveness in the Use of Public Resources
1	Lack of Ethnic Diversity in Staff Establishment
2	Failure to Adhere to One-third Basic Pay Rule
	Report on Effectiveness of Internal Controls, Risks Management and Governance
1	Lack of Risk Management Policy
2	Lack of Inventory Management Policy
3	Lack of Credit Policy

St. Paul's Kibabii Diploma Teachers' Training College
Annual Report and Financial Statements for The Year Ended 30th June 2025

14. Statement of Financial Performance for The Year Ended 30 June 2024

	Notes	2024/2025	2023/2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government – grants/ gifts in kind	6	111,709,364	117,500,000
Public contributions and donations			
Total Revenue from non-exchange transactions		111,709,364	117,500,000
Revenue from exchange transactions			
Rendering of services- Fees from students	7	24,825,936	34,430,790
Sale of goods	8	367,500	172,400
Rental revenue from facilities and equipment	9	298,749	2,996,300
Other income	10	11,026,614	4,224,160
Revenue from exchange transactions		36,518,799	41,823,650
Total revenue		148,228,163	159,323,650
Expenses			
Use of goods and services	11	170,350,317	174,367,289
Employee costs	12	27,703,281	26,961,157
BOG members Allowances	13	766,000	880,000
Depreciation and amortization expense	14	18,236,296	20,667,415
Repairs and maintenance	15	8,247,854	9,572,934
Total expenses		225,303,748	232,448,795
Net Surplus/(deficit) for the year		(77,075,585)	(73,125,145)

Prof. Simiyu Wemeli
 Chairman of Council/Board

DAVID MUKHETE
 Finance Officer

GODFREY MACHANGI
 Principal

Date

Date

Date

01/12/25

St. Paul's Kibabii Diploma Teachers' Training College
Annual Report and Financial Statements for The Year Ended 30th June 2025

Statement of Financial Position As At 30th June 2025

	Notes	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	16	120,226	9,904,867
Receivables from exchange transactions	17	2,310,116	2,771,565
Receivables from non-exchange transactions	18	9,309,114	
Inventories	19	6,120,837	6,290,111
Total Current Assets		17,860,293	18,966,543
Non-current assets			
Property, plant and equipment	22	868,323,111	886,559,407
		-	
Total Non-current Assets		868,323,111	886,559,407
Total assets		886,183,404	905,525,950
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	20	59,130,201	47,574,693
		-	
Payments received in advance	21	1,401,791	408,486
Total Current Liabilities		60,531,992	47,983,179
Non-current liabilities			
		-	-
Total Non-current liabilities		-	-
Total liabilities		60,531,992	47,983,179
Capital and Reserves			
Reserves		857,023,602	857,023,602
Accumulated surplus		(148,899,694)	(117,008,335)
Development Grants/Fund		117,527,504	117,527,504
Total Capital and Reserves		825,651,412	857,542,771
Total Liabilities and Capital & Reserves		886,183,404	905,525,950

St. Paul's Kibabii Diploma Teachers' Training College
Annual Report and Financial Statements for The Year Ended 30th June 2025

Prof. Simon W. Kamukoko

Chairman Council/Board

Date



DAVID MUCHELE

Finance Officer

ICPAK No

Date



GODFREY MACHAUJI

Principal

Date



01/12/25

St. Paul's Kibabii Diploma Teachers' Training College
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

	Revaluation reserve		Retained earnings	Capital/ Development Grants/Fund	Total
Balance b/f as at July 1, 2024	857,023,602	0	-117,008,335	117,527,504	857,542,771
Development grants received during the year					
Fair value adjustment on quoted investments					
Total comprehensive income			(31,891,359)		(31,891,359)
Balance c/d as at June 30, 2025	857,023,602	0	(148,899,694)	117,527,504	825,651,412

St. Paul's Kibabii Diploma Teachers' Training College
Annual Report and Financial Statements for The Year Ended 30th June 2025

Statement of Cash Flows For The Year Ended 30 June 2025

		2024/2025	2023/2024
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants	6	111,709,364	117500000
Public contributions and donations			
Rendering of services- Fees from students	7	22,515,840	34,430,790
Sale of goods	8	367,500	172,400
Rental revenue from facilities and equipment	9	298,749	2,996,300
Other income	10	11,026,614	4,224,160
Total Receipts		145,918,067	159323650
Payments			
Compensation of employees	12	27,703,281	26,961,157
Use of goods and services	11	113,672,470	174,367,289
Repairs & Maintenance	15	3,756,374	9,572,934
Board expenses	13	766,000	880,000
Total Payments		145,898,125	211,781,380
Net cash flows from operating activities		19,942	(52457730)
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets			(47,875,209)
Net cash flows used in investing activities		-	(47,875,209)
Cash flows from financing activities			
Development grant		-	48,750,000
Net cash flows used in financing activities		-	48750000
Changes in working capital			
Decrease in Receivables from Exchange Transactions		461,449	2,771,565
Decrease in Trade payables from Exchange Transactions		(11,555,508)	47,574,693
Increase in Refundable Deposits from Customers		1,120,202	408,486
(Decease)Increase in Inventories		169,274	6,290,111
Net Changes in Working Capital		(9,804,583)	57,044,855
Net increase/(decrease) in cash and cash equivalents		(9,784,641)	5,461,916
Cash and cash equivalents at 1 July 2024		9,904,867	17,108,225
Cash and cash equivalents at 30th June 2025	16	120,226	9,904,867

St. Paul's Kibabii Diploma Teachers' Training College
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Description	Original budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	Utilization Difference
	A	B	C=A+B	D	E=C-D	F=E/C%
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other Govt entities Govt grants	111,709,364		111,709,364	111,709,364	0	0
Public contributions and donations						
Rendering of services- Fees from students	23,992,000	833,936	24,825,936	22,515,840	2,310,096	9.3
Sale of goods				367,500	(367,500)	-1
Other Income	1,000,000	10,026,614	11,026,614	11,026,614	0	0
Rental income	200,000		200,000	298,749	(98749)	-49.3
Total income	135,901,364	10,860,550	147,761,914	145,918,067	1,843,847	98.75
Expenses						
Compensation of employees	30,000,000		30,000,000	27,703,281	2,296,719	7.66
Use of Goods and services	102,509,864		102,509,864	113,672,470	(11,162,606)	-10.9
Repair and maintenance	2,391,500		2,391,500	3,756,374	(1,364,874)	-57
Remuneration of Board members	2,000,000		2,000,000	766,000	1,234,000	61.7
Total expenditure	136,901,364		136,901,364	145,898,125	(8,996,761)	
Surplus for the period	(1,000,000)	10,860,550	10,860,550	19,942		

(Budget notes)

On compensation of employees there is a positive variance because casual employees were not hired by the college.

On repairs and maintenance, there is a negative variance because there was major repairs of college facilities that took place.

On remuneration of the board, there is a positive variance because most of the meetings were held virtually.

St. Paul's Kibabii Diploma Teachers' Training College
Annual Report and Financial Statements for The Year Ended 30th June 2024

Notes to the Financial Statements

1. General Information

St. Paul's Kibabii Diploma Teachers' Training College is established by and derives its authority and accountability from Basic Education Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is training teachers for secondary schools.

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 St. Paul's Kibabii Diploma Teachers' Training College accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the St. Paul's Kibabii Diploma Teachers' Training College. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, Basic Education 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 2024.
- ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024 .

Standard	Effective Date and Impact
IPSAS 43: Leases	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>State the expected impact of the standard to the Entity if relevant</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> <p>State the expected impact of the standard to the Entity if relevant</p>
IPSAS 45: Property Plant and Equipment	<p>Applicable 1st January 2025</p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>State the expected impact of the standard to the Entity if relevant</p>
IPSAS 46: Measurement	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.

**St. Paul's Kibabii Diploma Teachers' Training College
Annual Report and Financial Statements for The Year Ended 30th June 2024**

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

iii. Early adoption of standards

(The entity) did not early-adopt any new or amended standards in year 2025./the entity adopted standard xx and xx. The impact of these standards on entity's financial statements is xx.(amend appropriately)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

The 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.

St. Paul's Kibabii Diploma Teachers' Training College
Annual Report and Financial Statements for The Year Ended 30th June 2024

b) Budget information

The original budget for FY 20XX/20XX was approved by the Council or Board on **xxx**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity recorded additional appropriations of **xxx** on the FY 20XX/20XX budget following the Council/ Board's approval. 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 Cashflows has been presented.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per Paragraph 10 of the First Schedule.

Sales tax/ Value Added Tax

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

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

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

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 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.

St. Paul's Kibabii Diploma Teachers' Training College
Annual Report and Financial Statements for The Year Ended 30th June 2024

g) Intangible assets

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

h) Biological Assets

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

i) Research and development costs

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

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

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

j) Financial instruments

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

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

St. Paul's Kibabii Diploma Teachers' Training College
Annual Report and Financial Statements for The Year Ended 30th June 2024

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.

k) Inventories

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

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

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

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

Inventories (Continued)

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

l) Provisions

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

Contingent liabilities

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

Contingent assets

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

m) Social Benefits

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

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n) Nature and purpose of reserves

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

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

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

q) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

r) Borrowing costs

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

s) Related parties

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

t) Service concession arrangements

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

u) Cash and cash equivalents

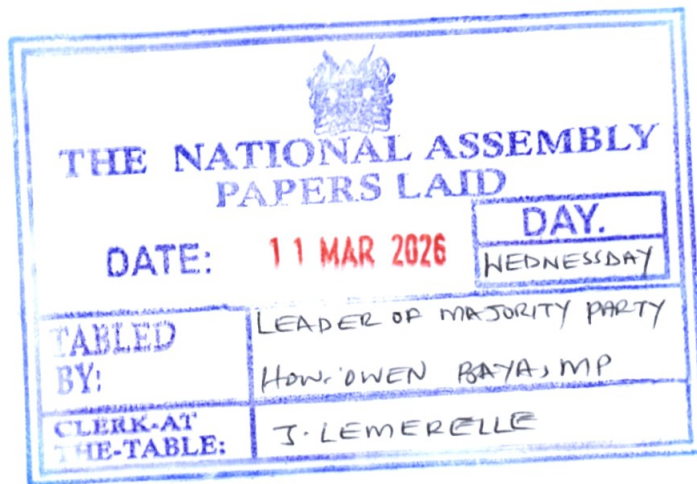
Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial 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.

v) Comparative figures

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

w) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 20XX.



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Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial 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.

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

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Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

Transfers from National

Description	2024/2025	2023/2024
	KShs	KShs
Unconditional grants		
Operational grant-recognised in the financial performance	111,709,364	117,500,000
Conditional grants		
Development-recognised in the financial position		48,750,000
Total Government grants and subsidies	111,709,364	166,250,000

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Notes to the Financial Statements (Continued)

7. Rendering of services

Description	2024/2025	2023/2024
	KSh	KSh
Tuition fees	2,901,500	2,159,500
MoE Bursary		15,150,000
KUCCPS	300,000	
KNEC Exam	3,048,800	
Activity fees	445,000	432,000
Contingencies	660,200	580,000
RMI	777,500	749,750
Rehabilitation Fund	445,000	432,000
Bank clearance	111,250	108,000
Student council	120,000	111,000
medicare	356,000	346,600
Local transport and travels	1,094,200	1,005,700
postage	44,500	43,200
Boarding fees	10,853,436	9,969,040
Regstration	340,000	314,500
P.E Uniform	440,000	407,000
Hockey Stick	200,000	185,000
Computer course	300,000	277,500
TEACHING PRACTICE	163,550	
EW&C	2,225,000	2,160,000
Total Rendering of Services	<u>24,825,936</u>	<u>34,430,790</u>

St. Paul's Kibabii Diploma Teachers' Training College
Annual Report and Financial Statements for The Year Ended 30th June 2024

8. Sale of Goods

Description	2024/2025 KShs	2023/2024 KShs
Graduation	367,500	172,400
Total Sale of goods	<u>367,500</u>	<u>172,400</u>

9. Rental revenue from facilities and equipment

Description	2024/2025 KShs	2023/2024 KShs
HIRE OF COLLEGE FACILITIES	51,000	2,703,450
MISC	61,499	70,300
Rent	186,250	222,550
Total rentals	<u>298,749</u>	<u>2,996,300</u>

10. Other Income

Description	2024/2025 KShs	2023/2024 KShs
Arrears	1,554,314	618,860
Ball games	9,472,300	
KNEC Exam		3,227,800
Trips		100,000
KUCCPS		277,500
Total other income	<u>11,026,614</u>	<u>4,224,160</u>

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11. Use of Goods and Services

Description	2023/2025	2023/2024
	KShs	KShs
Electricity Water & Conservancy	5,721,400	5,725,562
Tuition	24,845,782	34,347,968
Travelling and accomodation	29,026,200	23,191,783
Teaching Practice	1,289,135	2,994,640
Activity	9,711,223	6,241,081
Administrative	2,394,245	1,447,305
Medicare	1,850,365	3,587,683
Student Union	210,150	881,450
Boarding	62,557,164	66,244,568
Contingencies	668,100	507,848
Creditors	27,012,120	22,834,391
Performance contracting	1,127,500	1,165,220
Graduation expense	277,750	345,600
Registration expense	35,800	80,500
KNEC Expense	2,632,890	3,949,550
Gratuity Expense		716,263
Postage	15,450	3,310
Prepayment		33,592
Bank clearance	78,183	68,975
Refund	127,800	
REHABILITATION FUND	63,000	
P.E UNIFORM	706,060	
Total good and services	<u>170,350,317</u>	<u>174,367,289</u>

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Notes To the Financial Statements (Continued)

12. Employee Costs

Description	2024/2025	2023/2024
	KShs	KShs
Salaries and wages	27,703,281	26,961,157
Total Employee costs	<u>27,703,281</u>	<u>26,961,157</u>

13. Board/Council Expenses

Description	2024/2025	2023/2024
	KShs	KShs
Chairman's Allowance	60,000	60,000
BOG allowances	706,000	820,000
Total director emoluments	<u>766,000</u>	<u>880,000</u>

14. Depreciation and Amortization expense

Description	2024/2025	2023/2024
	KShs	KShs
Property, plant and equipment	18,236,296	20,667,415
Total depreciation and amortization	<u>18,236,296</u>	<u>20,667,415</u>

15. Repairs and Maintenance

Description	2024/2025	2023/2024
	KShs	KShs
RMI	8,247,854	9,572,934
Total Repairs and Maintenance	<u>8,247,854</u>	<u>9,572,934</u>

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16. Cash and Cash Equivalents

Description	2024-2025		2023-2024	
	KShs		KShs	
Cash at hand		1,989		834
utility Account		97,098		
cooperative bank-01129049980200		4,625		48,006
kcb bank-1106234731		2,600		9,832,711
kcb saings-1116946785		14,577		14,577
Infrastructure a/c-01129049980201		-1,647		5,073
SSP Account-1174928522		984		3,666
Total cash and cash equivalents		<u>120,226</u>		<u>9,904,867</u>

17. (a) Receivables from Exchange transactions

Description	2024-2025		2023-2024	
	KShs		KShs	
Current receivables				
Student debtors		2,310,116		2,771,565
Total current receivables		<u>2,310,116</u>		<u>2,771,565</u>

(a) Ageing Analysis of Receivables from Exchange transactions

Description	Insert Current FY		Insert Comparative FY	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	2,112,346	91.4		
Between 1- 2 years	197,770	8.6		
Total (a+b)	2,310,116	100		

18. Receivables from Non-Exchange Transactions

Description	2024-2025		2023-2024	
	KShs		KShs	
Current receivables				
Receivables from Non-Exchange Transactions		9,309,114		2,771,565
Total current receivables		<u>9,309,114</u>		<u>2,771,565</u>

**St. Paul's Kibabii Diploma Teachers' Training College
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19. Inventories

Description	2024-2025		2023-2024	
	KShs		KShs	
central store	1,097,071		1,487,519	
Clinic store	105,722		76,396	
Boarding store	4,918,044		4,726,196	
Total Inventories	<u>6,120,837</u>		<u>6,290,111</u>	

20. (a) Trade and other Payables from Exchange Transactions

Description	2024-2025		2023-2024	
	KShs		KShs	
Trade payables	59,130,201		47,574,693	
Total trade and other payables	<u>59,130,201</u>		<u>47,574,693</u>	

(b) Ageing Analysis on Trade and other Payables from Exchange Transactions

Description	Insert Current FY		Insert Comparative FY	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year				
Between 1- 2 years	35,796,100	60.5		
Between 2-3 years	13,829,541	23.4		
Over 3 years	9,504,560	16.1		
Total	59,130,201	100		

21. Refundable deposits from Customers/Students

Description	2024-2025		2023-2024	
	KShs		KShs	
Student Fees- Prepayments	1,401,791		408,486	
	<u>1,401,791</u>		<u>408,486</u>	

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Notes to the Financial Statements (Continued)

22. Property, Plant and Equipment

	Land and Buildings	Furniture and Fittings	Computers	Motor Vehicles	Plant and Equipment	Leasehold Intangible Assets	Right-of-use Assets	Intangible Assets	
Depreciation Rate	25%	10%	30%	2%	20%	10%			
At 1 July 2024	82,635,000	9,112,500	15,583,530	2,702,790	646,541,280	2,257,181	2,067,188	125,659,938	886,559,407
Additions									0
Disposals									0
Revaluation									0
At 30th June 2025	82,635,000	9,112,500	15,583,530	2,702,790	646,541,280	2,257,181	2,067,188	125,659,938	886,559,407
Depreciation and impairment									0
At 30th June 2025	0	0	0	0	0	0	0		0
Depreciation	0	2,278,125	1,558,353	810,837	12,930,826	451,436	206,719		18,236,296
Disposals									0
Impairment									0
Transfer/adjustment									0
At 30th June 2025	0	2,278,125	1,558,353	810,837	12,930,826	451,436	206,719		18,236,296
Net book values									0
At 30th June 2025	82,635,000	6,834,375	14,025,177	1,891,953	633,610,454	1,805,745	1,860,469	125,659,938	868,323,111

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23. Cash generated from operations.

	2024/2025	
Surplus for the year before tax		
Adjusted for:	(77,075,585)	
Depreciation	18,236,296	
Working Capital Adjustments		
Increase in Inventory	(169,274)	
Increase in Receivables	(441,449)	
Increase in Payables	59,130,201	
Increase in Payments received in advance	339,753	
Net Cash Flow from Operating Activities	19,942	

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Notes to the Financial Statements (Continued)

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were revalued by xxx professional valuers on xxx. These amounts were adopted in the financial statements on xxx.

Notes to the Financial Statements (Continued)

24. Financial Risk Management

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

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

Notes to the Financial Statements (Continued)
Financial risk management (continued)

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

The 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.

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Notes to the Financial Statements (Continued)
Financial risk management (continued)

(iii) Market risk

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

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

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

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

Notes to the Financial Statements (Continued)
Financial risk management (continued)

Notes to the Financial Statements (Continued)

Notes to the Financial Statements (Continued)

25. Events After The Reporting Period

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

26. Ultimate And Holding Entity

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

27. Currency

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

St. Paul's Kibabii Diploma Teachers' Training College
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28. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations


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

Reference No. on the external audit Report	Issue/Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Incorrect comparative balance.	The management has amended the financial statements and corrected the comparative balances.	Not Resolved	30/11/2025
2.	Unsupported depreciation for property, plant and Equipment	The management is formulating a depreciation policy that will govern the accounting treatment of property, plant, and equipment.	Not Resolved	31/01/2026
3.	Material uncertainty related to going concern	The management is currently engaging with vendors to renegotiate and settle outstanding debts.	Not Resolved	30/06/2026
4.	Budgetary Control and Performance	The management is undertaking new income-generating initiatives to address and supplement the existing budget deficit. (Dairy Farming)	Not Resolved	30/06/2026
5.	Lack of ethnic diversity in staff establishment	Considered in future recruitment	Not Resolved	Future Recruitment
6.	Failure to adhere to one-third basic pay rule	Implemented	Not Resolved	31/03/2025

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.

.....
Name
Accounting officer
(Godfrey Machanji)
Date


 01/12/25

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Appendix II: Projects Implemented by (The Entity)

Projects

Projects implemented by the State Corporation/ SAGA Funded by development partners.

Project title	Project Number	Donor	Period duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1						
2						

Status of Projects completion

(Summarise the status of project completion at the end of each quarter, i.e. total costs incurred, stage which the project is etc)

Appendix III- Inter-Entity Confirmation Letter

Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1						
2						
3						

[Insert your Letterhead]

[Insert name of beneficiary Entity]

[Insert Address]

The *[insert SC/SAGA/Fund name here]* 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.

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Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June 2023							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30th June 2023				Amount Received by [Beneficiary Entity] (Kshs) as at 30 th June 2023 (E)	Differences (Kshs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
Total							

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

Head of Accountants department of beneficiary Entity:

Name.....Sign.....Date

