

REPUBLIC OF KENYA



Enhancing Accountability

PARLIAMENT
OF KENYA
LIBRARY

REPORT

27 JUN 2023

TUESDAY

TABLED
BY:

Hon Onen Baya, MP
Deputy leader, majority

OF

PRESENTED
TO THE TABLE:

Mwajuma Mwale

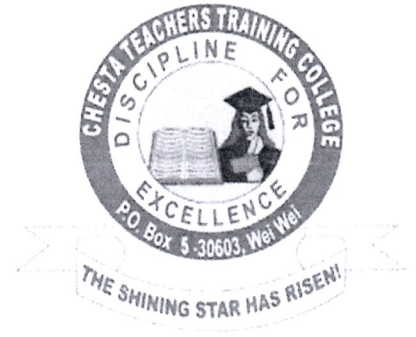
THE AUDITOR-GENERAL

ON

CHESTA TEACHERS' TRAINING COLLEGE

FOR THE YEAR ENDED

30 JUNE, 2022



CHESTA TEACHERS TRAINING COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30TH JUNE 2022**

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

**CHESTA TEACHERS TRAINING COLLEGE
P. O. Box 5- 30603, WEI WEI**

10 MAY 2023

PRINCIPAL

Sign.....

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I. Key Entity Information and Management

(a) Background Information

Chesta Teachers Training College is a new Public Primary Teacher Training College situated in the lowlands of Pokot Central Sub-County about 103kilometres East of Kapenguria. Her name “Chesta” is derived from the Pokot language word meaning “Star”. The college was founded as a private entity by a group of ELCK missionaries who set up a mission centre in the area in 1979. By 2013 the college was deemed not viable leading to its closure. It was re-established and registered on 4th April 2014.

The college runs Teacher Training Regular Programme, School Based Programme and ECDE Diploma and Certificate Courses.

(b) Principal Activities

The Mandate of Chesta Teachers Training College as per Basic Education Act 2013 is to prepare teacher trainees for DPTE, DECTE and SBA examinations, expose them to practical teaching practices, equip them with the right knowledge, skills, attitudes for the 21st century teacher and enhance their methodological approaches in various learning areas.

i. Vision Statement

To be a National Centre of Excellence in Teacher Training

ii. Mission Statement

To Produce Disciplined and Competent Teachers through Holistic Training

iii. Strategic Objectives

1. To institutionalize an efficient management system in the college to enhance quality service delivery.
2. To ensure that all teacher trainees are adequately prepared to teach competently and effectively in primary schools in Kenya and beyond.
3. To create an enabling environment for molding caring, responsible and adaptive teachers.
4. To design and implement programs that will enable student teachers to discover and develop their talents.
5. To provide and maintain adequate facilities for optimal use in teaching and learning.
6. To enhance staff teaching and non-teaching staff for better performance.
7. To initiate and sustain income generating projects to supplement the college budget.

8. To develop programs and strategies that address emerging issues in education and training.

(c) Key Management

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

Board of Management

Senior Principal

Deputy Principal

Dean of Curriculum

Dean of Students

Finance Officer

(d) Fiduciary Management

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

| No. | Designation | Name |
|-----|------------------|-------------------------|
| 1. | Senior Principal | Mr. Duncan Okwaro |
| 2. | Deputy Principal | Mr. Motondi Gerard Oroo |
| 4 | Registrar | Mr. J.M. Gitau |
| 5 | Dean of students | Mr. Eliud Bucheche |
| 6 | Head of Finance | Mr. Milton Tuei |

(e) Fiduciary Oversight Arrangements

The Chesta Teachers' College Fiduciary oversight is mainly done by the Board of Management through its committees which reports to the full Board of Management.

The oversight committee are;

1. Finance, Procurement and General Purpose Committee
2. Audit Committee







External oversight authorities include the County Schools Auditor, and the Public Procurement Regulatory Authority (PPRA)





3. Discipline, Ethics and Integrity Committee
4. Human Rights and Students' Welfare Committee
5. Academic Standards, Quality and Environment Committee






Key Entity Information and Management (Continued)

- (f) Chesta Teachers' Training College Postal Address**
P.O. Box 5-30603
Wei-Wei
KENYA
- (g) Chesta Teachers' Training College Contacts**
Telephone: (+254) 0722272884
E-mail: info@chestattc.ac.ke
Website: <http://www.chestattc.ac.ke>
- (h) Chesta Teachers' Training College Banker**
Equity Bank of Kenya
Kapenguria Branch
P.O. Box 75104-00200
Nairobi, 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






II. THE BOARD OF MANAGEMENT

| S/NO. | NAME /PASSPORT | MEMBER'S DETAILS |
|--------------|--|--|
| 1. |  Mr. Jackson K. Pengat | Date of birth: 1977 Academic Qualification: MA, BA Work experience: Financial Management Responsibility: Board Chairman |
| 2. |  Mrs. Selina Mayodi | Date of birth: 1978 Academic Qualification: MA, BA Work experience: Community Development Responsibility: Deputy Chairperson |
| 3. |  Mr. Duncan Okwaro | Date of birth: 1968 Academic Qualification: BA Work experience: Senior Principal Responsibility: Board Secretary |
| 4. |  Rev. Andrew Ngeiywa | Date of birth: 1975 Academic Qualification: MA, BA Work experience: Theologian Responsibility: Chairman Human Rights and Students' Welfare Committee |
| 5. |  Mrs. Hellen Koringura | Date of birth: 1970 Academic Qualification: MA, BA Work experience: Teacher Responsibility: Member Finance, Procurement and General Purpose Committee |
| 6. |  Dr. Robert W. Oduori | Date of birth: 1968 Academic Qualification: PhD, MA, BA Work experience: Lecturer Moi University Responsibility: Chairman Academic Standards, Quality and Environment Committee |

| | | |
|-----|---|---|
| 7. |  Mr. Stephen P. Nalelia | Date of birth: 1956 Academic Qualification: BA Work experience: Responsibility: Chairman Discipline, Ethics and Integrity Committee |
| 8. | Ms. Juliana Cheyech | Date of birth: 1983 Academic Qualification: Diploma Work experience: Nurse Responsibility: Member Audit Committee |
| 9. |  Mr. James Loporna | Date of birth: 1976 Academic Qualification: BA Work experience: Human Resource Officer Responsibility: Member Discipline, Ethics and Integrity Committee |
| 10. |  Mr. Satim Matale | Date of birth: 1975 Academic Qualification: Masters Work experience: Medical Lab Officer Responsibility: Chairman Finance, Procurement and General Purpose Committee |
| 11. | Hon. Christine Pedo | Date of birth: 1972 Academic Qualification: Diploma Work experience: Social Worker Responsibility: Member Human Rights and Students' Welfare Committee |
| 12. |  Ms. Elizabeth Chepkoto | Date of birth: 1972 Academic Qualification: Diploma Work experience: Social Worker Responsibility: Member Discipline, Ethics and Integrity Committee |

| | | |
|-----|---|--|
| 13. |  Ms. Domtila Chesang | Date of birth: 1988 Academic Qualification: B.Ed Work experience: Ngo' Gender Officer Responsibility: Member Human Rights and Students' Welfare Committee |
| 14. |  Mr. Reuben Cheprot | Date of birth: 1968 Academic Qualification: Masters Work experience: Lecturer Chesta ttc Responsibility: Member Academic Standards, Quality and Environment Committee |
| 15. |  Mr. Richard Krop | Date of birth: Academic Qualification: Masters Work experience: Kenya Water Towers Agency Responsibility: Member Finance, Procurement and General Purpose Committee |
| 16. |  Mr. Moutich Kelvin | Date of birth: Academic Qualification: P1 Cert Work experience: Teacher Responsibility: Member Human Rights and Students' Welfare Committee |
| 17. |  Ms. Priscilla Chebet | Date of birth: Academic Qualification: MA, BA Work experience: Head Of County Budget W. Pokot Responsibility: Chairperson Audit Committee |
| 18. | Mr. Benard Kimachas | Date of birth: Academic Qualification: MA, BA Work experience: TSC-County Director W. Pokot Responsibility: Ex-Officio member |

II. MANAGEMENT TEAM

| S/NO. | NAME/PASSPORT | DETAILS |
|--------------|---|---------------------------------------|
| 1. |  Mr. Duncan Okwaro | Secretary BOM/Senior Principal |
| 2. |  Mr. Motondi Gerard Oroo | Deputy Principal |
| 3. |  Mr. John Gitau M. | Dean of Curriculum |
| 4. |  Mr. Eliud Bucheche | Dean of students |
| 5. |  Mr. Milton Tuei | Finance Officer |

IV. BOM CHAIRMAN'S STATEMENT

Dear Stakeholders,

It gives me great pleasure to present to you a brief statement on the mandate, challenges and the way forward for Chesta Teachers Training College for this year.

The Mandate of Chesta Teachers Training College as per Basic Education Act 2013 is to prepare teacher trainees for DPTE, DECTE and SBA examinations, expose them to practical teaching practices, equip them with the right knowledge, skills, attitudes for the 21st century teacher and enhance their methodological approaches in various subject areas. It is our responsibility to provide the required leadership in designing suitable plans and strategies that contribute to high and sustainable socio-economic development.

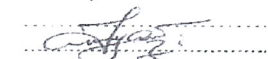
It is our undertaking to ensure that Chesta Teachers Training College has a credible Strategic Plan and Performance Contract that delivers the desired goals. It is also our undertaking that we perform our responsibilities diligently and to the best of our abilities to support the achievement of agreed performance targets.

On Implementation of Citizen's Service Delivery Charter, The Board availed and displayed Citizen's Service Charter in English, Kiswahili and Braille. whereas on innovations in service delivery, the board installed Wi-Fi hot spot in the compound; carried out capacity building initiatives on Covid19 MoH Protocols for all college staff and students; enhanced and installed adequate water supply and hand washing points; procured thermo Guns, adequate sanitization materials and placed them at strategic points for college community use and enhanced collaboration between Sub County MoH staff and college community for Testing , Certification and Monitoring of Covid19 Pandemic.

On government's Big Four Agenda, the board enhanced food security by expanding the Kitchen Garden to 3 acres where we plant maize and vegetables. On affordable health, the board constructed a Health Unit for use by the college community. The biggest challenge the college faces is inadequate infrastructure. It houses both male and female students in temporal structures as hostels. Currently there are still no staff houses on the compound. This leaves students highly vulnerable at night. Moving forward, we appeal to well wishers for funding our projects. We have also written funding proposals to provide funds that can be utilized in infrastructure development.

I feel humbled to thank each one of our students, employees, partners, shareholders, suppliers, lenders and community at large for their continued support.

Thank you.



JACKSON PENGAT
(BOARD CHAIRMAN)

V.REPORT OF THE PRINCIPAL

Chesta Teachers Training College is mandated to train teachers and prepare them for their national examinations. Apart from exposing them to practical teaching practices, the college also equips them with the right knowledge, skills and attitudes needed for the 21st century teacher. During this year, it was our responsibility to provide the required leadership in designing suitable plans and strategies that contribute to high and sustainable socio-economic development of the college as a whole. We ensure that Chesta Teachers Training College has a credible strategic plan and performance contracts that delivers the desired goals. As leaders of the college, we also performed our responsibilities diligently and to the best of our abilities.

The college teams participated actively during the regional Teacher training colleges' athletics championship at Tambach TTC. The performance was indeed promising considering our small population with limited talents. Our trainers and team managers were identified and appointed to lead regional teams to the National at Kigari TTC

The college administration has endeavoured to follow the MoE Financial Management guidelines. Our books of accounts have been audited up to the year 2020/2021. All fees and other payments are done through the college Easy Pay Bill 247247, A/c No 301593 or bank directly in the college account. This has greatly improved fees collections.

Through competitive tendering we get our supplies and make payments within 30 days after delivery. All current suppliers have been paid up to date and we hope that we shall maintain this trend regardless of hard economic times and price fluctuations.

Although we met most of our obligations set for this year. Our biggest challenges were and are still twofold.

Firstly, we do not have a functional library. A library as a source of knowledge creation is a key to learners' academic achievements. An educational institution that lacks a library severely hampers learners' access to new information and knowledge. This translates to retarded performance and development of the core mandate of Chesta Teachers' Training College as an educational institution. Currently there are no alternatives to mitigate this problem.

Secondly, there are no staff houses on the college compound. MOE requires that at least an administrator stays in the institution compound. The idea of administrators living outside the college has therefore incapacitated lecturers to attend to students in case of emergencies especially at night.

The college management is committed to prudent use of public resources under its watch, with a view to maximize the utility of the resources for the good of the public.

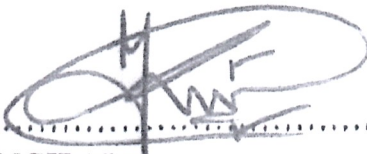
We fully embrace the new financial reporting guidelines and will strive to adhere and comply fully. We will be open to guidance in this endeavour.

Signed

Chesta Teachers Training College
Annual Report and Financial Statements for the year ended 30th June 2022

God bless us all.

Thank you.



.....
SIGNATURE

SENIOR PRINCIPAL
SECRETARY BOM

VI. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

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

Chesta Teachers' Training College has nine strategic goals and objectives within its Strategic Plan for the FY's 2018-2022. These strategic goals are as follows:

1. Curriculum issues.
2. Students' affairs issues.
3. Resource mobilization.
4. Human resource development.
5. Physical facilities.
6. Emerging issues in Education ISO certification.
7. Corruption eradication.
8. Health environment and safety
9. Promote ICT and e-learning

Chesta Teachers' Training College develops its annual work plans based on the above nine goals. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Board achieved its performance targets set for the FY 2021/2022 period for its eight strategic goals, as indicated in the diagram below.

| No | Key Strategic Goals | Strategic Objectives | Strategic Activities | Time Frame | Performance Indicators | Resources Required | Persons Responsible |
|-----------|----------------------------|--|--|-------------------|--|---|---|
| 1. | Curriculum Issues | Improve the college DPTE and DECTE performance by 2022 | -Maximum lesson attendance -Introduce extra lessons where necessary -Recognize staff who demonstrate excellence in improving in DPTE/DECTE exams | By Dec 2022 | -Improved content coverage -Improved DPTE/DECTE performance | -Workable timetable -Human resource -Time | -Class tutor -DOC -BOM |
| | | To enhance timely coverage of the syllabus | -minimize absenteeism of students and lecturers | By Oct 2022 | Availability of lecturers and students | -Class register -lesson attendance control sheets | DOC |
| | | Set and administer standard internal tests | -Train lecturers on DPTE/DECTE setting format | By July 2022 | -Students performance in internal exams -Reports from | DPTE/DECTE Past papers | -Subject lecturers -HOD's / HOS -Exam officer |

| No | Key Strategic Goals | Strategic Objectives | Strategic Activities | Time Frame | Performance Indicators | Resources Required | Persons Responsible |
|----|-------------------------|---|---|--------------|---|---|---|
| | | | -Source DPTE/DECTE Past papers | | internal quality assurance | | -DOC |
| 2 | Students affairs issues | Enhance student-centered services and processes that effectively address their needs | -Create a supportive, rewarding and equitable work environment -Develop and implement policies to address students' needs. -Creation of Assessments of different college units of how they contribute to students' acquisition of core competencies | By July 2022 | -Learner centred programs -Internal students affairs policy | -Human resource -Sample student affairs policies | -DOS -DOC |
| | | Provide students access to affordable, quality internet services and instructional materials. | -Develop policies that enable access to information and instructional materials. | By July 2022 | <ul style="list-style-type: none"> • Rate of e-library usage | <ul style="list-style-type: none"> • Library • Internet | -DOS -DOC |
| | | 1. Streamline college services and processes for incoming students | -Proper orientation mechanism put in place -Provide more personalized support services -Improve entry-level placement process and developmental education | By July 2022 | -Set admission board -Admission timetable | -Human resource | -DOC -Deputy principal |
| | | To bring about an emotionally controlled person who is | -Guide students to focus on personal goals and their career | By July 2022 | -Number of counselled students | -Human resource -Counselling | -Counsellor -DOC -DOS -Principle |

| No | Key Strategic Goals | Strategic Objectives | Strategic Activities | Time Frame | Performance Indicators | Resources Required | Persons Responsible |
|----|---|---|--|--------------|--|-----------------------------|---|
| | | psychologically and socially fit for life challenges | -Establish effective mechanisms to help errand students -Invite speakers ton talk on emerging issues e.g. drug abuse, career improvement, etc -Strengthen counselling services to reduce cases of indiscipline -Identify need students -Equip students in guiding and counselling skills | | -Reduction in indiscipline incidences | room | -Deputy principal |
| 3 | Human resource Development/R esource mobilization | -Improve performance of both academic and non academic staff | -Capacity building | By July 2022 | -Performance improvement | -Financial resources | -BOM staff -lecturers |
| | | Identify compelling gaps | Form competence and gap identification committee | By July 2022 | Skill-gaps identified and capacity building done | -Human resource -Results | -HOD's -DOC -Section head |
| | | Retain motivated staff | -Appraisals - positive reinforcements -academic and non academic tours | By Dec 2022 | -Appraisals -Certifications -Tours | -Financial resources | -BOM -Principal - HOD's/Sectional Heads |
| 4 | Physical facilities | -Construction of college clinic -Completion of a 100 student male hostel | -Source for funds from county government | By Dec 2022 | - functional college clinic -Modern male hostel | -Financial resources | -BOM -County Gov' -Principal |
| | | -Completion of a 300 bed | -County government | By July 2023 | -Functional clinic -Modern female | -Financial resources | -BOM -Principal |

Chesta Teachers Training College

Annual Report and Financial Statements for the year ended 30th June 2022

| N o | Key Strategic Goals | Strategic Objectives | Strategic Activities | Time Frame | Performance Indicators | Resources Required | Persons Responsib |
|------------|-------------------------------|--|---|-------------------|---|--|---|
| | | capacity female hostel. | funding -Fees | | hostel | | |
| | | -Construct of an e-enabled LRC | - funding from county and MOE | By July 2023 | -Modern e-enabled LRC | -Financial resources | -BOM -County G -MOE |
| | | Construct a multi-purpose hall | Source for funds NGO,CDF and national government | By June 2025 | -Modern multi-purpose hall | -Financial resources | -BOM -CDF -Principal |
| | | -Construction of lecturers residence | -Fees and well wishers | By July 2027 | -A residential staff houses | -Financial resources | -BOM -Principal -Well wish |
| 5 | ISO Certification | -Fast track certification of ISO 9001-2022 | -Undertake fast tracking ISO certification in college management and operations | By July 2027 | -ISO Certification | -Human resource | -Principal -HOS -DOC |
| 6 | Corruption Eradication | Corruption Eradication and Address of Public Complaints | -Establish college anticorruption committee -Develop a college anticorruption policy -Create preventive anticorruption mechanism -Check and address public complaints adequately | By July 2022 | -Anticorruption policy -Anticorruption committee | -Human resource -Financial resource | -Principal -Deputy Principal -HOD -DOC -HOS |
| 7 | Health Environment and Safety | -To prevent HIV/AIDS, COVID 19 and other infections -To provide care and support for those infected/ affected -To prevent alcohol and drug abuse among staff | -Put in place a program for creating awareness on HIV/AIDS -Undertake capacity building for students and staff on HIV/AIDS -Establish mechanism for | By July 2022 | -Quarterly NACADA reports - HIV/AIDS, COVID 19 awareness committee reports | -Human resource | -DOS -Deputy principal -DOC |

| No | Key Strategic Goals | Strategic Objectives | Strategic Activities | Time Frame | Performance Indicators | Resources Required | Persons Responsible |
|----|--------------------------|---|--|--------------|---|---------------------------------------|------------------------------------|
| | | and students -To engage the members of the institution in environmental conservation activities | the prevention of alcohol and drug abuse in the institution | | | | |
| 8 | Disability Mainstreaming | -Identify cases of disability among students and staff -Develop strategy to empower persons living with disability | -Establish a special needs club -Develop a disability friendly club -Develop peer support groups | By July 2022 | -Special needs club -Peer support club | -Human resource -special rooms | -Principal -DOS -HOD -HOS |

VII. CORPORATE GOVERNANCE STATEMENT

The Appointment Boards of Management of Public Teacher Training Colleges is done under section 55 of the Basic Education Act 2013. Under this Act, the Education cabinet secretary shall, by regulations prescribe the qualifications for persons who may be appointed to or co-opted into the Board of Management. (55(i). According to the Act, the Board shall consist of:-

- (a) Six persons elected to represent parents (in case of Teacher Training Colleges, the six persons will represent the community)
- (b) One person nominated by the County Education Board
- (c) One representative of the Teaching staff
- (d) Three representatives of the sponsors of the College where applicable
- (e) One person to represent special interest groups in the community
- (f) One person to represent persons with special need, and
- (e) One representative of the students' council who will be an *ex-officio* member.

In Chesta Teachers' College, there are 14 BOM members in compliance with the requirements of the Act.

The cabinet Secretary, Ministry of education through the County director of education, makes appointments. A board of Management holds office for a period of Three years, renewable.

The functions of the Board are stipulated in the Education act and are as follows.

- (a) Promote the best interests of the institution and ensure its development;
- (b) Promote quality education for all pupils in accordance with the standards set under this Act or any other written law;
- (c) Ensure and assure the provision of proper and adequate physical facilities for the institution.
- (d) Manage the institution's affairs in accordance with the rules and regulations governing the occupational safety and health.
- (e) Advise the County Education Board on the staffing needs of the institution;
- (f) Determine cases of pupils' discipline and make reports to the County Education Board;
- (g) Prepare a comprehensive termly report on all areas of its mandate and submit the report to the County Education Board.
- (h) Facilitate and ensure the provision of guidance and counselling to all learners.
- (i) Provide for the welfare and observe the human rights and ensure safety of the pupils, teachers and non-teaching staff at the institution;
- (j) Encourage a culture of dialogue and participatory democratic governance at the institution;
- (k) Promote the spirit of cohesion, integration, peace, tolerance, inclusion, elimination of hate speech, and elimination of tribalism at the institution;

(l) Encourage the learners, teachers and non-teaching staff and other, parents and the community, and other stakeholders to render voluntary services to the institution.

(m) Allow reasonable use of the facilities of the institution for community, social and other lawful purposes, subject to such reasonable and equitable conditions as it may determine including the charging of a fee.

(n) Administer and manage the resources of the institution.

(o) Receive, collect and account for any funds accruing to the institution;

(p) Recruit, employ and remunerate such number of non-teaching staff as may be required by the institution in accordance with this Act; and

(q) Perform any other function to facilitate the implementation of its functions under this Act or any other written law.

The Board provides for formation of committees of the Board as follows

(a) Finance, procurement and general purposes committee;

(b) Academic standards, quality and environment committee;

(c) Discipline, ethics and integrity committee;

(d) Audit committee; and

(e) Human rights and student welfare committee

Boards of Management once nominated, are sworn in by the County Director of Education–MOE.

The Board of Management members do not draw any salaries, but are reimbursed fare and lunches whenever they attend Board Meetings at a rate discussed and agreed by members and sanctioned by the county Director of Education, subject to availability of funds.

A member of the Board can be removed from office if the member resigns and communicates the decision in writing, or fails to attend 3 consecutive Board meetings without apology. The Board secretary is then required to notify the nominating entity of the situation with a view of finding a suitable replacement.

In all full Board Meetings and meetings of committees of the Board, a conflict of interest register is kept and signed by members after the Agenda of the day has been adopted.

The Board of management comes up with the citizens' service charter for the institution and reviews it from time to time.

The performance of the Board of Management is closely monitored by the County director of education, who can recommend to the cabinet secretary of Education to dissolve a Board of Management at any time during the tenure of the Board.

VIII. MANAGEMENT DISCUSSION AND ANALYSIS

In this year, Chesta Teachers' Training College was able to do some improvements and innovations. These include; lighting points extended in the college compound, Provision of 10 dining tables and 20 benches, painting of Boardroom, internet installation of extra 5mbps, extension of water tap points etc. All were possible through prudent management of finances.

IX. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Chesta Teachers Training College exists to transform lives. This is our purpose; the driving force behind everything we do. It is what guides us to deliver our strategy, which is founded on five pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

1. Sustainability strategy and profile

Chesta Teachers Training College is a Government facility funded fully by the Government through Student fees and MOE grants. The College management strives to make prudent use of the available resources to maintain and improve the existing college facilities.

2. Environmental performance

Chesta Teachers Training College is situated in the lowlands of Pokot Central Sub-County about 103 Kilometres East of Kapenguria. The college has a constant and sufficient supply of gravity and borehole water. The availability of enough clean water has ensured high standards of cleanliness in the college.

The college periodically invites the National Environment Management Authority (NEMA) to come, Audit our environmental situation, and give recommendations that are then acted upon.

3. Employee welfare

Chesta Teachers college's non-teaching staff Employees are hired and paid by the Board of Management and deployed to suitable workstations within the college. The remunerations of the employees are in strict adherence of the SCR recommendations on salaries and allowances. Where casuals are employed, the Board adheres to the existing labour laws and pays the recommended minimum wages.

All statutory deductions payable by an employee (i.e. PAYE, NSSF, NHIF and SACCO DUES) are duly deducted and remitted every month.

Progression from one job group to a higher one is effected upon recommendation of the BOM.

The Board aims at motivating all the college employees through supply of adequate working equipment, uniforms and tools where applicable.

4. Market place practices

Chesta Teachers College operates under its citizen's service charter and signs performance Contract with MOE to ensure that best practices are in place in the college.

The College also maintains strict adherence to PPRA guidelines in its procurement procedures.

5. Community Engagements

In the spirit of corporate social responsibility, the college has allowed unlimited access of the college field to the local community sportsmen and women

The college has always maintained a cordial relationship with the neighbouring community. In this year, the college sold vegetables to the community traders at a subsidized price.

The college also have connected piped water to the community.

X. REPORT OF THE BOARD OF MANAGEMENT

The Board of Management submit their report for the year ended 30th June, 2022, which shows the state of the college affairs.

Principal activities

The principal activities of Chesta Teachers College continue to be Training of Teachers to teach in Primary schools in Kenya.

Results

The results of Chesta Teachers College for the year ended 30th June, 2022 are set out on page as follows

Board of Management

The members of the Board of Management who served during the year are shown on page vii. During this year, no Board Member resigned.

Auditors

The Auditor General is responsible for the statutory audit of Chesta Teachers Training College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act, 2015.

By Order of the Board



DUNCAN OKWARO
BOM Secretary
Private Bag 5-30603
WEI-WEI
1/9/2021

XI. STATEMENT OF BOARD OF MANAGEMENT MEMBERS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 require the BOM members to prepare financial statements in respect of Chesta teachers training college, which give a true and fair view of the state of affairs of the college as at 30th June, 2022 and the operating results of the college for the quarter. The BOM members are also required to ensure that the college keeps proper accounting records which disclose with reasonable accuracy the financial position of the college. The BOM members are also responsible for safeguarding the assets of the college.

The BOM members are responsible for the preparation and presentation of the college's financial statements, which give a true and fair view of the state of affairs of the college for and as at 30th June, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the college; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The BOM members accept responsibility for the 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 the TVET Act. The BOM members are of the opinion that the College's financial statements give a true and fair view of the state of entity's transactions as at 30th June, 2022 and of the college's financial position as at that date. The council members further confirm the completeness of the accounting records maintained for the college, which have been relied upon in the preparation of the college's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the Financial Statements

The college's financial statements were approved by the Board on 29/09/2022 and signed on its behalf by:

Name MR. JACKSON PENGAT

Name MR. DUNCAN OKWARO

Signature.....

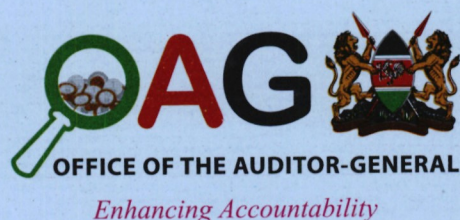
Signature.....

Chairperson of the Board

Accounting Officer/Principal

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON CHESTA TEACHERS' TRAINING COLLEGE FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Chesta Teachers' Training College set out on Pages 1 to 29, which comprise the statement of financial position as

at 30 June, 2022, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects 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 Chesta Teachers' Training College as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Opinion

1. Inaccuracies in Financial Statements

1.1 Variances Between Financial Statements and General Ledger Balances

The financial statements reflect amounts that differed with the general ledger amounts resulting to unreconciled variances as detailed below:

| Item | Financial Statement Amount (Kshs) | General Ledger Amount (Kshs) | Variance (Kshs) |
|---|--|-------------------------------------|------------------------|
| Employee costs | 9,504,776 | 6,089,818 | 3,414,958 |
| Rendering of services | 19,852,709 | 17,603,624 | 2,249,085 |
| Use of goods and services | 17,407,101 | 17,194,741 | 212,360 |
| Trade and other payables from exchange transactions | 750,323 | 212,360 | 537,963 |
| Total | 47,514,909 | 41,100,543 | 6,414,366 |

1.2 Statement of Cash flows

The statement of financial performance and statement of cash flow reflect differing amounts for similar items as detailed below;

| Item | Statement of Financial Performance Amount (Kshs) | Statement of Cash Flow Amount (Kshs) | Variance (Kshs) |
|-------------------------------|---|---|------------------------|
| Rendering of Services Revenue | 19,852,709 | 17,603,624 | 2,249,085 |

| Item | Statement of Financial Performance Amount (Kshs) | Statement of Cash Flow Amount (Kshs) | Variance (Kshs) |
|---------------------------|--|--------------------------------------|------------------|
| Employee Cost | 9,504,776 | 8,966,813 | 537,963 |
| Use of Goods and Services | 17,407,101 | 17,194,741 | 212,360 |
| Total | 46,764,586 | 43,765,178 | 2,999,408 |

No explanations or notes were provided to explain the variances.

In the circumstances, the accuracy and fair statement of financial statement amounts for the year ended 30 June, 2022 could not be confirmed.

2. Accuracy of Revenue from Exchange Transactions

The Statement of financial performance reflects revenue from exchange transactions of Kshs.20,245,900. However, the supporting schedules were not provided for audit. Further, the amount includes fees arrears of Kshs.2,249,085 which is incorrectly classified as income instead of a receivable.

In the circumstances, accuracy and completeness of revenue from exchange transactions of Kshs.20,245,900 for the year ended 30 June, 2022 could not be confirmed.

3. Inventory

The statement of financial position reflects inventories balance Kshs.312,770. However, annual stock take was not carried out on 30 June, 2022 and inventories valued at the lower of cost and net realizable in accordance with IPSAS 12. Further, the College did not have a policy on management of stock and re-order levels contrary to Section 160(1) of Public Procurement and Asset Disposal Act, 2015 which states that an accounting officer of a procuring entity shall manage its inventory, assets and stores for the purpose of preventing wastage and loss, and continuing utilization of supplies.

In the circumstances, accuracy of inventory balance of Kshs.312,770 as at 30 June, 2022 could not be confirmed.

4. Refundable Customer Deposits

The statement of financial position includes refundable deposits from students amount of Kshs.212,300. However, detailed schedules and ledgers to support the refundable deposits were not provided for audit review.

In the circumstances, the accuracy and completeness of refundable deposits amount of Kshs.212,300 as at 30 June, 2022 could not be confirmed.

5. Unsupported Employee Benefit Obligation (Service Gratuity Fund)

The statement of financial position reflects employee benefit obligation of Kshs.851,034. However, the amount is not supported by approved gratuity computation formulae, gratuity computation schedules and ledgers.

In the circumstances, the accuracy of employee benefit obligation balance of Kshs.851,034 as at 30 June, 2022 could not be confirmed.

6. Un-disclosed Biological Assets

The statement of financial position omits the value of biological assets. However, available records revealed that the College had one hundred (100) goats and twelve (12) milk cows which were not valued and included in the financial statements in accordance with paragraph 16 of IPSAS 27 on Agriculture which requires biological assets to be measured at each reporting date at its fair value less costs to sell, except for the case described in paragraph 34 where the fair value cannot be measured reliably.

In the circumstances, the accuracy and fair statement of the financial statements for the year ended 30 June, 2022 could not be confirmed. The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Chesta Teachers' Training College Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Underutilization of Facilities and Resources

The statement of financial position reflects property plant and equipment balance of Kshs.56,535,000 as disclosed in Note 20 to the financial statements. In addition, the

College has a total of fifty-nine (59) staff comprising of thirty-five (35) non-teaching and twenty-four (24) teaching staff. Further, the County Government of West Pokot is putting up a modern women's hostels. However, the facilities are largely under-utilized due to low enrolment of students. At the time of audit in March, 2023, the College had a total of 15 students undertaking various teaching courses, while its full capacity is one thousand five hundred (1,500) students.

In the circumstances, the College is not effectively and efficiently utilizing capital and human resources allocated to it.

2. Failure to Observe One Third Rule on Staff Composition

During the year ended 30 June, 2022, the College had total of thirty five (35) non-teaching staff out of which 33 or 91.4% were from the dominant community contrary to the provisions of Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which requires that all public establishments shall seek to represent the diversity of the people of Kenya in employment of staff and that no public establishment shall have more than one third of its establishment from the same ethnic community.

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

The audit was conducted in accordance with ISSAI 4000. The standard requires 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 are in compliance, 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.

3. Unresolved Prior Year Matters

The Management has not addressed audit issues in 2020/2021 Auditor General report contrary to section 149(2)(l) of the Public Finance Management Act, 2012 which require accounting officers designated for national government entities to try to resolve any issues resulting from an audit that remain outstanding.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Staff Establishment and Human Resource Policy

Chesta Teachers Training College did not have an approved staff establishment during the year ended 30 June, 2022 to guide the Management on number of staff and the cadres the institution is authorized to have to enable it operate at optimum levels. Further, the College did not have an approved human resource policy and salary structure to guide on the employment and payment of salaries, considering the qualifications and experience required for various job groups and staff progression.

In the circumstances, effective and efficient management of human resource could not be achieved.

2. Segregation of Duties

The Institution's procurement department had only one staff during the year under review responsible for procurement, receiving, recording and issuance of stores and as a result, there was no segregation of duties as a control mechanism over procurement function.

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

3. Lack of Internal Audit

Chesta Teachers Training College did not have an internal audit function in place during the year ended 30 June, 2022 contrary to Section 73(1) of the Public Finance Management Act, 2012 which requires that every national government entity shall ensure that it complies with this Act and - (a) has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board; and (b) where any regulations are in force under subsection 2, those regulations are complied with.

In the circumstances, the Management was in breach of the law and assurance over its internal control systems, risk management and governance processes could not be confirmed.

4. Lack of Occupational Safety and Health Policy

The College did not prepare and put into operation an occupational safety and health policy. There was also no occupational safety and health committee at the workplace.

In the absence of an occupational safety and health policy, the College's ability to have an effective procedure for safety and health risk identification, prevention and management may not be possible.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were

operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. 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 and weakness 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 addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, 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 accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1) (a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the College's policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit

report. However, future events or conditions may cause the College to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the College to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

15 June, 2023

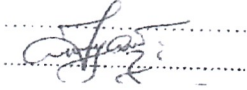
Chesta Teachers Training College
Annual Report and Financial Statements for the year ended 30th June 2022

III. Statement of Financial Performance for the year ended 30 June 2022

| Description | Notes | 2021-2022 | 2020-2021 |
|---|-------|-------------------|--------------------|
| | | Kshs | Kshs |
| Revenue from Non-Exchange transactions | | | |
| Transfers from other National Government entities | 6 | 14,317,060 | 3,985,528 |
| Grants from donors and development partners | 7 | 0 | 1,500,000 |
| Public contributions and donations | 8 | 0 | 0 |
| | | 14,317,060 | 5,485,528 |
| Revenue from Exchange transactions | | | |
| Rendering of services- fees from students | 9 | 19,852,709 | 3,323,091 |
| Sale of goods | 10 | 168,905 | 40,720 |
| Other Income | 17(a) | 224,286 | |
| | | 20,245,900 | 3,363,811 |
| Total Revenue | | 34,562,960 | 8,849,339 |
| Expenses | | | |
| Use of goods and services | 11 | 17,407,101 | 5,030,978 |
| Employee costs | 12 | 9,504,776 | 8,065,934 |
| Repairs and maintenance | 14 | 630,733 | 106,080 |
| Other Expenses | 15 | 0 | 1,181,558 |
| | | 27,542,610 | 14,384,550 |
| Total Expenses | | 27,542,610 | 14,384,550 |
| Net surplus for the year | | 7,020,350 | (5,535,211) |


(The notes set out on pages 6 to 29 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 6 to 29 were signed by:



Chairman of Board of management


Date:29/09/2022



Finance Officer

ICPAK No

Date:29/09/2022



Principal

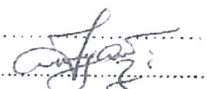
Date:29/09/2022

Chesta Teachers Training College
Annual Report and Financial Statements for the year ended 30th June 2022

IV. **Statement of Financial Position as at 30th June 2022**

| Description | Notes | 2021-2022 | 2020-2021 |
|---|-------|-------------------|--------------------|
| | | Kshs | Kshs |
| Assets | | | |
| Current Assets | | | |
| Cash and cash equivalents | 16 | 6,565,270 | 1,043,682 |
| Current portion of receivables from exchange transactions | 17 | 8,497,709 | 6,472,910 |
| Inventories | 18 | 312,770 | 403,455 |
| | | 15,375,749 | 7,920,047 |
| Non-Current Assets | | | |
| Property, plant, and equipment | 20 | 56,535,000 | 51,200,000 |
| Total Assets | | 71,910,749 | 59,120,047 |
| Liabilities | | | |
| Current Liabilities | | | |
| Trade and other payables from exchange transactions | 21 | 750,323 | 3,195,459 |
| Refundable deposits from customers | 22 | 212,300 | 212,303 |
| Employee benefit obligation | 23 | 851,034 | 723,034 |
| Total Liabilities | | 1,813,657 | 4,130,796 |
| Net Assets | | | |
| Reserves | | 0 | 0 |
| Accumulated Surplus | | 1,485,139 | (5,535,211) |
| Capital Fund | | 68,611,953 | 60,524,462 |
| Total | | 70,097,092 | 54,989,251 |
| Total Net Assets and Liabilities | | 71,910,749 | 59,120,047 |

The Financial Statements set out on pages 6 to 29 were signed by:



**Chairman of Board of
management**

Date: 29/09/2022



Finance Officer

ICPAK No

Date: 29/09/2022



Principal

Date: 29/09/2022

Chesta Teachers Training College
Annual Report and Financial Statements for the year ended 30th June 2022

V. Statement of Changes in Net Asset for the year ended 30 June 2022

| | Revaluation reserve | Fair value adjustment reserve | Retained earnings | Capital/Development Grants/Fund | Total |
|--|---------------------|-------------------------------|-------------------|---------------------------------|-------------------|
| At July 1, 2021 | 0.00 | 0.00 | 0.00 | 54,989,251 | 54,989,251 |
| Revaluation gain | 5,335,000 | - | - | - | 5,335,000 |
| Fair value adjustment on quoted investments | - | 0.00 | - | - | 0.00 |
| Total comprehensive income/Deficit | - | - | 7,020,350 | - | 7,020,350 |
| Capital/Development grants received during the year | - | - | - | 0 | 0 |
| Transfer of depreciation/amortisation from capital fund to retained earnings | - | 1,267,352 | 0 | (0) | 1,267,352 |
| At June 30, 2022 | 5,335,000.00 | 1,267,352 | 7,020,350 | 54,989,251 | 68,611,953 |

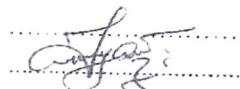
Chesta Teachers Training College
Annual Report and Financial Statements for the year ended 30th June 2022

VI. Statement of Cash Flows for the year ended 30 June 2022

| Description | Note | 2021-2022 | 2020-2021 |
|--|-------|-------------------|----------------------|
| | | Kshs | Kshs |
| Cash flows from operating activities | | | |
| Receipts | | | |
| Transfers from other government entities/govt. Grants | 6 | 14,317,060 | 3,985,528 |
| Grants from Donors and Development Partners | 7 | 0 | 1,500,00 |
| Rendering of services- fees from students | 9 | 17,603,624 | 3,323,091 |
| Sale of goods | 10 | 168,905 | 40,720 |
| Total Receipts | | 32,089,589 | 8,849,339 |
| Payments | | | |
| Compensation of employees | 12 | 8,966,813 | 4,870,475 |
| Use of goods and services | 11 | 17,194,741 | 5,030,978 |
| Other Expenses | 15 | 0 | 1,181,558 |
| Other payments(Repairs and maintenance) | 14 | 630,733 | 106,080.00 |
| Grants and subsidies paid | | 0 | 0.00 |
| Total Payments | | 26,792,287 | 11,189,091.00 |
| | | 5,297,302 | (2,339,752) |
| Decrease in current receivables | 17(a) | 224,286 | 226,712 |
| Net Cash Flows from operating activities | | 5,521,588 | (2,113,040) |
| Net cash flows used in investing activities | | (0) | (0.00) |
| Net cash flows used in financing activities | | (0) | (0.00) |
| Net Increase/(Decrease)in Cash and Cash equivalents | | 0 | (0.00) |
| Cash and Cash equivalents at 1JULY 2021 | 16 | 1,043,682 | 3,156,722 |
| Cash and Cash equivalents at 30 JUNE 2022 | 16 | 6,565,270 | 1,043,682 |

((IPSAS 2 allows an entity to present the cash flow statement using the direct or indirect method but encourages the direct method. PSASB also recommends the use of direct method of cash flow preparation).

The Financial Statements set out on pages 6 to 29 were signed by:



**Chairman of Board
 management**

Date:29/09/2022



Finance Officer

ICPAK No

Date:29/09/2022



Principal

Date:29/09/2022

Chesta Teachers Training College
Annual Report and Financial Statements for the year ended 30th June 2022

VII. Statement of Comparison of Budget & Actual amounts for the year ended 30 June 2022

| Description | Original budget | Adjustments | Final budget | Actual on comparable basis | Performance difference | Utilization Difference |
|--|-------------------|-------------|-------------------|----------------------------|------------------------|------------------------|
| | 2021-2022 | 2021-2022 | 2021-2022 | 2021-2022 | 2021-2022 | 2021-2022 |
| Revenue | Kshs | Kshs | Kshs | Kshs | Kshs | % |
| Transfers from other govt entities and govt grants | 13,570,840 | (0) | 13,570,840 | 14,317,060 | (746,220) | 5.50% |
| Public contributions and donations | 0 | (0) | 0 | 0 | 0 | 0% |
| Rendering of services- fees from students | 15,771,700 | (0) | 15,771,700 | 19,852,709 | (4,081,009) | 25.9% |
| Sale of goods | 549,000 | - | 549,000 | 168,905 | 380,095 | 69.2% |
| Finance in come | 0 | - | 0 | 0 | 0 | 0% |
| Other income(Current receivables) | 100,000 | - | 100,000 | 224,286 | (124,286) | 124% |
| Gains on disposal, rental income and agency fees | 0 | 0 | 0 | 0 | 0 | 0% |
| Total Income | 29,991,540 | (0) | 29,991,540 | 34,562,960 | (4,571,420) | 15.2% |
| Expenses | | | | | | |
| Compensation of employees | 10,030,840 | - | 10,030,840 | 9,504,776 | 526,064 | 5.2% |
| Use of goods and services | 14,331,310 | - | 14,331,310 | 17,407,101 | (3,075,791) | 21.5% |
| Finance costs | 0 | (0) | 0 | 0 | 0 | 0% |
| Rent paid | 0 | (0) | 0 | 0 | 0 | 0% |
| Development grants from Ministry of Education | 3,540,000 | - | 3,540,000 | 0 | 3,540,000 | 100% |
| Repairs and Maintenance | 1,679,390 | - | 1,679,390 | 630,733 | 1,048,657 | 62.44% |
| Remuneration of directors | 0 | (0) | 0 | 0 | - | 0% |
| Farm expenses | 410,000 | - | 410,000 | 0 | 410,000 | 100% |
| Grants and subsidies paid | 0 | - | 0 | 0 | - | 0% |
| Total Expenditure | 29,991,540 | (0) | 29,991,540 | 27,542,610 | 2,448,930 | 8.2% |
| Surplus For the Period | 0 | 0.00 | 0.00 | 7,020,350 | (876,918) | 0% |

(Budget notes)

1. Fees from students increased as a result of sh15, 700.examination fee paid by each student previously not included in the budget.
2. The government released grants (Development & Recurrent as expected and the amount remains unspent at the year end. (10% over/ under) IPSAS 24.14
3. Current receivables (Fees arrears) decreased by ksh 124,286 more than anticipated.

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VIII. Notes to the Financial Statements

1. **General Information**

Chesta ttc is established by and derives its authority and accountability from PFM Act, 2012. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to prepare teacher trainees for DPTE, DECTE and SBA examinations.

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 *entity's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx.

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

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

3. **Adoption of New and Revised Standards**

i. **Relevant new standards and amendments to published standards effective for the year ended 30 June 2022.**

IPSASB deferred the application date of standards from 1st.January 2022 owing to covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

ii. **New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022.**

| Standard | Effective date and impact: |
|---------------------------------------|--|
| IPSAS 41: Financial Instruments | <p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> |

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

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| Standard | Effective date and impact: |
|--|--|
| | <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p><i>(State the impact of the standard to the Entity if relevant)</i></p> |
| <p>Other improvements to IPSAS</p> | <p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p> <p><i>State the impact of the standard to the Entity if relevant</i></p> |
| <p>IPSAS 43</p> | <p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>State the impact of the standard to the Entity if relevant</i></p> |
| <p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p> | <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><i>State the 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 2022.

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. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

ii) Revenue from exchange transactions

Rendering of services

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

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

Interest income

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

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the entity's right to receive payments is established.

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4 Summary of Significant Accounting Policies (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions (continued)

Rental income

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

b) Budget information

The original budget for FY 2021/2022 was approved by the Council or Board on **24/09/2021**. 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 in order to conclude the final budget. Accordingly, the entity recorded no additional appropriations on the FY 2021/2022 budget following the 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 a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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

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

c) Taxes

Current income tax

The entity is paying taxes-PAYE, deducted from employees' emoluments

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 a period of *nil* years.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the 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.

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

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 so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible assets

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

h) Research and development costs

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

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

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit.

During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

i) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or an entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

4 Summary of Significant Accounting Policies (Continued)

4 Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

- The debtors or an entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

j) Inventories

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

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

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

Inventories (Continued)

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

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

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

k) Provisions

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

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

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

Contingent liabilities

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

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.

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

l) Nature and purpose of reserves

The Entity has no reserves.

m) 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.

n) 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.

o) Foreign currency transactions

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

p) Borrowing costs

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

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

q) Related parties

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

r) Service concession arrangements

The 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.

s) Cash and cash equivalents

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

t) Comparative figures

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

u) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30th, 2022.

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

There were no valuations of assets during the year and no Provisions were raised but the management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 23.

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

| Description | 2021-2022 | 2020-2021 |
|--|-------------------|------------------|
| | Kshs | Kshs |
| Unconditional Grants(MoE) | | |
| Capitation Grants | 0 | 0 |
| Operational Grant | 10,777,060 | 3,985,528 |
| Other Grants(Development) | 3,540,000 | 0 |
| Total Government Grants and Subsidies | 14,317,060 | 3,985,528 |

7. Grants from Donors and Development Partners

| Description | 2021-2022 | 2020-2021 |
|---|-----------|------------------|
| | Kshs | Kshs |
| JICA- Research Grant | 0 | 0 |
| World Bank Grants | 0 | 0 |
| In-Kind Donations | 0 | 0 |
| Other Grants(CDF & County government) | 0 | 1,500,000 |
| Total Grants from Development Partners | 0 | 1,500,000 |

Reconciliations of grants from donors and development partner

| Description | 2021-2022 | 2020-2021 |
|--|-----------|-------------|
| | Kshs | Kshs |
| Balance unspent at beginning of year | 0 | 0 |
| Current year receipts | 0 | 1,500,000 |
| Conditions Met – Transferred to Revenue | 0 | (1,500,000) |
| Conditions Yet To Be Met – Remain Liabilities | 0 | 0 |

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Notes to the Financial Statements (Continued)

8. Public Contributions and Donations

| Description | 2021-2022 | 2020-2021 |
|--|-----------|-----------|
| | Kshs | Kshs |
| Public Donations | 0 | 0 |
| Donations from Local Leadership | 0 | 0 |
| Donations from Religious Institutions | 0 | 0 |
| Donations from Alumni | 0 | 0 |
| Other Donations | 0 | 0 |
| Total Donations and Contributions | 0 | 0 |

(No Donations and contributions.)

9. Rendering of Services

| Description | 2021-2022 | 2020-2021 |
|---|-------------------|------------------|
| | Kshs | Kshs |
| Boarding Equipment and stores | 4,635,332 | 1,048,403 |
| Tuition fees | 781,490 | 128,000 |
| Local Travelling and Transport | 1,188,833 | 370,223 |
| Repairs and maintenance | 502,100 | 80,700 |
| Contingency | 1,776,080 | 729,169 |
| Teaching practice | 610,650 | 9,000 |
| Electricity, Water and Conservancy | 675,576 | 258,656 |
| Personal Emolument | 571,176 | 152,900 |
| Computer Studies | 719,628 | 3,000 |
| Motor Vehicle Repair/Replacement | 608,445 | 45,000 |
| Examination Fees | 148,200 | 498,040 |
| Gratuity | 128,000 | 0 |
| Medical | 122,700 | 0 |
| Activity | 552,100 | 0 |
| Assessment Fees | 3,349,388 | 0 |
| ECDE Fees | 38,500 | 0 |
| Fund Account | 1,104,226 | 0 |
| Student Council | 54,000 | 0 |
| Registration | 37,200 | 0 |
| Fees Arrears(Receivables during the year) | 2,249,085 | 0 |
| Total Revenue from The Rendering Of Services | 19,852,709 | 3,323,091 |

-This revenue was received as fees from students per vote heads.

-Cash received was ksh17,603,624 and receivables during the year was ksh 2,249,085 totalling to ksh 19,852,709.

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Notes to the Financial Statements (Continued)

10. Sale of Goods

| Description | 2021-2022 | 2020-2021 |
|---|----------------|---------------|
| | Kshs | Kshs |
| Sale of Farm Produce | 168,905 | 40,720 |
| Other | 0 | 0 |
| Total Revenue from Sale of Goods | 168,905 | 40,720 |

(This revenue was from sale of vegetables and milk from college farm to the local community)

11. Use of Goods And Services

| Description | 2021-2022 | 2020-2021 |
|------------------------------------|-------------------|------------------|
| | KShs | KShs |
| Boarding Equipment and stores | 4,214,437 | 1,383,886 |
| Tuition Expenses | 686,407 | 249,522 |
| Local Travelling and Transport | 2,261,573 | 1,110,130 |
| Medical | 116,895 | 77,450 |
| MV Replacement/Repair | 0 | 26,000 |
| Contingency | 1,847,181 | 1,122,669 |
| Teaching practice | 88,900 | 92,045 |
| Electricity ,water and conservancy | 752,003 | 199,276 |
| Computer studies | 624,855 | 100,000 |
| Facilitation expenses | 0 | 154,600 |
| Examination expenses | 3,696,090 | 504,590 |
| Farm Expense | 177,995 | 10,810 |
| Activity | 1,555,974 | 0 |
| Student council | 108,590 | 0 |
| Fund account | 640,252 | 0 |
| Registration | 23,200 | 0 |
| Personal Emolument | 246,609 | 0 |
| Insurance | 366,140 | 0 |
| Total good and services | 17,407,101 | 5,030,978 |

(-Cash payment was ksh 17,194,741.00 and payables ksh 212,360.00)

12. Employee Costs

| Description | 2021-2022 | 2020-2021 |
|-----------------------|------------------|------------------|
| | Kshs | Kshs |
| Salaries and wages | 8,966,813 | 4,870,475 |
| Payables for the year | 537,963 | 3,195,459 |
| Employee Costs | 9,504,776 | 8,065,934 |

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Notes to the Financial Statements (Continued)

13. Depreciation and Amortization expense

| Description | 2021-2022 | 2020-2021 |
|--|-----------|-----------|
| | Kshs | Kshs |
| Property, plant and equipment | 0 | 0 |
| Intangible assets | 0 | 0 |
| Investment property carried at cost | 0 | 0 |
| Total depreciation and amortization | 0 | 0 |

14. Repairs and Maintenance

| Description | 2021-2022 | 2020-2021 |
|--------------------------------------|----------------|----------------|
| | Kshs | Kshs |
| Vehicles | 343,841 | 59,310 |
| Furniture and fittings | 286,892 | 46,770 |
| Total Repairs and Maintenance | 630,733 | 106,080 |

15. Other Expenses

| Description | 2021-2022 | 2020-2021 |
|-----------------------------|-----------|------------------|
| | Kshs | Kshs |
| County grants | 0 | 886,590 |
| CDF grants | 0 | 294,968 |
| Total other expenses | 0 | 1,181,558 |

16. Cash and Cash Equivalents

| Description | 2021-2022 | 2020-2021 |
|--|------------------|------------------|
| | Kshs | Kshs |
| Current Account | 6,302,859 | 971,447 |
| On - Call Deposits | 0 | 0 |
| Fixed Deposits Account | 0 | 0 |
| Staff Car Loan/ Mortgage | 0 | 0 |
| Others (Cash in hand) | 262,411 | 72,235 |
| Total Cash and Cash Equivalents | 6,565,270 | 1,043,682 |

(The amount should agree with the closing and opening balances as included in the statement of cash flows)

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Notes to the Financial Statements (Continued)

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

| Financial Institution | Account number | 2021-2022 | 2020-2021 |
|---------------------------|----------------|------------------|------------------|
| | | Kshs | Kshs |
| a) Current Account | | | |
| Equity Bank | 1070262301593 | 1,263,949 | 607,396 |
| Equity Bank | 1070262702629 | 5,038,910 | 364,051 |
| Sub- Total | | 6,302,859 | 971,447 |
| Cash in Hand | | 262,411 | 20,000 |
| Mobile Money account | | 0 | 52,235 |
| Sub- Total | | 262,411 | 72,235 |
| Grand Total | | 6,565,270 | 1,043,682 |

17. Current Receivables from Exchange transactions

| Description | 2021-2022 | 2020-2021 |
|----------------------------------|------------------|---------------------|
| | Kshs | Kshs |
| Current Receivables | | |
| Student Debtors | | |
| Fees arrears 2014/2015 | | |
| Fees arrears 2015/2016 | 2,403,826 | 2,403,826 |
| Advance | 1,158,761 | 1,158,761 |
| Fees arrears 2016/2017 | 7,500 | 7,500 |
| Fees arrears 2017/2018 | 1,690,249 | 1,690,249 |
| Fees arrears 2018/2019 | 596,588 | 645,512 |
| Fees arrears 2019/2020 | 189,702 | 189,702 |
| Fees arrears 2021/2022 | 201,998 | 377,360 |
| | 2,249,085 | 0 |
| Total Current Receivables | 8,497,709 | 6,472,910.00 |

17(a). Recoveries

| Description | 2021-2022 | 2020-2021 |
|--|----------------|----------------|
| | Kshs | Kshs |
| Current Receivables brought forward | 6,472,910 | 6,699,622 |
| Current Receivables for the year | 2,249,085 | 0 |
| Less: Current receivables carried down | 8,497,709 | 6,472,910 |
| Decrease in current receivables | 224,286 | 226,712 |

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Notes to the Financial Statements (Continued)

18. Inventories

| Description | 2021-2022 | 2020-2021 |
|--|----------------|----------------|
| | Kshs | Kshs |
| Consumable stores | 186,500 | 31,285 |
| Maintenance stores | 14,400 | 153,725 |
| Health Unit stores | 42,945 | 46,325 |
| Electrical stores | 15,000 | 3,500 |
| Cleaning Materials stores | 6,000 | 23,145 |
| Catering stores | 0 | 0 |
| Stationery stores | 47,925 | 145,475 |
| Total Inventories at lower of Cost and Net Realizable Value | 312,770 | 403,455 |

(-The value was extracted from stores ledger-SI)

19. Investments

| Description | 2021-2022 | 2020-2021 |
|---|-------------|-------------|
| | Kshs | Kshs |
| a) Investment in Treasury Bills and Bonds | | |
| Financial Institution | | |
| CBK | 0.00 | 0.00 |
| CBK | 0.00 | 0.00 |
| Sub- Total | 0.00 | 0.00 |
| b) Investment with Financial Institutions/ Banks | | |
| Bank | 0.00 | 0.00 |
| Bank | 0.00 | 0.00 |
| Sub- Total | 0.00 | 0.00 |
| c) Equity Investments (Specify) | | |
| Equity/ Shares in Company | 0.00 | 0.00 |
| Sub- Total | 0.00 | 0.00 |
| Grand Total | 0.00 | 0.00 |

Chesta Teachers Training College**Annual Report and Financial Statements for the year ended 30th June 2022****Notes to the Financial Statements (Continued)****d) Shareholding in other entities**

For investments in equity share listed under note 30 (c) above, list down the equity investments under the following categories:

| Name of Entity where Investment is Held | No of Shares | | | Nominal Value of Shares | Fair Value of Shares | Fair Value of Shares |
|---|---------------------|-----------------------|------------------------|-------------------------|----------------------|----------------------|
| | Direct Shareholding | Indirect Shareholding | Effective Shareholding | | | |
| | % | % | % | Kshs | Kshs | Kshs |
| Entity A | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Entity B | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

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Notes to the Financial Statements (Continued)

20. Property, Plant and Equipment

| Cost | Land | Motor vehicles | Furniture and fittings | Computers | Other Assets (Buildings) | Plant and equipment | Capital Work in progress | Total |
|-------------------------------------|------------------|-------------------|------------------------|------------------|--------------------------|---------------------|--------------------------|-------------------|
| | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs |
| At 1 July 2021 | 5,400,000 | 12,000,000 | 2,385,000 | 1,900,000 | 34,500,000 | 350,000 | 0 | 56,535,000 |
| Additions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposals | (0) | (0) | (0) | (0) | (0) | (0) | (0) | (0) |
| Transfers/Adjustments | (0) | (0) | (0) | (0) | (0) | (0) | (0) | (0) |
| At 30th June 2022 | 5,400,000 | 12,000,000 | 2,385,000 | 1,900,000 | 34,500,000 | 350,000 | | 56,535,000 |
| Additions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposals | (0) | - | - | - | (0) | - | (0) | (0) |
| Transfer/Adjustments | (0) | 0 | 0 | (0) | (0) | - | 0 | (0) |
| At 30th June 2022 | 5,400,000 | 12,000,000 | 2,385,000 | 1,900,000 | 34,500,000 | 350,000 | 0 | 56,535,000 |
| Depreciation And Impairment | | | | | | | | |
| At 1 July 2021 | (0) | (0) | (0) | (0) | (0) | - | (0) | (0) |
| Depreciation | (0) | (0) | (0) | (0) | (0) | - | (0) | (0) |
| Impairment | (0.00) | - | - | - | (0) | - | - | (0) |
| At 30th June 2022 | 5,400,000 | 12,000,000 | 2,385,000 | 1,900,000 | 34,500,000 | 350,000 | 0 | 56,535,000 |
| Depreciation | (0) | (0) | (0) | - | (0) | (0) | (0) | (0) |
| Disposals | 0 | - | - | - | 0 | - | 0 | 0 |
| Impairment | (0) | (0) | - | - | (0) | - | - | (0) |

**Chesta Teachers Training College
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| Cost | Land | Motor vehicles | Furniture and fittings | Computers | Other Assets (Buildings) | Plant and equipment | Capital Work in progress | Total |
|-------------------------------|-----------|----------------|------------------------|-----------|--------------------------|---------------------|--------------------------|------------|
| | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs |
| Transfer/Adjustment | 0 | (0) | (0) | 0 | (0) | - | (0) | 0 |
| At 30 th June 2022 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 |
| Net Book Values | 5,400,000 | 12,000,000 | 2,385,000 | 1,900,000 | 34,500,000 | 350,000 | 0 | 56,535,000 |
| At 30 th June 2021 | 5,400,000 | 9,000,000 | 2,000,000 | 300,000 | 34,500,000 | 0 | 0 | 51,200,000 |
| At 30 th June 2022 | 5,400,000 | 12,000,000 | 2,385,000 | 1,900,000 | 34,500,000 | 350,000. | 0 | 56,535,000 |

- ✓ The land has no title deed .It's a community land donated to the college...the value quoted is the prevailing market price.
- ✓ The value of motor vehicles (2 buses) was done by Madison insurance company. The land rover is at estimated cost.
- ✓ The value of buildings is estimated historical costs.
- ✓ Furniture and computers value is at estimated costs.
- ✓ The management has put in place measures to engage a professional to do the valuations.

[No capital work in progress]

Chesta Teachers Training College
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Notes to the Financial Statements (Continued)

21. Trade and Other Payables from Exchange transactions

| Description | 2021-2022 | 2020-2021 |
|---------------------------------------|----------------|-----------|
| | Kshs | Kshs |
| Trade payables(Sundry Creditors) | 212,360 | 0 |
| Other Payables(Salaries and wages) | 537,963 | 0 |
| Total Trade and Other Payables | 750,323 | 0 |

22. Refundable Deposits from Students

| Description | 2021-2022 | 2020-2021 |
|---------------------------|-------------------|-------------------|
| | Kshs | Kshs |
| Caution money | 212,300.00 | 212,300.00 |
| Other refundable deposits | 0.00 | 0.00 |
| Total Deposits | 212,300.00 | 212,300.00 |

23. Employee Benefit Obligations

| Description | 2021-2022 | 2020-2021 |
|--|----------------|----------------|
| | Kshs | Kshs |
| Current Benefit Obligation(Service gratuity from student fees) | 851,034. | 723,034 |
| Total Employee Benefits Obligation | 851,034 | 723,034 |

Note-Gratuity collected from student fees during the FY 2021/2022=ksh128,000.

Chesta Teachers Training College
Annual Report and Financial Statements for the year ended 30th June 2022

Notes to the Financial Statements (Continued)

24. Events After The Reporting Period

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

25. Ultimate And Holding Entity

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

26. Currency

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