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REPORT

OF

THE AUDITOR-GENERAL

ON

**MOSORIOT TEACHERS TRAINING
COLLEGE**

**FOR THE YEAR ENDED
30 JUNE, 2021**

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 23 FEB 2023 DAY: THURSDAY

Leader of Majority
Party (Lom)

NAME: Joyce Kemerelle



MOSORIOT TEACHERS TRAINING COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2021

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

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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

Mosoriot Teachers Training College was established in 1959 at the current Kapsabet Girls High School Compound. The founder of Mosoriot Teachers Training College was Africa Inland Mission (AIM), currently Africa Inland Church (AIC). Mosoriot Teachers College was brought under the protestant education oversight, Christian Churches Education Association (CCEA) from 1964. This association (CCEA) was established in 1957. This body was under the management of the National Christian Churches of Kenya (NCCCK). African Inland Church (AIC) was the founder of NCCCK. AIC withdrew its membership from NCCCK in 1986. CCEA policy was ecumenical regulation of education in sister institutions, provision and custody of assets of protestant owned schools and colleges.

The college was re-located to its current site in 1960. The site had been reserved for cattle pasture during dry spells for the community by the Senior Chief Joel Kiptenai Malel in 1959. He was the Senior Chief of Kosirai Location. He had transferred his office to the current site that houses the Catholic Church, St. Francis Primary School and, St. Francis Girls Secondary School - Cheptarit.

The college was named after the then colonial District Commissioner (DC) of Nandi by the name Hunter. The Hunters Tree College emanates from the zeal and passion of the DC in planting blue gum trees in the current site of the College and hence the name 'Kap-Hunters'.

The founder Principal of Mosoriot Teachers' College was Mr. J. Rogers (1960-1961). The name of the college was changed from Hunters Tree College to Mosoriot Teachers College probably to Africanize and indigenize it.

'Mosoriot' among the Nandi community is the name of the species of tree plant of the family of climbers that grows near river banks. The climber was used by the community in fixing the handles of the traditional hoes.

The College Board of Governors then, allocated the land on which Malel Primary School was constructed. The Chief of Mutwot location at that time, Mr. David Kemboi, spearheaded the establishment of Malel Primary School together with the then Principal (Mr. Gilbert Oriya).

Malel Mosoriot Teachers' College Primary School was started in 1987 as Cheptarit East Primary School.

The school was intended to serve the college staff since other good schools were far off in Eldoret. The college has been sitting on a 92-acre piece of land until 2013 when the process of establishment of a University Campus of the Proposed Koitalel Samoei University College (KSUC) was mooted, where the college ceded 51 acres of its land. The college now sits on 41 acres of land: 10 acres of Lagoon land where the college sewage plant stands; and 31 acres of land which accommodates students' dormitories, staff houses, college gate, Tuition and administration block, library, all fields/playgrounds and Malel Mosoriot Teachers' College Primary School

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(b) Principal Activities

Among the many functions that the college does, the following are some of the key ones

- ❖ Implementation of Teacher Education. -Training teachers for primary school
- ❖ Identification and nurturing of talent through co-curricular activities
- ❖ Provision of guidance and Counselling services.
- ❖ Facilitation of staff skills development and professional progression.

_VISION

To be a leading teacher training college of skilled, trustworthy and competent teachers

MISSION

To sustain the training of competent, qualified and effective teachers using modern techniques in order to satisfy the dynamic societal needs and expectations of the 21st century

MOTTO

Training for excellence

THE CORE VALUES

The following shall be the main values that guide the college community code of conduct;

- God fearing
- Professionalism
- Team work
- Integrity
- Efficiency
- Respect for individual differences

(c) Key Management

Mosoriot teachers training college day-to-day management is under the following key organs:

Board of Management
Accounting officer/ Principal
Management team

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(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

No.	Designation	Name	Qualification
1.	Principal	Miriam Koech	MED
2.	Deputy Principal	Moses Ouko	Bed Aged,
3	Head of Finance	Michael Munai	BBM Accounting
4	Head of Procurement	Ruth Sambu	BBM Procurement
5	Dean of Curriculum	Rinny Lelei	Bed
6	Dean of Students	Lawrence Marwa	Bed

(e) Fiduciary Oversight Arrangements

The Finance, Procurement, Audit and risk Committee and Academic Committee of the Board provide overall fiduciary oversight on the activities of Mosoriot teachers training college. The reports and recommendation of the committee when adopted by the Board of Management are forwarded to the Management for action.

The Finance, Procurement, Audit and risk Committee Members;

No.	Position	Name
1.	Chairman	Prof. Daniel Tarus
2.	Member	Mr. Benjamin Katam
3	Member	Mr. Paul Kamau
4	Member	Mrs. Hellen Cherambos
5	Member	Mr. Moses Ouko
6	Member	Mrs. Miriam Koech

Academic Committee

No.	Position	Name
1.	Chairperson	Prof. Rose Korir
2.	Member	Titus Yego
3	Member	Moses Ouko
4	Member	Miriam Koech
5	Member	Rev. James Mosonik

KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(e) Entity Headquarters

Mosoriot Teachers Training College
P.O. Box 100 30307 Mosoriot
Kapsabet- Eldoret Road
Kenya

(f) Entity Contacts

Telephone: (+254) 701065836 / 0203551145
E-mail: mosoriotteacherscollege@yahoo.com
Website: www.mosoriot.ac.ke

(g) Entity Bankers

Kenya Commercial Bank Ltd
Kenyatta street, Eldoret
Po Box 560-30100 Eldoret
Kenya

(h) Independent Auditors

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




(i) Principal Legal Adviser

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

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II. THE BOARD OF MANAGEMET

1.	 <p>Dr. Andrew Tuimur – CBS, BOM CHAIRMAN</p>	<p>A carrier civil servant having served government in various position. Currently serves as Chief Administrative Secretary, Ministry of Water</p> <p>Holder of Masters of Science Degree from University of Edinburgh United Kingdom and a Bachelor of Veterinary Medicine University of Nairobi.</p>
2.	 <p>Miriam Koech- Chief Principal, BOM Secretary</p>	<p>Employed Teachers service commission as a professional teacher, currently service as a chief principal.</p>
3.	 <p>Prof. Daniel Tarus- Bom Member</p>	<p>A member of the BOM, currently serving as university Don and deputy vice chancellor Mio university.</p>

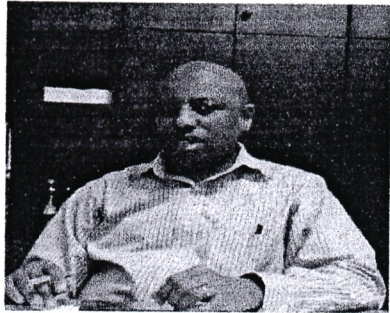



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4.	 <p>Rev. James Mosonik -BOM MEMBER</p>	<p>Serves as a clergy of the African Inland Church and Chairman Nandi Mosop Region.</p> <p>He holds a Bachelor of Arts in Theology and Pastoral Work</p>
.5	 <p>Rael Magut - BOM MEMBER</p>	<p>Retired Lecturer of teacher training college with many years of experience in management of schools.</p>
6	 <p>Moses Ouko- BOM MEMBER</p>	<p>A teacher serving as staff representative in the BOM.</p>

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7.	 Paul Kamau- BOM Member	Serves as stores controller /Procurement manager at RAI plywood (K) Limited.
8.	 Prof. Rose Korir- BOM Member	A senior lecturer and the director of school of open and distance learning at Moi university Eldoret.
9.	 Benjamin Katam- BOM Member	An holder of a Business Management degree and business man
10.	 Titus Yego – BOM Member	Representative of special needs persons in BOM, works with National Council of Persons living with Disability.

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III. KEY MANAGEMENT TEAM

1.	 <p>Miriam Koech Chief Principal / BOM Secretary</p>	<ol style="list-style-type: none">1. Lead Teacher.2. Collection, Supervision and control of Finances – Accounting officer.3. Keeping records of all College staff.4. Presiding over Staff Meetings.5. Secretary to the BOM.6. Liaise with the Ministry of Education and Teachers Service Commission.7. Represents the College in official functions.8. Supervision of the Staff in terms of attendance to duty, among other duties.
2.	 <p>Moses Ouko- Deputy Principal</p>	<ol style="list-style-type: none">1. Teaching.2. Deputize and performs all duties as delegated/assigned by the Chief Principal.3. Coordinates curricular and co-curricular activities.4. Serves as advisor to the Catering Committee.5. Serves as recorder of minutes in Staff meetings.6. In charge of students' registration.7. Chairman of Disciplinary Committee.8. In charge of duty roster and calendar of events.
3.	 <p>Michael Munai - Head of Finance</p>	<ol style="list-style-type: none">1. Advise the principal and the Board on financial matters.2. Ensure financial records are up to date.3. Ensure timely quarterly and Annual financial reporting to the relevant authorities.4. Supervise Non-Teaching Staff.

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<p>4.</p>	 <p>Ruth Sambu – Procurement Officer.</p>	<ol style="list-style-type: none"> 1. Offers professional opinion in regards to Procurement matters in the College. 2. Supervises the whole Procurement process in the College. 3. Prepares and submits mandatory reports to the respective authorities. 4. To liaise with the suppliers/service providers and maintain good relationships with them and the College
<p>5.</p>	 <p>Rinny Lelei - Dean of Curriculum</p>	<ol style="list-style-type: none"> 1. To oversee Curriculum implementation 2. Organise and supervise assessment of trainees. 3. Keeps records of students’ academic progress. 4. Secretary to the College Academic Board. 5. Coordinates research activities and in-service training of staff. 6. Coordinates micro-teaching and practicum 7. Coordinates timetable Committee.
<p>6.</p>	 <p>Lawrence Marwa- Dean of Student</p>	<ol style="list-style-type: none"> 1. Secretary to the College Disciplinary Committee. 2. Controls students’ leave e.g. Sick leave and maternity leave. 3. Coordinates students’ co- curricular activities 4. Coordinates guidance and counselling activities 5. Coordinates students’ council activities. 6. Promote welfare of trainees 7. Conduct orientation of trainees.

IV. CHAIRMAN'S STATEMENT

Financial year 2020/2021 was quite unique but a successful year with a number of activities taking place in Mosoriot Teachers Training College. At the moment, our financial records for the year ending June 2021 are ready. I would like to commend the entire College management for the work well done amid the challenging environment brought about by the Covid -19 pandemic.

The board strives to increase access and equity to quality training to enable both staff and trainees deal with dynamics in today's dynamic world. The college aims at producing teachers who are socially responsible with academic excellence at the foresight. We are optimistic that benefits of team work will propel the college to meet its objectives of trickling down the dream of realizing goals on basic education. The board further intends to ensure the budget and procurement plans are aligned to the 'Big Four Agenda', namely: -Food security and nutrition, Affordable housing, Enhancing manufacturing and Universal health care in our institutional context.

As a board, we believe in the philosophy of inclusivity where all stakeholders are brought on board to enhance transparency and accountability of public resources under our custody.

I am grateful to all those who unreservedly gave us the support through the financial year despite the challenge of covid-19 pandemic and the slow cash flow from the national governments Ministry of Education.

On behalf of the board of management we strive to ensure prudent management of resources and to provide guidance and feedback at all times. We always uphold the values of professionalism, integrity and teamwork, as we embrace continuous improvement.



Dr. Andrew Tuimur, CBS

Chairman, Board of Management

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V. PRINCIPAL'S STATEMENT

The Board of management has been able to steer the college during the period of 2020/2021 Financial Year amidst Covid -19 pandemic, after a successful meeting where the budget for financial year 2020-2021 was approved on 28th august 2020. Over the period, we managed to hold two full BOM meetings aimed at solving pertinent management issues. The meetings were all virtual in conformity with the Ministry of Health protocol/guidelines for combating Covid -19 menace.

SUCSESSES

1. The management was able to maintain the support staff employees by paying them their dues (salaries), despite the difficult financial constraints.
2. The college transited from the original tuition site, the current Koitaleel Samoei University College, to the new site.
3. There were environmental improvement activities and beautification of the college.
4. Income Generating Activities (IGA's) were increased through purchase of sheep breeding stock.
5. The old buildings were given a face lift through repair and painting of the halls or residence, Dining hall and kitchen.
6. The management complied with the Ministry of Health guidelines and protocols for curbing spread of Covid -19 infection by purchasing of PPEs, litter bins, adequate handwashing soap, thermos guns, installation of adequate hand washing points and proper arrangement of desks/beds to enhance social distancing.
7. On academics, our candidates excelled in the 2020 PTE examinations. A mean of 4.356 was achieved which was the best in the last 4 years.

COLLEGE REVENUE

The college operations are dependent on funds collected from students' fee and transfers from Ministry of Education for recurrent expenditure. The budget for the year ended June 2021 stands at Ksh.27,408,801.00

CHALLENGES

1. Relocation of the college occasioned by acquisition of most of the former college land by the Koitaleel Samoei University College. We therefore relinquished the original tuition infrastructural facilities, play grounds and staff quarters.
2. The college land acreage was reduced from 92 acres to 41 acres
3. Non-admission of students into the college which denied us the much-needed financing for operations, and also rendered the facilities idle.
4. Old halls of residence that require huge sums of money for rehabilitation of the floors and roofs. Most of their roofs are made of asbestos which have proven to be very expensive to replace with corrugated iron sheets. Removal of asbestos roof tiles will also require expensive safe disposal mechanism.
5. Lack of Internet connectivity in the college

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WAY FORWARD

1. The college management needs to come up with play grounds comprising of ball games' pitches and athletics track. A section of college grounds has been identified for this purpose. Funding for this project will also be sought from stakeholders.
2. The college BOM has requested the Ministry of Education for funding to put up new tuition facilities after surrendering its facilities to the university
3. The Board looks forward to admitting trainees as soon as recruitment is done by Ministry of Education. This will improve financial position as well as normalizing the operations of the college.
4. The Board, with the assistance of the Ministry of Education, will continue with the process of rehabilitation of halls of residence by repairing floors and replacing asbestos roofs.
5. The college shall seek funds for purposes of installing internet to enhance e-learning and se-management systems.

CONCLUSION

I wish to sincerely thank the Ministry of Education for the support so far given to the college. We look forward for more support in the areas mentioned above.



Miriam Koech

BOM SECRETARY / CHIEF PRINCIPAL

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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 Mosoriot teachers training college performance against predetermined objectives.

Mosoriot teachers training college has eighteen strategic issues and objectives within current Strategic Plan for the 2017 - 2022. These strategic issues are as follows:

Mosoriot teachers training college develops its annual work plans based on the above eighteen. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The college achieved its performance targets set for the FY 2020/21 period for its four strategic issues, as indicated in the diagram below:

Strategic Issues	Objective	Key Performance Indicators	Activities	Achievement
1. Teaching and learning	<ul style="list-style-type: none"> To identify teaching and learning issues to enhance academic performance; To propose strategic actions to address the identified issues. 	<ul style="list-style-type: none"> Equipped library Availability of revision papers Efficient learning Record of class attendance 	<ul style="list-style-type: none"> Build and equip library with more course books Participate in symposia and contests Use revision papers from other colleges Ensure 100% class attendance Benchmark with other colleges Enhance student motivation 	<ul style="list-style-type: none"> Improvement in college performance
2. Students welfare	<ul style="list-style-type: none"> To identify basic students' needs for their stability in college; To highlight best ways possible to meet the identified needs 	<ul style="list-style-type: none"> Functioning reward system Effective open forum Healthy competition 	<ul style="list-style-type: none"> Enhance students' reward systems Improve preparation of college meals Empower guidance and counselling department staff Progressively introduce open forums Progressively Motivate top performing students 	<ul style="list-style-type: none"> Motivated students Improved results

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<p>3. Staff welfare</p>	<ul style="list-style-type: none"> • Identify staff needs. • Enhance adherence of the prescribed laws and regulations on labour • Enhance employee satisfaction 	<ul style="list-style-type: none"> • Efficient reward system • Comfortable furniture 	<ul style="list-style-type: none"> • Organize annual motivational trips. • Provide protective gears for relevant staff • Organize capacity enhancing programs • Have a performance reward system 	<p>Well-Motiv staff</p>
<p>4. Security</p>	<ul style="list-style-type: none"> • To identify security needs of the college • To enhance overall security of the college's stakeholders and property • To ensure that all stakeholders within the college feel safe 		<ul style="list-style-type: none"> • Outsourcing security services • Enhance nyumba kumi initiative • Sensitize college community on security • Enhance security of computer software and data • Explore insurance of college buildings against fire 	<ul style="list-style-type: none"> • Secure college • Safety of property

VII. CORPORATE GOVERNANCE STATEMENT

Roles and Functions of the Board of Management

- To promote the best interest of the institution and to ensure its development
- Promote quality of education for all pupils in accordance with the standards set under the Act or any other written law
- Ensure and assure the provision of proper and adequate physical facilities for the institution
- Manage the institution's affairs in accordance with the rules and regulations governing the occupational safety and health
- Advise the County Education Board on the staffing needs of the institution
- Determine cases of indiscipline and make reports to County Education Board
- Prepare comprehensive termly report on all areas of its mandate and submit the report to the County Education Board
- Facilitate and ensure the provision of guidance and Counselling to all learners
- Provide for the welfare and observe the human rights and ensure safety of the pupils, teachers and non-teaching staff in the institution
- Encourage the culture of dialogue and participatory democratic governance at the institution
- Promote the spirit of cohesion, integration and peace, tolerance, inclusion, elimination of hate speech, and elimination of tribalism in the institution
- Allow reasonable use of facilities of the institution for community, social and other lawful purposes subject to such reasonable and equitable conditions as it may determine, including charging of fees
- Encourage the learners, teachers and non-teaching staff, parents and community, and other stakeholders to render voluntary services to the institution
- Administer and manage the resources of the institution
- Recruit, employ and remunerate such number of non-teaching staff as may be required by the institution in accordance with this act
- Perform any other function to facilitate the implementation of its functions, under this act or any other written law

Process of Appointment and Removal of Board members as stipulated In Basic Education Act no. 14 of 2013

Appointment is carried out by County Education Board as follows:

- Six persons elected to represent parents /community
- One person nominated by County Education Board
- One representative of the teaching staff in the school elected by the teachers
- Three representatives of the sponsor of the school
- One person to represent special interest groups in the community
- One person to represent persons with special needs
- A representative of the students' council (an ex officio member)

The members shall elect their chairperson in their first meeting (staff representative cannot be elected to this position).

The following conditions shall be observed when making appointments:

- Ethnic and regional diversity of the people of Kenya

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- Impartiality and gender equity
- Article 10 and Chapter 6 of the constitution

Removal of a Board member

- On expiry of the duration of the Board, if the member is not reappointed, he/she is deemed to have been removed.
- When a member has been absent from three consecutive meetings of Board of Management without leave
- Resignation by the Board member
- Revocation of membership if a member becomes insolvent
- Revocation of membership if a member is sentenced by a court of law to imprisonment for a term of six months or more
- Revocation of membership if a member is incapacitated by physical or mental illness
- When a member is deceased.
- If a nominating body has revoked appointment of a member
- A member of the Board of Management is unable or unfit to discharge his/her functions on account of any matter in the Basic Education Act.

Succession Plan

Any member who is removed from the Board of management can be replaced by the appointing authority. Perpetual succession is practiced. At the end of the term of Board of Management, some members are retained in the BOM to provide for continuity and guide the new members in the processes and procedures of the institutional management.

Training of Board members

This is carried out as per the identified needs of the Board

Conflict of interest

Members declare their interest by signing the necessary documents at the inaugural of meeting.

Board Remuneration

Members are paid subsistence allowance based on attendance to meetings

Ethics, Conduct and governance audit

These functions are carried out by Board committees on behalf of the Board. The committees report to the full Board on these matters. The Board deliberates on the reports of the committees for purposes of either adopting their resolutions, or coming up with parallel Board resolutions on the basis of evidence availed.

VIII. MANAGEMENT DISCUSSION AND ANALYSIS

In the financial period which ended 30th June 2021, the College Board of Management held meetings as follows:

I) Full Board – held on:

- 18/8/2020 – held virtually, 11/14 members including the secretary/principal attended the meeting.
- 25/08/2020 – Special BOM meeting, 9/14 members and three Ex-officio attended.
- 30/07/2021 – Virtual meeting, 12/14 and one ex-officio attended the meeting

II) Executive BOM meeting

Held on 29/01/2021 - 5/5 and one Ex-officio attended the meeting.

III) BOM Academic committee

Met on 4/3/2021. 5/5 members including the principal and two co-opted members attended the meeting.

IX. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Mosoriot teachers training college exists to transform lives. This is our purpose and the driving force behind everything we do. It's what guides us to deliver our strategy of putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a highlight of strategies and activities that promote the organisation's strategic objectives.

Environmental performance

Mosoriot Teachers Training College is committed to ensuring conducive environment for learning. This is sustained by;

1. Identifying issues that touch on environment that need to be addressed
2. Ensuring that, the college conforms to the environmental standards as set out by NEMA
3. Conforming to other legal requirements on environment

Strategic actions:

- Mow grass regularly
- Planting more flowers in appropriate areas
- Buying adequate dustbins
- avail provision of sanitary bins
- Improve the institutions drainage system
- Introduce college environmental day
- Have environmental and waste management policies
- Dispose waste effectively
- Planting of trees as spelt out in performance contract
- Provide enough waste disposal points to ensure proper disposal of used face masks
- Provide sufficient water
- for hand washing and cleaning to combat Covid – 19 Pandemic

Employee welfare

Mosoriot teachers training college staff are in two categories i.e Teaching and Non-teaching. Teachers are recruited and posted by Teacher's service commission (TSC); whereas non-teaching staff are recruited by Board of Management through competitive process and in strict adherence to the prescribed labour laws and regulations.

The management team takes responsibility of ensuring a good work environment through;

- Provision of non-teaching staff uniforms and protective gears for relevant staff policy on safety and Compliance with Occupational Safety and Health Act of 2007, (OSHA).
- Organize capacity enhancing programs
- Have a performance reward system
- Have a progressive gender balance in staff employment
- Provide comfortable furniture at the staffroom
- Buy dustcoats for lecturers handling practical oriented subjects.

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- Organize annual motivational trips
- Source for funds to construct staff houses

Corporate Social Responsibility / Community Engagements

The college has natured a good working relation with the community through supplies of basic commodities and farm produce and employment with a view of promoting the governments agenda and procurement regulations of local content “buy Kenya build Kenya”

X. REPORT OF THE BOARD OF MANAGEMENT

The Board members submit their report together with the audited financial statements for the year ended June 30, 2021 which show the state of Mosoriot teachers training college affairs.

Principal activities

The principal activities of the entity are;

- Implementation of Teacher Education.
- Identification and nurturing of talent through co-curricular activities
- Provision of guidance and counselling services.
- Facilitation of staff skills development and professional progression

Results

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

BOARD OF MANAGEMENT.

The members of the Board who served during the year are shown on page vi – viii were appointed with effect from July 2019 to date.

Auditors

The Auditor General is responsible for the statutory audit of Mosoriot teachers training college in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year/period ended June 30, 2021 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

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XI. STATEMENT OF BOARD OF MANAGEMENT MEMBERS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and Education Act 2013 require the Board of Management members to prepare financial statements in respect of Mosoriot teachers training college which give a true and fair view of the state of affairs at the end of the financial year/period and the operating results of that year/period. The Board members are also required to ensure that Mosoriot teachers training college keeps proper accounting records which disclose with reasonable accuracy of its financial position. The Board members are also responsible for safeguarding the assets of the Mosoriot teachers training college.

The Board members are responsible for the preparation and presentation of the Mosoriot teachers training college financial statements, which give a true and fair view of the state of affairs as at the end of the financial year (period) ended on June 30, 2021. 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 Mosoriot teachers training college; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for Mosoriot teachers training college financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and basic Education Act, 2013. The Board members are of the opinion that the Mosoriot teachers training college financial statements give a true and fair view of the state of transactions during the financial year ended June 30, 2021, and Mosoriot teachers training college of financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the Mosoriot teachers training college, which have been relied upon in the preparation of financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

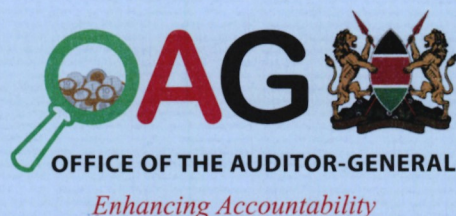
Mosoriot teachers training college financial statements were approved by the Board on September 2021 and signed on its behalf by:

Name..... *Andrew Tumur*
Signature..... *[Handwritten Signature]*
Chairperson Board of Management.

Name..... *Minim Koeh*
Signature..... *[Handwritten Signature]*
Accounting Officer/Principal

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON MOSORIOT TEACHERS TRAINING COLLEGE FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

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

Adverse Opinion

I have audited the accompanying financial statements of Mosoriot Teachers Training College set out on pages 1 to 24, which comprise of the statement of financial position as at 30 June, 2021, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual

Report of the Auditor-General on Mosoriot Teachers Training College for the year ended 30 June, 2021

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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of Mosoriot Teachers Training College as at 30 June, 2021, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and do not comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1.0 Inaccuracies in the Financial Statements

Review of the financial statements revealed the following inaccuracies:

- (i) The statement of financial position reflects property, plant and equipment balance of Kshs.384,910,250 while Note 20 to the financial statements reflects net book value of Kshs.377,862,009 resulting to unexplained variance of Kshs.7,048,241.
- (ii) The statement of financial position reflects net assets balance of Kshs.391,145,794 while the total net assets and liabilities balance is Kshs.393,121,710. The statement is therefore not balanced by an amount of Kshs.1,975,916.
- (iii) The statement of financial position reflects net assets balance of Kshs.391,145,794 while the statement of changes in net assets reflects a negative net assets balance of Kshs.7,073,687 resulting to unreconciled or unexplained variance of Kshs.384,072,107.
- (iv) The statement of financial performance reflects use of goods and services amount of Kshs.14,367,443 while the statement of comparison of budget and actual amounts indicates use of goods and services amount of Kshs.6,682,255 resulting to an unexplained and unreconciled variance of Kshs.7,685,188
- (v) The statement of comparison of budget and actual amounts reflects actual capital development expenditure of Kshs.7,108,294. However, Note 20 to the financial statements shows nil balance for additions during the year resulting to unexplained variance of Kshs.7,108,294.
- (vi) The statement of cash flows reflects net increase/decrease in cash and cash equivalents nil balance and cash and cash equivalents balance as at 1 July, 2020 of Kshs.21,883,679. Thus, the cash and cash equivalents balance as at 30 June, 2021 should be Kshs.21,883,679 instead of Kshs.6,236,486.50 now shown.

In the circumstances, the completeness and accuracy of balances reflected in the financial statements could not be confirmed.

2.0 Unsupported Cash and Cash Equivalents Balance

The statement of financial position reflects cash and cash equivalents balance of Kshs.6,236,486 as disclosed in Note 17 to the financial statements. However, cashbooks, certificates of bank balances and bank reconciliation statements were not provided for audit. Further, cash and cash equivalents balance includes an amount of Kshs.113,456 held in a reserve account which is dormant. No explanation was provided for the funds held in the dormant account.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.6,236,486 could not be confirmed.

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

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.135,677,821 and Kshs.19,983,902 respectively, resulting to an underfunding of Kshs.115,693,919, or 85% of the budget. Similarly, the College expended Kshs.22,748,143 against the budgeted expenditure of Kshs.133,527,051 resulting to an under expenditure of Kshs.110,778,908 or 83% of the budget.

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

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, because of the significance of the matter discussed in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Expenditure Incurred without a Budget

Review of records revealed that, the College spent Kshs.998,500 on repairs and renovation of a kitchen. However, the expenditure was not included in the budget for the financial year 2020/2021 contrary to Regulation 31 (1) of the Public Finance Management (National Government) Regulations, 2015, which requires all expenditures to be included in the budget.

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.

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, because of the significance of the matters discussed in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1.0 Lack of Internal Audit Function and an Audit Committee of the Board

The College has not established an internal audit function and an audit committee of the Board. This is contrary to Section 155 of the Public Finance Management Act, 2012 which provides for the establishment of the internal audit function and an audit committee of the Board. As such the College did not benefit from the assurance and advisory services from the internal audit function as well as oversight from the Audit Committee.

In the circumstances, the internal controls are weak.

2.0 Lack of Risk Management Policy and Strategy

The College Management did not put in place risk management policy, strategies and risk register to mitigate against risk during the period under review contrary to Regulation 165 (1) of the Public Finance Management (National Government) Regulations, 2015 which requires the Accounting Officer to ensure that the national government entity develops risk management strategies, which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations.

In the circumstances, business continuity may not be possible in the event of a disaster.

3.0 Lack of Approved Human Resource Instruments

The statement of financial performance reflects employee costs amount of Kshs.8,957,594 as disclosed in Note 12 to the financial statement. However, review of the human resource function revealed that, the College lacked career guidelines and a human resource policy and procedures manual which should be approved by the State Corporations Advisory Committee (SCAC) and Board of Governors.

In the circumstances, the College's internal controls in relation to human resources are weak.

4.0 Lack of Approved Information Technology Security Policy

Review of the information technology systems revealed that the College did not have an approved IT Policy for governance and management of its ICT resources. In addition, there is no ICT Steering Committee in place to assist in the development of ICT Policy framework to enable the College to realize long-term ICT strategic goals.

In the circumstances, lack of an approved IT Policy may result in an unclear direction regarding maintenance of information security across the organization and safeguarding the College's ICT assets.

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

In preparing the financial statements, Management is responsible for assessing the College's ability to continue to sustain its 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 the Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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 controls 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 controls 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 non-compliance. 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 controls.
- 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

13 October, 2022

Report of the Auditor-General on Mosoriot Teachers Training College for the year ended 30 June, 2021

MOSORIOT TEACHERS TRAINING COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021.

XIII. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2020-2021 Kshs	2019-2020 Kshs
REVENUE FROM NON-EXCHANGE TRANSACTIONS			
Grants from donors and development partners		0	0
Transfer from other levels of government	6	10,224,408.00	0.00
REVENUE FROM EXCHANGE TRANSACTIONS			
Rendering of services -Fees from students	7	1,060,316.00	0.00
Sale of goods	8	1,225,487.00	0.00
Rent from facilities and equipment	9	89,000.00	0.00
Other income	10	6,843,553.00	0.00
TOTAL REVENUE		19,442,764.00	0.00
EXPENSES			
Use of goods and services	11	14,367,443.00	0.00
Employee costs	12	8,957,594.00	0.00
Repairs and Maintenance	13	3,632,088.00	0.00
Contracted services	14	1,584,000.00	0.00
Finance costs	15	7,384.00	
Depreciation and amortisation	20	7,073,687.00	
TOTAL EXPENSES		35,622,196.00	0.00
Surplus / Deficit		(16,179,432.00)	

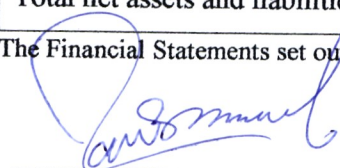
1. The notes set out on pages 1 to 5s form an integral part of the Annual Financial Statements.

MOSORIOT TEACHERS TRAINING COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021.

XIV. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

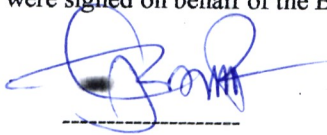
	NOTES	2020-2021 KSHS	2019-2020 KSHS
Assets			
Current assets			
Cash and cash equivalents	17	6,236,486.50	0.00
Current Portion of receivables from exchange transactions	18	2,426,834.00	0.00
Receivables from non-exchange transactions	19	0.00	0.00
Property, plant and equipment	21	377,862,009.00	0.00
Biological assets – farm animals	22	315,000.00	0.00
Long term receivables from exchange transactions		0.00	0.00
Total assets		386,867,329.50	0.00
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	23	1,371,996.00	0.00
Payments received in advance	24	205,725.00	0.00
Employee benefit obligation	25	931,180.00	0.00
Refundable deposits from customers	26	233,875.00	0.00
Non-current liabilities			
Total liabilities		2,742,776.00	0.00
Net assets		384,124,553.50	0.00
Reserves		0.00	0.00
Accumulated surplus / deficit		(16,179,432.00)	0.00
Capital Fund		377,862,009.00	0
Total net assets and liabilities		386,867,329.50	0.00

The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Management by:



Chairman Board of Management

Date 14/10/2022



Finance Officer
ICPAK No 24274

Date 14/10/2022



Principal

Date 14/10/2022

MOSORIOT TEACHERS TRAINING COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

XV. Statement of Changes in Net Asset for the year ended 30 June 2021

Description	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/Development Grants/Fund	Total
At July 1, 2020	0.00	0.00	0.00	0.00	0.00
Revaluation gain	0.00	-	-	-	0.00
Fair value adjustment on quoted investments	-	0.00	-	-	0.00
Total comprehensive income	-	-	0.00	-	0.00
Capital/development grants received during the year	-	-	-	0.00	0.00
Transfer of depreciation/ amortization from capital fund to Retained earnings	-	-	0.00	(7,073,687.00)	(7,073,687.00)
At June 30, 2021	xxx	xxx	xxx	(7,073,687.00)	(7,073,687.00)
At July 1, 2021	xxx	xxx	xxx	(7,073,687.00)	(7,073,687.00)

Note: 1. For items that are not common in the financial statements, the entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.

2. Prior year adjustments should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances needs to be done).

XVI. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Note	2020-2021 Kshs	2019-2020 Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities/Govt grants	6	10,224,408.00	0.00
Public contributions and donations		0.00	0.00
Rendering of services Fees from students	7	1,060,316.00	0.00
Sale of goods	8	1,225,487.00	0.00
Rents from facilities and equipment	9	89,000.00	0.00
Othe income	10	6,843,553.00	0.00
Total Receipts		19,442,764.00	0.00
Payments			
Use of goods and services	11	14,367,443.00	0.00
Employees costs	12	8,957,594.00	0.00
Repairs and Maintenance	13	3,632,088.00	0.00
Contracted services	14	1,584,000.00	0.00
Finance costs	15	7,384.00	0.00
Total Payments		35,622,196.00	0.00
Net cash flows from operating activities		(16,179,432.00)	0.00
Cash flows from investing activities			
Purchase of property, plant equipment and intangible assets		0.00	S0.00
Proceeds from sale of property, plant and equipment	14	289,554.00	0.00
Decrease in non-current receivables	18	(2,426,834.00)	0.00
Increase in investment		0.00	0.00
Trade and other payables from exchange transactions	23	1,371,996.00	
Payments received in advance	24	205,725.00	
Net cash flows used in investing activities		1,867,275.00	0.00
Cash flows from financing activities			
Proceeds from borrowings		0.00	0.00
Repayment of borrowings		0.00	0.00
Increase in deposits		0.00	0.00
Net cash flows used in financing activities		0.00	0.00
Net increase/ (decrease) in cash and cash equivalent			
Cash and cash equivalent at 1 July 2020		21,883,679.05	0.00
Cash and cash equivalent at 30 June 2021	15	6,236,486.50	0.00

XVII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Ratio Difference
	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021
Revenue						
Transfers from other Govt entities	9,298,860.00		9,298,860.00	10,224,408.00	922,548.00	110%
Govt grants	8,534,641.00		8,534,641.00	1,091,316.00	7,443,325.00	87.2%
Rendering of services Fees from students	1,400,048.00		1,400,048.00	1,225,487.00	174,561.00	89.7%
Sale of goods – Farm	2,778,300.00		2,778,300.00	6,843,553.00	4,065,253.00	246.3%
Other Income	113,665,972.00		113,665,972.00		113,665,972.00	0
Capital Development	135,677,821.00		135,677,821.00	19,983,902.00	126,271,659.00	
Total income						
Expenses						
Compensation of employees	10,921,980.00		10,921,980.00	8,957,594.00	1,964,386.00	82.0%
Use of Goods and services	6,591,124.00		6,591,124.00	14,367,443.00	(91,128.00)	101.4%
Ecdc costs	1,377,975.00		1,377,975.00	0.00	1,377,975.00	0
Capital Development (Renovation)	113,665,972.00		113,665,972.00	0.00	113,665,972.00	0
Other costs (farm, graduation)	970,000.00		970,000.00			
Total expenditure	133,527,051.00		133,527,051.00	23,325,037.00	3,731,233.00	
Surplus / Deficit	2,150,770.00		2,150,770.00	(3,341,135.00)	122,0449,298.00	

Notes.

1. The difference between the actual and budgeted amounts is due to changes in academic calendar caused by the Covid-19 pandemic.
2. There were no changes made to the original budget and therefore was adopted as final budget for the year ended 30th June 2021.
3. Capital development budget of Ksh.113,665,972.00 was not implemented due lack of sufficient funds, an amount of Ksh.107,500,000.00 expected from Ministry of Education was not disbursed.
4. The deficit on actual of Ksh3,341,135.00 is an amount from cash and cash equivalents not included in the approved budget for the year ended 30th June, 2021.

MOSORIOT TEACHERS TRAINING COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

XVIII. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Mosoriot teachers training college is established by and derives its authority and accountability from Education Act 2013. The college is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is teacher training.

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 Mosoriot teachers training college accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Mosoriot teachers training college.

The financial statements have been prepared in accordance with the PFM Act and Education Act 2013 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

MOSORIOT TEACHERS TRAINING COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. ADOPTION OF NEW AND REVISED STANDARDS

- i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2021.**

Standard	Impact
Other Improvements to IPSAS	<p>Applicable: 1st January 2021:</p> <p>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks.</p> <p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved.</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.</p>

MOSORIOT TEACHERS TRAINING COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021.

Standard	Effective date and impact
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> •Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; •Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and •Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <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>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. d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

iii. Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2020.

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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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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 2020/2021 was approved by the Board on 28th August 2020. There were no additional appropriations added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on 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 exempted from paying taxes as per schedule first schedule of income tax Act cap 470.

Sales tax/ Value Added Tax

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

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

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

MOSORIOT TEACHERS TRAINING COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of its useful life.

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.

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

MOSORIOT TEACHERS TRAINING COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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.

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 a 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

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ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued).

i) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

- The debtors or a 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.

i) 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

i) 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.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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j) 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.

k) 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.

l) 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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

m) 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

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ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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.

n) 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.

o) 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 CEO/principal and senior managers.

p) 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.

q) 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.

r) Comparative figures

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

s) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2021.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Mosoriot teachers training college financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes

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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 provisions raised by Board of Management during the financial year nor previous years. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

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ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)**6. TRANSFERS FROM NATIONAL GOVERNMENT MINISTRY OF EDUCATION**

Description	2020-2021 KShs	2019-2020 KShs
Unconditional grants		
Capitation grants		0
Operational grant	10,224,408.00	0.00
Total government grants and subsidies	10,224,408.00	0.00

7. RENDERING OF SERVICES

Description	2020-2021 KShs	2019-2020 KShs
Tuition fees	420.00	0.00
Boarding fees	294,600.00	0.00
Rent fees	31,000.00	0.00
PTE revision	269,000.00	0.00
Examination fees	464,190.00	0.00
Contingencies	6,106.00	0.00
Medical fund		0.00
CBC	26,000.00	0.00
Total revenue from the rendering of services	1,060,316.00	0.00

8. SALE OF GOODS

Description	2020-2021 KShs	2019-2020 KShs
Sale of goods		
Sale of farm produce	1,225,487.00	0.00
Other (include in line with organisation)		
Total revenue from the sale of goods	1,225,487.00	0.00

Revenue was generated from sale of milk and timber from the college farm.

9. HIRE OF FACILITIES AND EQUIPMENT

Description	2020-2021 KShs	2019-2020 KShs
Hire of play ground		0.00
House rent	89,000.00	0.00
Total	89,000.00	0.00

The revenue above was generated from staff houses, college hotel and canteen.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. OTHER INCOME

Description	2020-2021	2019-2020
	KShs	KShs
Income from sale of tender		0.00
Graduation fees	31,000.00	0.00
Ecde income	1,415,601.00	0.00
Collection from old students	5,396,952.00	
Total other income	6,843,553.00	0.00

11. USE OF GOODS AND SERVICES

Description	2020-2021	2019-2020
	KShs	KShs
Teaching and learning materials	362,535.00	0.00
Repairs and maintenance	7,108,294.00	0.00
Electricity, Water	866,323.00	0.00
Boarding fees	2,566,739.00	0.00
Examination fees	380,250.00	0.00
Travelling and accommodation	442,129.00	0.00
Medical fund	107,476.00	0.00
contingencies	542,495.00	0.00
Students' council	7,253.00	0.00
ECDE	999,426.00	0.00
Fuel, Oil and Lubricants	984,523.00	0.00
Total good and services	14,367,443.00	0.00

12. EMPLOYEE COSTS

Description	2020-2021	2019-2020
	KShs	KShs
Salaries and wages	7,544,964.00	0.00
Housing benefits and allowances	1,188,425.00	0.00
Medical allowance	224,205.00	0.00
Employee costs	8,957,594.00	0.00

13. REPAIRS AND MAINTENANCE

Description	2020-2021	2019-2020
	KShs	KShs
Hostel / Kitchen	2,534,141.00	0.00
Vehicles	409,032.00	0.00
Furniture and fittings	175,415.00	0.00
Computers and accessories	13,500.00	0.00
Builders works for tuition	500,000.00	0.00
Total repairs and maintenance	3,632,088.00	0.00

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ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. CONTRACTED SERVICES

Description	2020-2021	2019-2020
	KShs	KShs
Payment of outsourced security	1,584,000.00	0.00

15. FINANCE COSTS

Description	2020-2021	2019-2020
	KShs	KShs
Banks Charges	7,384.00	0.00

16. GAIN ON SALE OF ASSETS

Description	2020-2021	2019-2020
	KShs	KShs
Sale of old furniture	289,554.00	0.00
Total sales	289,554.00	

17. CASH AND CASH EQUIVALENTS

Description	2020-2021	2019-2020
	KShs	KShs
Current accounts	3,408,609.50	0.00
Savings account	2,827,877.00	0.00
Total cash and cash equivalents	6,236,486.50	0.00

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

17.(a) DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

Financial Institution	Account number	2020-2021	2019-2020
		KShs	KShs
a) Current accounts			
Kenya Commercial bank			
Main / Grants account	1102484024	149,911.50	0.00
Fund /Operation account	1102484121	860,275.25	0.00
ECDE account	1133314864	2,330,674.20	0.00
Sub- total		3,408,609.50	0.00
b) Savings account			
Kenya Commercial bank			
Farm account	1101513179	810,416.65	0.00
Exam/Uniform account	1103435590	1,904,004.25	0.00
Reserve A/C	172000261	113,456.00	0.00
Sub- totals		2,827,877.00	0.00
Grand total		6,236,486.50	0.00

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ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2020-2021	2019-2020
	KShs	KShs
Current receivables		
Student debtors	1,812,122.00	0.00
Rent debtors	726,000.00	0.00
Total current receivables	2,426,834.00	0.00

19. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Description	2020-2021	2019-2020
	KShs	KShs
Current receivables		
Transfers from other govt. entities	0.00	0.00
Total current receivables	0.00	

**Receivables on capitation grants is recognised for monies received after year end but relating to the year under review.*

20. PROPERTY, PLANT AND EQUIPMENT

Cost	Land and Buildings	Motor vehicles	Furniture and fittings	Computers	Other Assets (Intangible)	Plant and equipment	Total
	Shs	Shs	Shs	Shs	Shs	Shs	Shs
At 1 July 2020	367,000,000.00	14,650,000.00	1,038,250.00	602,000.00	315,000.00	1,620,000.00	385,225,250.00
Additions	0	0	0	0	0	0	0
Disposals	0	0	289,554.00	0	0	0	289,554.00
At 30 June 2021	367,000,000.00	14,650,000.00	748,696.00	602,000.00	315,000.00	1,620,000.00	384,935,696.00
Depreciation	2,975,000.00	3,662,500.00	93,587.00	180,600.00	0	162,000.00	7,073,687.00
Impairment	0	0	0	0	0	0	0
At 30 th June 2021							
Net book Value	364,025,000.00	10,987,500.00	655,109.00	421,400.00	315,000.00	1,458,000.00	377,862,009.00

Valuation

Value of Land and buildings as recorded is estimated at the prevailing market price within the locality and on historical basis at net present value.

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ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. Property, Plant and Equipment at Cost

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

	Cost	Accumulated depreciation	NBV
	Kshs	Kshs	Kshs
Land	248,000,000.00	0.00	248,000,000.00
Buildings	119,000,000.00	2,975,000.00	116,025,000.00
Plant and equipment	1,620,000.00	162,000.00	1,485,000.00
Motor vehicles, including motorcycles	14,650,000.00	3,662,500.00	10,987,500.00
Computers and related equipment	602,000.00	180,600.00	421,400.00
Office equipment, furniture, fittings	748,696.00	93,587.00	655,109.00
Total	385,225,250.00	7,073,687.00	377,862,009.00

22. BILOGICAL ASSETS

i) FARM ANIMALS

SNO	NAME	VALUE
1	2 Dairy Cows Baraton	110,000.00
2	2 Young Bulls	30,000.00
3	2 Heifers	85,000.00
4	6 Boers (pigs)	12,000.00
5	10 Sows (pigs)	28,000.00
6	1 Ram (sheep)	10,000.00
7	5 Ewe (sheep)	40,000.00
	TOTAL	315,000.00

23. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2020-2021	2019-2020
	KShs	KShs
Trade payables	1,166,271.00	0.0
Refundable deposits from customers	205,725.00	0.00
Total trade and other payables	1,371,996.00	0.00

24. PAYMENTS RECEIVED IN ADVANCE

Description	2020-2021	2019-2020
	KShs	KShs
Fees paid in advance	205,725.00	0.00
Total	205,725.00	

MOSORIOT TEACHERS TRAINING COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

25. EMPLOYEE BENEFIT OBLIGATION

Description	2020-2021	2019-2020
	KSh	KSh
Gratuity	931,180.00	0.00
Total	931,180.00	

26. REFUDABLE DEPOSITS

Description	2020-2021	2019-2020
	KSh	KSh
Caution money	233,875.00	0.00
Total	233,875.00	

27. EMPLOYEE BENEFIT OBLIGATIONS

Recognition of Retirement Benefit Asset/ Liability

The entity contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at 6% of monthly pay per employee per month. Employees contribute an equivalent of 6% as the institution. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

28. FINANCIAL RISK MANAGEMENT

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

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

(i) Credit risk

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

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

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

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

(ii) Liquidity risk management

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

The table below represents cash flows payable by the company under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due

a) Interest rate risk

Interest rate risk is the risk that the entity's financial condition may be adversely affected as a result of changes in interest rate levels. The college's interest rate risk arises from bank deposits. This exposes the company to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the college's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

29. RELATED PARTY BALANCES

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal owner of the college, 100%. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

- i) The National Government;
- ii) The Ministry of Education;
- iii) County/ Sub- County Education office;
- iv) Key management;
- v) Board of Management;

30. CAPITAL COMMITMENTS

Capital commitments	2020-2021 KSh	2019-2020 KSh
Authorised for	88,000,000.00	88,000,000.00
Authorised and contracted for	19,500,000.00	19,500,000.00
Total	107,500,000.00	107,500,000.00

(NB: These are commitment carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorised by the entity but at the end of the year had not been contracted or those already contracted for and ongoing)

31. EVENTS AFTER THE REPORTING PERIOD

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

32. ULTIMATE AND HOLDING ENTITY

Mosoriot Teachers College is a Government College under the Ministry of Education. Its ultimate parent is the Government of Kenya.

33. CURRENCY

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

MOSORIOT TEACHERS TRAINING COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

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

The college has been under the Ministry of Education directorate of schools' audit until the financial year 2020/2021. We therefore had no external audit.

Accounting Officer

Name *Miniam Koeh*

(Chief Principal/CEO)

Signature *[Signature]* Date. *10/10/2022*

APPENDIX II: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received	Nature: Recurrent/ Development/ Others	Total Amount KES	Statement of Financial Performance	Capital Funds	Deferred Income	Receivables
Ministry of Education	4.09.2020	Recurrent	2,556,102.00	2,556,102.00	0	0	0
Ministry of Education	6.01.2021	Recurrent	2,556,102.00	2,556,102.00	0	0	0
Ministry of Education	6.01.2021	Recurrent	2,556,102.00	2,556,102.00	0	0	0
Ministry of Education	6.01.2021	Recurrent	2,556,102.00	2,556,102.00	0	0	0
Total			10,224,408.00	10,224,408.00		0	0