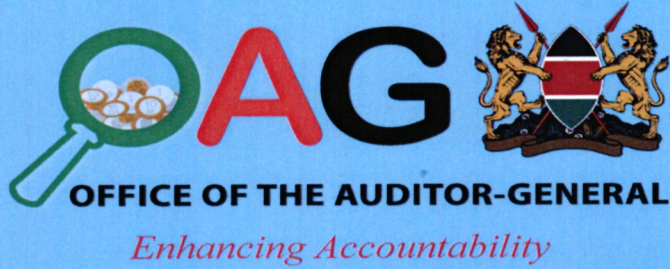


REPUBLIC OF KENYA



REPORT

| | |
|-----------------------|--|
| THE NATIONAL ASSEMBLY | |
| DATE: 01 AUG 2023 | DAY: FIVE |
| OF BY: | Hon Naomi Wago, MP Deputy Majority Whip |
| CLERK-AT THE-TABLE: | Inzogu Mwale |

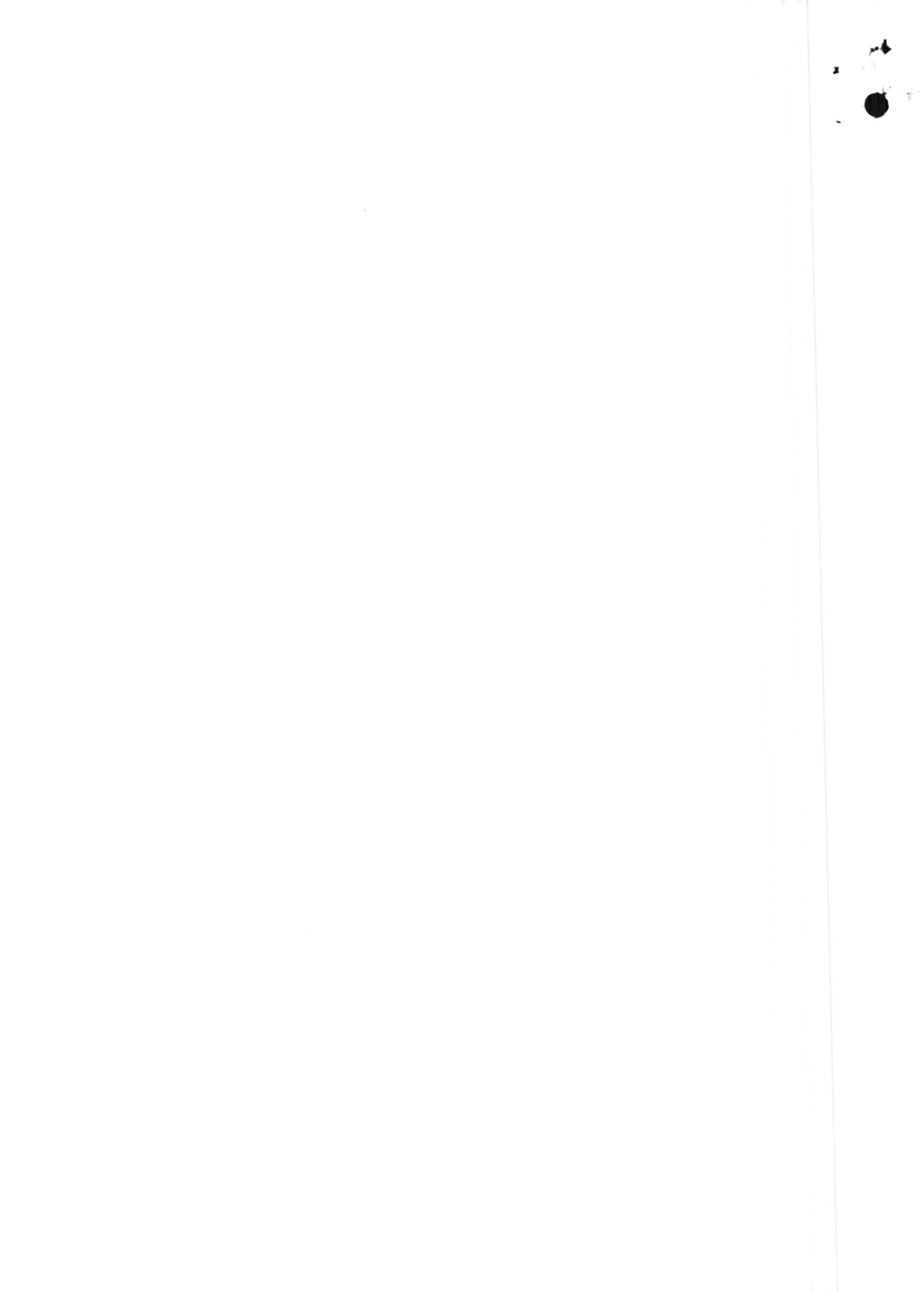
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THE AUDITOR-GENERAL

ON

MOI TEACHERS COLLEGE - BARINGO

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





MINISTRY OF EDUCATION

STATE DEPARTMENT FOR BASIC EDUCATION



MOI TEACHERS COLLEGE-BARINGO

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

Moi Teachers College- Baringo
Annual Report and Financial Statements for the year ended 30th June 2022

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I. Key Entity Information and Management

(a) Background information

The Moi Teachers College-Baringo was established under the Basic Education Act, 2013 on 14th June 2014. The College was re-registered as Diploma in teacher Education and ECDE on 24/2/2021. The entity is domiciled in Kenya. The college is under the Ministry of Education.

b) Principal Activities

The principal activity of the institution is found in its mission and vision statements as below:

Vision

A Centre of Excellence in Pre-service and in-Service Teacher Training.

Mission

To train and produce competent teachers who are positively responsive to their learners and professional demands in Kenya and globally.

Core Values

Moi Teachers College-Baringo is an integral part of the society and endeavours to exhibit high professional and social standards. Core values are the fundamental values of Moi Teachers College-Baringo that lays the foundation on which the college operates. A core value defines the culture and shapes the character of Moi Teachers College-Baringo.

The staff undertakes their duties in accordance with Teacher's Service Commission code of Regulations for Teachers (2015) and the Code of conduct and Ethics.

Guided by our vision and mission we shall uphold the following values at all times. These core values are:

- Courtesy
- Teamwork
- Integrity
- Efficiency
- Professionalism
- Accountability
- Transparency.

Key Entity Information and Management (Continued)

(c) Key Management

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

- Board of Management
- Accounting officer- Chief Principal
- Management team

(d) Fiduciary Management

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

| No. | Designation | Name |
|-----|---------------------|-------------------|
| 1. | Chief Principal | Lorraine Mukoya |
| 2. | Deputy Principal | Kiprotich Bittok |
| 3 | Dean of Curriculum | Laban Kiptalam |
| 5 | Dean of Students | Julia Audi |
| 6 | Head of Finance | David C. Maiyo |
| 7 | Bursar | Rose Kimaiyo |
| 8 | Head of Procurement | Pennedy Toroitich |

(e) Fiduciary Oversight Arrangements

The board has the overall mandate of ensuring the sound management of the college. This includes: Approving budget and procurement plan, approving policies, strategic plan, reviewing management implementation of strategies, policies and plans, risk assessment and management and recruitment of staff. For effective operation of the Board of Management through clearly mandated board committees, accompanied by monitoring and reporting systems, each standing board of management committee has specific roles and responsibilities as set out in corporate governance statement.

Key Entity Information and Management (Continued)

(f) Entity Headquarters

Moi Teachers College-Baringo
P.O. Box 348-30400
Kabarnet, Kenya

(g) Entity Contacts

Telephone: 0706 469 456
E-mail: moittcbaringo@yahoo.com
Website: www.moittcbaringo.ac.ke

(h) Entity Bankers

Kenya Commercial Bank
Kabarnet branch
P.O Box 175-30400
Kabarnet
Account Number.1103641743
Account Number.1103641816
Account Number.1107906423
Account Number.1232908398
Account Number.1296179729
Account Number.1296052168

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

II. The Board of Management

| Member's Name | Brief Description |
|---|--|
|  <p>Designation: Board Chairman Name: Prof. Moses Limo Profession: Professor of Biochemistry</p> | <p>Prof. Moses Limo was born on 1st May, 1954. He is currently the Chairman of the Board of Management of Moi Teachers College-Baringo.</p> <p>He is a professor of Biochemistry at Egerton University. He is a holder of BSc. MSc and PhD. from the University of Nairobi. He has extensive experience in governance matters having served in various administrative positions in the public service.</p> |
|  <p>Designation: Vice Chair BOM Name: Dr. Anne Jerotich Michura Profession: Educationist</p> | <p>Dr. Anne Jerotich Garry Michura was born on 5th April, 1968. She holds PhD in Zoology (Entomology) Chuka University, Kenya, Masters of Philosophy in Zoology (Agricultural Entomology) Moi University, Kenya, Bachelors Bed Science (Botany/Zoology) Egerton University, Kenya.</p> <p>She is a publisher. She has experience of 21 years.</p> |
|  <p>Designation: Member Name: Rhoda Rutto Profession: Advocate</p> | <p>Ms. Rhoda Rutto was born on 20th July 1982. She is currently the chairperson audit committee. She is an Advocate of the High Court of Kenya. She holds a Master of Laws degree from the University of Dar-e-salaam (Tanzania) in constitutional Law and Human Rights, Postgraduate Diploma in Law from the Kenya School of Law and a Bachelors of Law (Moi University). She is a member of both the Law of Society of Kenya and East Africa Law Society. She has also earned professional certificates in the areas of Constitutional Law, Human Rights, Conflict Resolution, Leadership and Company Secretarial duties. She has extensive experience of 16 years in legal matters.</p> |



Designation: Member
Name: SymonYatich Kimengich
Profession: Administrator

Mr. Simon Yatich was born on 12th December, 1962. He is currently the chairperson finance, procurement and general purposes committee.
He holds a Degree in Economics, Geography and political Science (Panjab University -India), He has work experience of over 31 years in different fields.



Designation: Member
Name: Eleen Limo
Profession: Educationist.

Mrs.Eleen Limo was born on 22nd December, 1959. She holds a Master's degree in Counselling Psychology (Mt. Kenya University), Bachelor of Education in Guidance and Counselling (Moi University). She has 39 years of experience as a classroom teacher, Curriculum developer and Teacher advisory in education.
She is a professional counsellor and accredited mediator.



Name: Hezron Rutto
Profession: Public Administration

Mr.Hezron Rutto was born on 19th December, 1978. He holds MBA Strategic Management (Kenyatta University), Bachelor of Arts (University of Nairobi), Diploma in Public Administration (KSG). He has extensive experience of over 19 years in public administration.



Designation: Member
Name: Philemon Chelelgo
Profession: Educationist

Mr. Philemon Kiptukyo Chelelgo was born in 1955. He holds Bachelor of Education (Vocational/Technical) from McGill University (Canada), diploma in Agricultural Education & Extension, Egerton University. He has completed course work in Entrepreneurship (Moi University MPHIL). He has a work experience of 31 years as an educationist.



Designation: Member
Name: Raphael K. Bolei
Profession: Educationist

Mr. Raphael K. Bolei was born on 12th December, 1978. He is currently the chairperson academic standards, quality and environment committee. He holds bachelors of Education (Science) –Double Mathematics (The Catholic University of Eastern Africa). Currently Post graduate student MA Sociology-Project Management and Community Development. He has experience of 17 years as an educationist.



Designation: Member
Name: Evans K. Cherogony
Profession: Public Health Officer

Mr. Evans Kipkemboi Cherogony was born in 21.12.1975. He holds Masters in Business administration (Kisii University), Bachelor of Science degree in Environmental Health Science (Mt. Kenya University), Diploma in Environmental Health Science/Public Health (KMTC). He has experience of 18 years in Public Health.



Designation: Chief Principal
Name: Lorraine Mukoya

Chief Principal

TSC number 323433

She was born in 30th March, 1969.

Mrs. Lorraine Mukoya holds Med in Planning & Management (MMUST), Bachelor of Education (History and CRE) from University of Nairobi, Senior Management Course (KSG-Baringo Campus) and Certificate in PPRA. She has an experience of 30 years. 20 years in teaching and 10 years in management.



Designation: Member
Name: Prof. Gladys Mengich
Profession: Medical Doctor.

Prof. Gladys Mengich was born on 1st Jan. 1966. She is a holder of PhD Medical Education, Master's degree Medical Education from University of Dundee (Scotland- UK); Bachelor of Arts (Psychology & communication)-University of Nairobi, Physiotherapy KMTTC;

Senior Lecturer in MMUST and KMTTC. Physiotherapist in MOH; involved in teaching and research activities and development of Competency based curriculum in MMUST and KMTTC- Health Professions Education Programs. She has experience of 30 years as a medic.



Designation: Member
Name: Alex Kipsang Chelimo
Profession: Accountant

Mr. Alex Kipsang Chelimo was born on 21st December, 1975. He is a holder of KATC II and CPA 1. Currently, a businessman at Baringo county. He is an immunization champion. He has experience of 15 years.



Designation: Member
Name: Joseph Chepkonga
Profession: Educationist

Mr. Joseph Chepkonga was born in 1/1/1969. He holds bachelor of Education science (Egerton University). He has experience of 29 years as an educationist.






Designation: Member
Name: Rev. Zachariah Chirchir
Profession: Clergy

Rev. Zacharia Cheboi Chirchir was born on 1st Jan. 1952. He holds Master of Arts- Administrative Studies with specialization in Organizational Leadership (Brier crest Biblical Seminary) Bachelor of Science in Bible (Lancaster Bible College). He has experience of over 40 years as a Clergy.

III. MANAGEMENT TEAM

| NAME OF THE EMPLOYEE | BRIEF DESCRIPTION |
|--|--|
|  <p>Designation: Chief Principal Name: Lorraine Mukoya</p> | <p>Chief Principal TSC number 323433 Mrs. Lorraine Mukoya holds Med in Planning & Management (MMUST), Bachelor of Education (History and CRE) from University of Nairobi, Senior Management Course (KSG-Baringo Campus) and Certificate in PPRA. She has an experience of 30 years, 20 years in teaching and 10 years in management.</p> |
|  <p>Designation: Deputy Principal Name: Kiprotich Bittok</p> | <p>Deputy Principal TSC number 347186 Mr. Kiprotich Bittok holds Med in planning and administration (Nairobi University) Bachelor of Education (Arts) from UON and over 27 years of teaching experience.</p> |
|  <p>Name: Laban Kiptallam Designation: Dean of Curriculum</p> | <p>Dean of Curriculum TSC number 348487 Mr. Laban Kiptallam is the Dean of Curriculum on an acting capacity. He holds Bachelor of Education (History and CRE) from Moi University. He has 27 years of teaching experience.</p> |
|  <p>Name: Julia Audi Designation: Dean of students</p> | <p>Dean of Students TSC number 291627 Mrs. Julia Audi is the dean of student on acting capacity. She holds Bachelor of Education (CRE) from Kenyatta University. She has 32 years of teaching experience.</p> |

| | |
|---|---|
|  <p>Designation: Finance Officer Name: David C. Maiyo</p> | <p>Finance Officer Personal Number: MTC-B/98/033 David C. Maiyo is a holder of Bachelor of Business Administration (Finance & Accounting) from Great Lakes University of Kisumu, CPA 11 and Senior Management Course (KSG- Baringo Campus) .He has an Experience of 31 years in accounting and finance field.</p> |
|  <p>Designation: Bursar Name: CPA Rose Kimaiyo</p> | <p>Bursar Personal Number: MTC-B/08/056 Rose Kimaiyo is a holder of Bachelor of Business Administration (Finance and Accounting) from Kenya Methodist University, CPAK Member No. 24935, she has completed course work in MBA, Egerton University, and Senior Management Course (KSG-Baringo Campus). She has experience of 14 years in accounting and finance field.</p> |
|  <p>Designation: Procurement Officer Name: PennedyToroitich</p> | <p>Procurement officer Ms.Penedy Toroitich is a member of KISM; She holds a diploma in Purchasing and Supplies Management. He has an experience of 6 years in procurement field.</p> |

IV. Chairman's Statement

The Board is the supreme governing body of the Moi Teachers College-Baringo. Its core mandate is to oversee the activities and operations of the college on behalf of the Government. In this regard, the Board is concerned with the setting of policies for the institution and to follow up on how such policies are being executed by management.

During the year under review, the College admitted 177 students in Diploma Primary Teacher Education, Diploma in Early Childhood Education and 321 students for upgrade to Diploma in Primary Teacher Education.

Despite having students, the placement was characterized by low enrolment, due to reduction in the number of students qualifying to join teacher training college.

The low enrolment led to severe financial and operational performance of the college. It also led to underutilization of the existing infrastructure and human resource.

During the year the Board acquired and processed land ownership (title deed) for the land where the college sits and it is in the process of getting title deeds for the remaining parcel of land in the next financial year 2022/2023.

The Board, as a corporate social responsibility constructed a footbridge at the water intake dam and a water trough for the community livestock. Furthermore, in collaboration with the forestry department planted 2000 tree seedlings at the water catchment area.

The Board lobbied with the Ministry of Education (MOE) and National Government Constituency Development Fund (NG-CDF) for funds to renovate the existing infrastructure. Through their request, the college received 2.5 million from (MOE) and 1.2 million from the NG-CDF respectively.

I am pleased to report that we have made significant progress with the objectives we set ourselves and this is clearly evident in the much improved performance of the college.

As I look at how we finished financial year 2021/22, inevitably, our results have been significantly impacted by the students' low enrolment. However, with the support of all stakeholders, I believe our performance is very creditable.

The most pressing challenge of the college is low enrolment caused by the introduction of the minimum entry qualification 5Cs in Kiswahili, English, Mathematics, one science and one Humanity and a mean grade of C plain which most candidates don't achieve, slow absorption of trained teachers graduating from teacher training colleges and lack of government sponsorships through HELB Loans.

While strengthening our capacity to cope with the challenges of low enrolment, I remain optimistic that the economy will continue to improve for a considerable period of time and this will have a positive impact on the finances and operations of the College.

Future outlook

Looking forward, the college is optimistic that the Ministry of Education will subsidize student's fees in Teacher Training Colleges.

We also request for additional funding from the Ministry of Education to enable renovate the existing college infrastructure and equipment's.

Finally, to request MOE to increase recurrent expenditure to enable college meet employee costs.

On behalf of the board of management, I would like to thank all the stakeholders, management and staff for their hard work, creativity and commitment as we navigated the uncertainty and challenges of the global economy.



Prof. Moses Limo
Chairman of the Board
29th September, 2022.

V. Report of the Principal

The College has continued to discharge its core mandate as guided by the Board of Management, in pursuit of its vision of 'A Centre of Excellence in Pre-service and in-Service Teacher Training.

The year under review was a period of transition for the college as the Ministry of Education was in the process of phasing out P1 certificate course to Diploma in Teacher Education.

During the year under review, the college admitted 177 students in Diploma Primary Teacher Education and Diploma in Early Childhood Education and 321 students for upgrade to Diploma in Primary Teacher education.

Training being the core mandate of the institution, the college received a team from the Ministry of Education headquarters who visited the college on 5/11/2021 to inspect the college infrastructure.

Besides that, they assessed two lecturers in classes in order to find out how CBC was being implemented. They had session with the teaching staff in the staffroom where they commended the teaching staff for the way in which the Curriculum is being implemented in the college.

With this therefore I am optimistic that the College will not relent in its efforts in ensuring that we continue to improve for excellence.

The Board in ensuring pursuit for excellence as envisioned in our vision statement engaged professional examiners to coach students on examination modalities.

To actualise the Competency Based Curriculum, the Board of Management during the year, upgraded wifi from 5mbps to 90mbps and installed routers in every classroom. This improved the internet services remarkably, hence improved learning.

The College has set up departments to ensure effectiveness and efficiency in teaching and learning. These include Dean of Curriculum which deal with academic matters and Dean of students to handle the welfare of the students.


On co-curriculum, our sports teams continued to raise the flag of the College much higher in the world of sports. The performance of our teams at National level especially in sports is humbling as one of the best student in our college emerged the winner. This is part of the all-round education that Moi Teachers College promises to offer.

The financial year 2021-2022 financial performance was affected by students' low enrolment. Thus, the revenue realised was less compared to anticipated income. However, we are optimistic that through the marketing strategy employed by the management the numbers will increase especially the PI upgrade students.

Conclusion

On behalf of Moi Teachers College-Baringo Board of Management, I take this opportunity to thank the Government for its unequivocal support during the year under review. I also appreciate the financial, material and moral support of our collaborators, partners and friends during the period. It is because of the co-operation with the Government through the Ministry of Education, other stake holders and more importantly guidance of the Board of Management as well as the mutual cooperation of the management team, all staff and our students that we ended the year within an environment of peace and stability. I wish to register my gratitude to them all.

I look forward to their continued support in the new financial year and the subsequent periods ahead.


CHIEF PRINCIPAL
M.OI TEACHERS COLLEGE - BARINGO
P.O. BOX 348-30400, KABARNET

Lorraine Mukoya (Mrs)

Chief Principal/Secretary to the Board

29th September, 2022.

VI. Statement of Performance against Predetermined Objectives

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

Moi Teachers College-Baringo has 5 strategic pillars and objectives within current Strategic Plan for the FY2019- FY 2023. These strategic pillars are as follows:

Pillar 1: Conduct training programs based on Diploma in Primary Teacher Education and Diploma in Early Childhood Teacher Education curriculum

Pillar 2: To construct, modernize infrastructure and improve physical environment

Pillar 3: To enhance and diversify income generating (IG) projects

Pillar 4: To enhance safety and security in the college

Pillar 5: To enhance leadership and governance

Moi Teachers College-Baringo develops its annual work plans based on the above 5 pillars. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The Moi Teachers College-Baringo achieved its performance targets set for the FY 2021/22 period for its 3 strategic pillars, as indicated in the diagram below:

| Strategic Pillar | | Objective | Key Performance Indicators | Activities | Achievements |
|-------------------------|---|---|--|---|--|
| Pillar / 1 | Conduct training programs based on Diploma in Primary Teacher Education and Diploma in Early Childhood Teacher Education curriculum | -Improve performance -Increase number of students graduating | Records of work covered -Schemes of work -Attendance register -List of resource persons and budgetary allocation -Mark sheets -Merit list and awards -Number of manuals developed and issued | - . Ensure timely syllabus coverage ii. Motivation of both teachers and students iii. Invite resource persons iv. Instilling reading culture v. Monitor class attendance vi. Regular assessments vii. Produce manuals | Improved results -Highly motivated staff and students |

| | | | | | |
|------------|--|---|---|---|---|
| Pillar / 3 | To enhance and diversify income generating projects (IG) | <ul style="list-style-type: none"> -Establish an income generating management committee - Diversify income generating projects to include zero grazing, biogas, bakery, Posho mill and horticulture | <ul style="list-style-type: none"> -Minutes -lists of areas -Architectural plans -BQs -Budget -Structures | Feasibility studies for the project <ul style="list-style-type: none"> -Identification of sites - Design and construction of the structure -Operationalize - Income | <ul style="list-style-type: none"> -Increased Income -Creation of employment - Food security - Practical learning |
| Pillar / 5 | . To enhance leadership and governance | Capacity build the Board of Management | -Good leadership and governance | <ul style="list-style-type: none"> - Meetings - Build capacity | <ul style="list-style-type: none"> Management skills -Motivated managers -Improved discipline -Efficient college management |

VII. CORPORATE GOVERNANCE STATEMENT

The current Board of Management was appointed into office on 27th January, 2020 and upon appointment immediately took charge of their mandate to steer the college forward through application of best governance practices and standards.

The Board of Management have been forging a united front in confronting challenges facing the institution that started in 1991 and then grew consistently.

One of the core values is effective corporate governance. There are benefits of a properly implemented effective corporate governance system as it provides stakeholders confidence.

The College has built its operations on very strong corporate governance principles based on the application of high and consistent ethical standards in its relationships with all customers, employees and other stakeholders. This is consistent with the institutions core values of effective corporate governance that has led to a strong commitment to conduct business in accordance with best business practices based on principles of transparency, accountability and responsibility, monitoring compliance with relevant laws and regulations, risk management, appropriate checks and balances and the delivery to commitments to all stakeholders.

Ethical leadership and integrity, socio-environmental responsibility and determination of group strategy are the key principles that are taken into account while setting governance standards for the group. The College has kept abreast with international developments in corporate governance for the promotion of enhanced transparency, integrity and rule of law.

The Board of Management is the representative of the stakeholders, and has the duty of validating financial results and the review of college performance, protecting assets and nurturing the next generation of leaders. The Board is all responsible for ensuring proper and sound corporate governance within the College. Good corporate governance is therefore a fundamental part of the culture and the business practices of the College.

A) ROLE OF THE BOARD OF MANAGEMENT

The functions of the Board of Management of a basic education institution shall be to-

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

- (k) Promote the spirit of cohesion, integration, peace, tolerance, inclusion, elimination of hate speech, and elimination of tribalism at the institution;
- (l) Encourage the learners, teachers, non-teaching staff, the community, and other stakeholders to render voluntary services to the institution;
- (m) Allow reasonable use of the facilities of the institution for community, social and other lawful purposes, subject to such reasonable and equitable conditions as it may be determined including the charging of a fee;
- (n) Administer and manage the resources of the institution;
- (o) Receive, collect and account for any funds accruing to the institution;
- (p) Recruit, employ and remunerate such number of non-teaching staff as may be required by the institution in accordance with this Act; and
- (q) Perform any other function to facilitate the implementation of its functions under this Act or any written law.

B) COMPOSITION OF THE BOARD

The Board shall consist of a Chairperson and eight other members appointed by the Cabinet Secretary in accordance with the provisions of Education Act, 2013.

The chairperson shall serve for a term of four years and shall be eligible for re-appointment for one further term of four years.

The members shall serve for a term of three years and shall be eligible for re-appointment for one further term of three years.

The Board shall ensure that it comprises a diverse mix of skills and expertise critical for effective oversight on the management of the College. This shall be underscored by ensuring that each member has the requisite skill and access to the necessary tools required for their effective performance.

Chairperson

The Chairman's role is to ensure that the whole board is one and conduct business with professionalism. The Chair therefore takes the lead in guiding members in discharging their mandate with clear boundaries and rules.

i. Board meetings

The Board develops a calendar of meetings on annual basis. In the year under review the Board held two full Board meetings, five executive meetings, three administration and finance meetings, one audit and risk, two academic and one community meetings.

All committees of the Board are tasked with the responsibility of reporting to the full Board.

ii. Legal audit

Annual financial statement is prepared and presented to the Board for discussion and approval. The Board sits to discuss and approve annual budget every June of each year, all issues arising from prior discussion of the budget by administration and finance committee are discussed and resolved during this meeting any corrections and amendments are then made and approved before the budget is finally implemented in the next financial year.

C) BOARD COMMITTEES

a) The Board may discharge any of its responsibilities through Board Committees appointed from amongst its members subject to the applicable laws.

b) The Board has established the following committees;

- i. Finance, procurement and general purposes committee;
- ii. Academic standards, quality and environment committee;
- iii. Discipline, ethics and integrity committee;
- iv. Audit committee; and
- v. Human rights and student welfare committee

i) Finance, procurement and general purposes committee;

- a. Symon K. Yatich (Chairperson)
- b. Eileen Limo (member)
- c. Rev. Zacharia Chirchir (member)
- d. Alex Chelimo (member)
- e. Lorraine Mukoya (Secretary)

ii) Academic standards, quality and environment committee;

- a. Raphael Bolei (Chairperson)
- b. Prof. Gladys Mengich (member)
- c. Philemon K. Chelelgo (member)
- d. Joseph Chepkonga (member)
- e. Lorraine Mukoya (Secretary)

iii) Discipline, ethics and integrity committee;

- a. Dr. Anne Michura (Chairperson)
- b. Rev. Zacharia Chirchir (member)
- c. Joseph Chepkonga (member)
- d. Alex Chelimo (member)
- e. Lorraine Mukoya (Secretary)

iv) Audit committee;

- a. Rhoda Rutto (Chairperson)
- b. Dr. Anne Michura (member)
- c. Evans Cherogony (member)
- d. Hezron Rutto (member)
- e. Lorraine Mukoya (Secretary)

v) Human rights and student welfare committee

- a. Prof. Gladys Mengich (Chairperson)
- b. Raphael Bolei (member)
- c. Evans Cherogony (member)
- d. Rhoda Rutto (member)
- e. Hezron Rutto (member)
- f. Lorraine Mukoya (Secretary)

- c) The Board shall appoint the Chairpersons of the Committees and shall approve appropriate terms of reference for the Committees.
- d) Reporting obligations:
 - i) The Committees shall report to the Board on matters referred to it by the Board and on the proceedings following each meeting of the committee. The report shall include findings, matters identified for specific recommendation to the Board, action points and any other issues as deemed appropriate.
 - ii) The committees shall liaise with each other in so far as it is expedient to effectively perform their different roles.
- e) The Board remains collectively responsible for the decisions of any committee and shall review the effectiveness and performance of committees annually.

Appointment and Remuneration of Board members

- a) The Board shall consist of members as shall be determined from time to time and subject to regulatory requirements. The Board Nominating Committee shall recommend members of the board of management for appointment by the Cabinet Secretary for Education as per regulatory requirements.
- b) The Chairman of the Board shall be appointed by the Cabinet Secretary for Education.
- c) The number of Board members shall be as determined by the Basic Education Act, 2013.
- f) The Board shall establish and approve allowances for the Board members.
- g) The Board of management allowances shall be adequately disclosed in the full Board meeting(s) in line with the financial ability of the college as regulated by the Basic Education, Act 2013.

D) BOARD INDEPENDENCE

To enhance independence, the Board shall avail an environment that ensures the members are critical and independent of one another so as to promote independent and objective judgment.

E) ACCESS TO INFORMATION AND INDEPENDENT ADVICE.

- a) The Board may from time to time require independent legal, financial, governance or other expert advice. To facilitate this, the Board shall ensure members obtain external advice, as may be required, at the College's expense and shall invite senior management to provide technical advice as needed.
- b) The Board shall establish procedures to allow its members access to relevant, accurate and complete information and professional advice in order to discharge its duties effectively.

F) BOARD TRAINING

- a) Each Board member shall participate in an induction program that is tailored to effectively orient the member to the College's business, strategy, objectives, policies, procedures, operations, senior management and operating environment. The induction shall also include all the necessary information that shall be required by a member for effective performance on the Board. New Board members shall also be introduced to their fiduciary duties and responsibilities as well as any other aspects that are unique to the College.
- b) Board members should have a clear understanding of their role in corporate governance and be able to exercise sound and objective judgment about the affairs of the College.

G) BOARD EVALUATION

- a) For improved Board effectiveness, the Board shall carry out an assessment of its performance the performance of the Chairperson, that of its committees, individual members and the Chief Principal.
- b) The Board shall disclose whether evaluation of the Board, the chairperson and the Principal has been undertaken in the annual report and financial statements of the College.

H) ROLE OF THE CHAIR AND SECRETARY

The Chair is appointed by the Cabinet Secretary for Education. The Secretary who is the Chief Principal shall keep the Chair informed about the operations of the College.

The Role of the Chair shall be to:

- a) Provide leadership to the Board and ensure its effectiveness in all aspects of its role. The Chair shall set the Board agenda with the assistance of the Chief Principal who is the Secretary.
- b) Facilitate the effective contribution of and encourage constructive relations between Board of Management.
- c) Monitor attendance at Board meetings;
- d) To ensure that there is a robust process for Board succession and that a current pool of candidates has been identified;
- e) Develop the strategy of the College, together with the Chief Principal, and ensure the Board is fully appraised and has the opportunity to debate the strategic direction of the College;
- f) Put in place and maintain an effective delegation of authority structure to provide effective management and control over the College's business with the assistance of the Principal;
- g) Communicate effectively with the College stakeholders. The stakeholders include, where applicable, regulators, governments, students, staff and the communities within which the College operates;
- h) Together with the Chief Principal, to ensure that the College communicates effectively with, stakeholders, government agencies, financial institutions, the media, the public and any relevant special interest groups who have a legitimate concern or involvement with the operation of the College;
- i) Ensure that the views of the stakeholders are communicated to the Board as a whole;
- j) Chair the Full Board Meetings and all other stakeholder meetings of the College;
- k) Together with the Chief Principal ensures that the College operates to the highest standards of corporate governance;
- l) Manage the training needs of each Board member and ensure development;
- m) Ensure the Board undertakes continuous development in order to enhance governance practices within the Board itself and in the interest of the College.

The role of the Secretary shall be to:

- a) Ensure that the policies spelt out by the Board in the College's overall corporate strategy are implemented;
- b) Identify and recommend to the board competent officers to manage the operations of the College. In the fulfilment of this duty, the Secretary should ensure that the College's human resources policy is adhered to;
- c) Co-ordinate the operations of the various departments within the College;
- d) Establish and maintain efficient and adequate internal control systems;

- e) Design and implement the necessary management information systems in order to facilitate efficient and effective communication within the College.
- f) Ensure that the Board is frequently and adequately appraised about the operations of the College through presentation of relevant board papers, which must cover, but are not limited to, the following areas:
 - i) Actual performance compared with the past performance and the budget together with explanations of all the variances.
 - ii) Student Performance
 - iii) Income and expenses.
 - iv) Income: sources and distribution outline.
 - v) Report on violation of laws and remedial activities undertaken to ensure compliance with the guidelines.
 - vi) Any other duties as may be assigned by the Board from time to time.

I) DUTIES OF BOARD MEMBERS

Each Board member shall have the fiduciary duty to—

- a) Exercise a reasonable degree of care, skill and diligence;
- b) Act in good faith and in the best interests of the College and not for any other purpose;
- c) Act honestly at all times and must not place themselves in a situation where personal interests conflict with those of the College;
- d) Exercise independent judgment at all times;
- e) Devote sufficient time to carry out their responsibilities and enhance their skills;
- f) Promote and protect the image of the College;
- g) Owe their duty to the College and not to the nominating authority; and
- h) Owe the College a duty to hold in confidence all information available to them by virtue of their position as a Board member.

J) THE SECRETARY

The Chief Principal appointed by the Teachers Service Commission is the Secretary to the Board and is charged with the following responsibilities:

- a) To provide guidance to the Board on its duties and responsibilities and on other matters of governance;
- b) To ensure that the Board complies with its obligations under the law and the Basic Education Act, 2013 and all other relevant laws.
- c) To assist the Chairperson of the Board in organizing the Boards activities;
- d) To assist the Board with evaluation exercise;
- e) To coordinate the governance audit process;
- f) To maintain and update the register of conflict of interest;
- g) To facilitate effective communication between the organization and the stakeholders; and
- h) To carry out any other duties as may be assigned by the Board from time to time.

K) CONFLICTS OF INTEREST AND RELATED PARTY TRANSACTIONS

- a) All Board members are required to:
 - i) Declare any interests that may give rise to potential or perceived conflict e.g. business relationships or other circumstances that could interfere with exercise of objective judgment;
 - ii) Declare as soon as they become aware that a subject to be discussed at a Board or committee meeting may give rise to a conflict of interest at the outset of the applicable meeting. The conflicted Board member shall not participate further in the discussion of that subject, nor vote on it. This is subject at all times to the provisions of the guiding laws rules & regulations of the College.
- b) The Board shall evaluate all potential or perceived conflict of interest as declared and shall approve such transactions with the College as may be appropriate.
- c) A register of declared Conflicts of Interest shall be maintained by the Secretary.

L) CODE OF CONDUCT

- a) The Board shall adopt a Code of Conduct for all governors and employees that addresses, among other things, conflict of interest and which shall be reviewed and updated regularly. A summary of this code shall be made available on the College's website.

M) RELATIONS WITH STAKEHOLDERS

- a) The Board shall recognize, respect and protect the rights of stakeholders and shall ensure equitable treatment of all stakeholders.
- b) The Board shall provide stakeholders with information as is required under the applicable law and shall establish mechanisms to ensure effective communication with stakeholders.
- c) The Board shall have a stakeholder-inclusive approach and will be responsible for giving due consideration to the legitimate interests and expectations of the College's stakeholders in its deliberations, decisions and actions.
- d) The Board shall establish effective communication with the College's stakeholders including the media as may be appropriate.

VIII. Management Discussion and Analysis

The College operational and financial performance

The College operated smoothly during the financial year under review. However, low enrolment led to severe financial performance and the management could not meet the timeliness as per the strategic plan.

College compliance with statutory requirements

Moi Teachers College-Baringo financial statements have been prepared in accordance with Section 81(3) of the Public Finance Management Act of 2012. The college complied with all statutory obligations i.e. NSSF, NHIF and PAYE.

Total exposure

The college going concern is not in doubt, and has no on-going or potential court cases that may expose it into potential contingent liability. Further, the institution has complied with statutory obligation and requirements. The financial statements have been prepared on a going concern basis and management does not have a significant going concern about the entity's ability to continue as a going concern.

Major risk

The main risk is failure to comply with the college strategic plan timeliness due to financial constraints.

Reporting framework

The College adopts International Public sector accounting standards (IPSAS) Accrual basis in the 2021-2022 financial year for the second time.

The presentation of financial statements under review is in conformity with International Public sector accounting standards (IPSAS) 1 on the presentation of financial statements. Additionally, each material class of similar items has been presented separately in the financial statements while dissimilar items have been aggregated only if they are immaterial on an individual basis International Public sector accounting standard (IPSAS 1(13))

The College financial probity and serious governance issues

During the financial year under review, there was no financial improprieties reported. In addition, the college does not have governance issues among the board and the top management including conflict of interest.

IX. Environmental and Sustainability Reporting

Moi Teachers College-Baringo exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, 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:

Sustainability strategy and profile

The management during the year under review, integrated learning with information technology: these was achieved by the upgrade of internet services from 5mpbs to 90 mpbs

1. Environmental performance

The college during the year under review in collaboration with the Kenya Forestry Department planted 2000 trees within the water catchment areas.

The institutions core mandate is training. Under Competency Based Curriculum students are encouraged to utilise waste materials such as papers in their creative arts for learning and empty sacks and buckets in developing kitchen learning gardens.

2. Employee welfare

The policies guiding the hiring process in the college is from the Ministry of Education as they issue Circulars on staff establishment considering the College student population.

The College has a well-established staff welfare scheme where members contribute to the welfare scheme through check off system.

3. Market place practices-

a) Responsible competition practice

We are guided by the Public Procurement and asset Disposal act, 2015 and Regulations of 2020 and the PPRA guidelines on how to identify suppliers. This is an open and public process where it takes into consideration the reservations for youth, women and people with disabilities.

b) Responsible Supply chain

The college honours supplier's contracts by issuing orders as guided by the Public Procurement and asset disposal act, 2015. Payments are made immediately the goods are received, inspected and accepted by the adhoc inspection and acceptance committee.

The management endeavours to meet its obligations on time so as to sustain relations for future partnerships.

c) Responsible marketing and advertisement

Being a national Government entity's the college makes a nationwide advert through newspaper and use of the local administration notice boards, social media to market opportunities in the College. The management also updates its website from time to time.

The college also maintains and updates the list of registered tenderers as per the requirements of PPRA.

d) Product stewardship

The management ensures that the learners get quality knowledge by liaising with the Teachers Service Commission on deployment of Lecturers upon once retirement and in cases of transfers. The College also actively engages learners in co-curriculum activities. During the year under review, the college went up to national level in athletics.

4. Corporate Social Responsibility /Community Engagements

Moi Teachers College-Baringo was founded for public benefit, to promote teacher education. The institution is open for all, irrespective of race, political or religious belief.

In the financial year under review, the community benefited as below;

- i) The Board of Management constructed a footbridge at the water intake dam for safety within the community at a cost of Kshs.181,385/= and additionally constructed water trough for the community livestock.
- ii) The College in collaboration with the area leadership and Forestry department planted 2000 tree seedlings at the water catchment area. Part of the trees was shared with the community members residing within the catchment area.
- iii) The community also benefits from the college dispensary in case of emergencies.
- iv) Casual labourers were engaged from the community to fence and clear college farm and to drain silt from the water intake dam.
- v) Two community meetings were held during the year. They were sensitized on the courses offered by the college and on procurement issues.
- vi) The Board of Management deliberated that the community be awarded tenders for the supply of maize and beans in the next financial year under community engagements as guided by the Public Procurement and asset disposal act, 2015.
- vii) The College extend some services to the community through hiring of facilities at low rates such as vehicles, fields, Theatre hall etc.

The College is committed in implementing community engagements from time to time.

X. Report of the Board of Management

The Board members submit their report together with the audited financial statements for the year ended 30 June 2022 which show the state of the College's affairs.

Principle activities

The principal activity of Moi Teachers College-Baringo is training of teachers.

Results

The results of the entity for the year ended 30 June 2022 are set out on pages 1 to 7

Board of Management.

The Members of the Board who served during the year are shown on page Vii-Xi above.

Auditors

The Auditor General is responsible for the statutory audit of the College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act, 2015 to carry out the audit of Moi Teachers College-Baringo for the year ended 30 June 2022 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board,


CHIEF PRINCIPAL
MOI TEACHERS COLLEGE - BARINGO
P.O. BOX 348-30400, KABARNET

Lorraine Mukoya

Chief Principal/Secretary to the Board

Moi Teachers College-Baringo.

29th September, 2022.

XI. Statement of Board of Management Responsibilities

Section 81 of the Public Finance Management Act, 2012 and Basic education Act, 2013 require the Board members to prepare financial statements in respect of Moi Teachers College-Baringo, which give a true and fair view of the state of affairs of the entity at the end of the financial year and the operating results of the entity for that year. The Board members are also required to ensure that the college keeps proper accounting records which disclose with reasonable accuracy the financial position of the college. The Board members are also responsible for safeguarding the assets of the college.

The Board members are responsible for the preparation and presentation of the college's financial statements, which give a true and fair view of the state of affairs of the college for and as at the end of the financial year ended on 30 June 2022. This responsibility includes:


- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity;
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safeguarding the assets of the college;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for the college's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the Public Finance Management Act, 2012 and Basic Education Act, 2013. The Board members are of the opinion that the College's financial statements give a true and fair view of the state of Moi Teachers College-Baringo transactions during the financial year ended June 30, 2022 and of the College's financial position as at that date. The Board members, further confirm the completeness of the accounting records maintained for the College, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.


Nothing has come to the attention of the Board members to indicate that Moi Teachers College-Baringo will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

Moi Teachers College-Baringo financial statements were approved by the Board on 29th September, 2022 and signed on its behalf by the Chairman of the Board and the Chief Principal.


.....
Prof. Moses K. Limo

Chairman of the Board

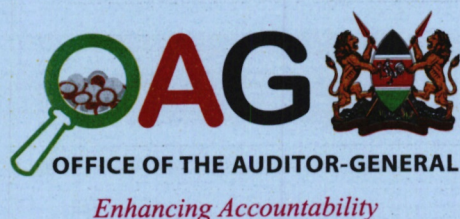

.....
Lorraine Mukoya

CHIEF PRINCIPAL
MOI TEACHERS COLLEGE - BARINGO
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Chief Principal/Secretary to the Board

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR- GENERAL ON MOI TEACHERS COLLEGE - BARINGO FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Moi Teachers College - Baringo set out on pages 1 to 38, which comprise of the statement of financial position as at 30 June, 2022, and the statement of financial performance, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Moi Teachers College - Baringo as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0 Inaccuracy of Revenue from Exchange Transactions

The statement of financial performance reflects revenue from rendering of services- fees from students of Kshs.41,722,155 as disclosed in Note 8 to the financial statements. However, the total invoiced fees for the period was Kshs.39,786,60 resulting in unreconciled variance of Kshs.1,935,548. Further, revenue from exchange transaction on account of other income of Kshs.4,486,329 includes an amount of Kshs.2,727,372 which relates to sundry debtors, but erroneously classified as revenue.

In the circumstances, the completeness and accuracy of revenue from exchange transaction could not be confirmed.

2.0 Unsupported Expenditure - Board Expenses

The statement of financial performance reflects board expenses of Kshs.1,831,500 as disclosed in Note 14 to the financial statements. Included in the amount is Kshs.925,500 in respect of board allowances. However, the amount was not supported by detailed schedule indicating board member name and allowances paid to each member.

In the circumstances, the regularity, completeness and accuracy of board expenses could not be confirmed.

3.0 Misclassified Expenditure - Land Expenses

The statement of financial performance reflects land expenses of Kshs.966,240. However, review of supporting documents revealed that the amount is capital expenditure in nature and ought to have been capitalized.

In the circumstances, the accuracy of land expenses could not be confirmed.

4.0 Unsupported Cash and Cash Equivalents Balance

The statement of financial position reflects cash and cash equivalents balance of Kshs.11,095,970 as disclosed in Note 18 to the financial statements. The balance includes an amount of Kshs.2,791,344 held in a Commercial Bank savings account whose cash book, bank statement and bank reconciliation statements were not provided for audit. Further, the statement of cash flow reflects cash and cash equivalents balance

as at 30 June, 2022 of Kshs.11,095,970.17. However, the computed amount was Kshs.18,313,427.17 resulting to an unreconciled variance of Kshs.7,217,457.

In the circumstances, the completeness and accuracy of the cash and cash equivalents balance of Kshs.11,095,970 could not be confirmed.

5.0 Unsupported Long-Term Receivables from Exchange Transactions Balance

The statement of financial position reflects long-term receivables from exchange transactions of Kshs.18,938,647 as disclosed in Note 19b to the financial statements. However, the detailed schedule indicating student name, registration number and amount owed by each student was not provided for audit. Further, Management did not explain the reason for allowing students to sit for exams or graduate without clearing fee balances.

In the circumstances, the completeness, accuracy and recoverability of long-term receivables from exchange transactions balance of Kshs.18,938,647 could not be confirmed.

6.0 Property, Plant and Equipment (PPE) Balance

The statement of financial position reflects property, plant and equipment balance of Kshs.60,307,319 as disclosed in Note 22 to the financial statements. The balance includes land and buildings of Kshs.37,366,240 whose ownership and valuation reports were not provided for audit. Further, the College acquired one (1) acre land on 1 December, 2021 at a cost of Kshs.750,000, however the transfer process is pending since the succession process is incomplete.

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

7.0 Non-Disclosure of Biological Assets

Review of records maintained by the College revealed that the College owns nine (9) fully grown cows and three (3) calves that were reared for the purpose of production of milk for sale. However, the biological assets have not been valued or disclosed in the financial statements.

In the circumstances, the accuracy and completeness of the statement of financial position could not be confirmed.

8.0 Inaccuracies in the Statement of Changes in Net Assets

The statement of changes net assets presented for audit has not disclosed brought forward balances and current year balances as per reporting template issued by Public Sector Accounting Standards Board. The financial statements do not therefore comply with the reporting template.

In the circumstances, the completeness and accuracy of the statement could not be confirmed.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects total income budget of Kshs.55,509,854 against actual receipts of Kshs.62,403,095 resulting to excess income of Kshs.6,893,241. Similarly, the statement reflects total expenditure budget of Kshs.55,509,854 against actual expenditure of Kshs.51,250,524 resulting to an under expenditure of Kshs.4,259,330 or 7% of the budget.

The budget under expenditure of Kshs.4,259,330 may have negatively affected the implementation of the College's programmes and 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, I confirm that, nothing has come to my attention to cause me to believe that Public Resources have not been applied lawfully and in an effective way.

Basis for Conclusion

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, except for the matter described in the Basis for Conclusion on

Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Lack of a Risk Management Policy

Review of policies revealed that the College Management did not implement a Risk Management Policy contrary to Section 165(1) of the Public Finance Management (National Government), Regulations, 2015 that requires a National Government entity to develop risk management strategies, which include fraud prevention mechanism and a system of risk management and internal controls that builds robust business operations.

In the circumstances, Management is not able to adequately evaluate, rank and prioritize critical risks.

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

Responsibilities of Management and the Board of Management

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

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

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

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

governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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 controls 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 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 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 controls 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

22 June, 2023

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

| | Notes | 2021-2022 | 2020-2021 |
|---|-------|----------------------|------------------------|
| | | Kshs | Kshs |
| Revenue from Non-Exchange transactions | | | |
| Transfers from other National Government entities | 6 | 20,351,821.00 | 10,791,578.00 |
| Transfers from other levels of government | 7 | 1,209,874.00 | 0.00 |
| Total Revenue from non-exchange transactions | | 21,561,695.00 | 10,791,578.00 |
| Revenue from Exchange transactions | | | |
| Rendering of services- Fees from students | 8 | 41,722,155.00 | 2,701,848.00 |
| Sale of goods | 9 | 384,755.00 | 158,250.00 |
| Rental revenue from facilities | 10 | 853,825.00 | 1,004,105.00 |
| Other income | 11 | 4,486,329.00 | 728,061.00 |
| Revenue from exchange transactions | | 47,447,064.00 | 4,592,264.00 |
| Total revenue | | 69,008,759.00 | 15,383,842.00 |
| Expenses | | | |
| Use of goods and services | 12 | 30,032,994.00 | 6,778,784.00 |
| Employee costs | 13 | 16,956,060.00 | 17,388,985.00 |
| Board expenses | 14 | 1,831,500.00 | 822,000.00 |
| Depreciation and amortization expense | 15 | 5,032,447.00 | 6,260,991.00 |
| Repairs and maintenance | 16 | 885,570.00 | 154,290.00 |
| Covid -19 | 17 | 16,120.00 | 900,000.00 |
| Farm expenses | 28 | 562,040.00 | 0.00 |
| Land expenses | | 966,240.00 | 0.00 |
| Total expenses | | 56,282,971.00 | 32,305,050.00 |
| Net surplus/ deficit for the year | | 12,725,788.00 | (16,921,208.00) |

The notes set out on pages 8 to 37 form an integral part of the Annual Financial Statements.

The Financial Statements set out on pages 1 to 7 were signed on behalf of the College Board of Management by:


.....

Prof. Moses K. Limo
Chairman of Board of Governors


.....

David C. Maiyo
Finance Officer
ICPAK No.


.....

Lorraine Mukoya
Chief Principal/Secretary to the Board

Date: 11/5/2023

Date: 11/5/2023

Date: 11/5/2023

Moi Teachers College- Baringo
Annual Report and Financial Statements for the year ended 30th June 2022

XIV. Statement of Financial Position as at 30 June 2022

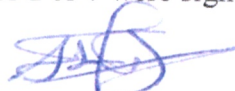
| | Notes | 2021-2022 | 2020-2021 |
|---|-------|----------------------|----------------------|
| | | Kshs | Kshs |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 18 | 11,095,970.00 | 6,381,425.00 |
| Current Receivables from exchange transactions | 19 | 1,927,065.00 | 1,321,753.00 |
| Receivables from non-exchange transactions | 20 | 0.00 | 5,395,790.00 |
| Inventories | 21 | 2,054,135.00 | 1,060,296.00 |
| | | 15,077,170.00 | 14,159,264.00 |
| Non-current assets | | | |
| Long term receivables from exchange transactions | 19b | 18,938,647.00 | 0.00 |
| Property, plant and equipment | 22 | 60,307,319.00 | 27,525,525.00 |
| | | 79,245,966.00 | 27,525,525.00 |
| Total assets | | 94,323,136.00 | 41,684,789.00 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables from exchange transactions | 23 | 4,409,186.00 | 5,574,043.00 |
| Refundable deposits from customers | 24 | 70,270.00 | 15,000.00 |
| Prepayments | | 0.00 | 11,167,656.00 |
| | | 4,479,456.00 | 16,756,699.00 |
| | | 89,843,680.00 | 24,928,090.00 |
| Non-Current Liabilities | | | |
| Total Liabilities | | | |
| Net Assets | | | |
| Accumulated Fund | 27 | 17,714,031.00 | 1,988,243.00 |
| Capital Fund | 26 | 66,316,658.00 | 22,939,847.00 |
| Total net assets and liabilities | | 84,030,689.00 | 24,928,090.00 |

The Financial Statements set out on pages 1 to 7 were signed by:



Prof. Moses K. Limo
Chairman of Board of Governors

Date: 11/5/2022



David C. Maiyo
Finance Officer

ICPAK No.
Date: 11/5/2022


CHIEF PRINCIPAL
MOI TEACHERS COLLEGE - BARINGO
P.O. BOX 219-30400, KABARNET

Lorraine Mukoya
Chief Principal/Secretary to the Board

Date: 11/5/2022

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

| Description | Revaluati on reserve | Fair value adjustment reserve | Retained earnings | Capital/ Development Grants/Fund | Total |
|--|-------------------------|-------------------------------------|----------------------|--|--------------|
| At July 1, 2021 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| At June 30, 2022 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| At July 1, 2021 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Capital/development grants received during the year | 0.00 | 0.00 | 0.00 | 2,500,000.00 | 2,500,000.00 |
| At June 30, 2022 | 0.00 | 0.00 | 0.00 | 2,500,000.00 | 2,500,000.00 |

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

| | | 2021-2022 | 2020-2021 |
|--|------|-----------------------|------------------------|
| | Note | Kshs | Kshs |
| Cash flows from operating activities | | | |
| Receipts | | | |
| Transfers from other National Government entities | 6 | 20,351,821.00 | 5,395,788.00 |
| Transfers from other levels of government | 7 | 1,209,874.00 | 0.00 |
| Rendering of services- Fees from students | 8 | 39,926,440.00 | 2,701,848.00 |
| Sale of goods | 9 | 158,635.00 | 158,250.00 |
| Rental revenue from facilities | 10 | 722,475.00 | 1,004,105.00 |
| Other income | 11 | 4,486,329.00 | 728,061.00 |
| Total Receipts | | 66,855,574.00 | 9,988,052.00 |
| Payments | | | |
| Use of goods and services | 12 | 30,032,994.00 | 6,778,784.00 |
| Compensation of employees | 13 | 16,956,060.00 | 17,388,985.00 |
| Board expenses | 14 | 1,831,500.00 | 822,000.00 |
| Repairs and maintenance | 16 | 885,570.00 | 154,290.00 |
| Covid-19 | 17 | 16,120.00 | 900,000.00 |
| Farm expenses | | 562,040.00 | 0.00 |
| Land expenses | | 966,240.00 | 0.00 |
| Total payments | | 51,250,524.00 | 26,044,059.00 |
| Net cash flows from operating activities | | 15,605,050.00 | (16,056,007.00) |
| Less adjustment of items not involving movement of cash | | | |
| Depreciation and amortization expense | 15 | 5,032,447.00 | 6,260,991.00 |
| | | 10,572,603.00 | (9,795,016.00) |
| Movement in working capital | | | |
| Increase/Decrease in receivables | | (605,312.00) | 948,111.00 |
| Increase/Decrease in inventory | | (993,839.00) | 448,541.00 |
| Increase in trade payables | | 4,372,790.00 | 369,045.00 |
| Changes in working capital | | 2,773,639.00 | 1,765,697.00 |
| cash flow from investing activities | | | |
| Purchase of assets | 22 | (1,414,240.00) | (4,984,902.00) |
| Net cash flow from investing activities | | (1,414,240.00) | (4,984,920.00) |
| Cash flow from financing activities | | | |
| Development funds | | 0.00 | 0.00 |
| Net cash flows used in financing activities | | | 0.00 |
| Net increase/(decrease) in cash and cash equivalents | | 11,932,002.00 | (13,014,239.00) |
| Cash and cash equivalents as at 1 July 2021 | | 6,381,425.17 | 18,293,729.17 |

| | | | |
|--|----|---------------|--------------|
| Cash and cash equivalents as at 30 June 2022 | 18 | 11,095,970.17 | 6,381,425.17 |
|--|----|---------------|--------------|

Moi Teachers College- Baringo

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

The Financial Statements set out on pages 1 to 7 were signed by:

MKLimo

Prof. Moses K. Limo
Chairman of Board of Governors

Date... 11/5/2022

[Signature]

David C. Maiyo
Finance Officer

ICPAK No.
Date... 11/5/2022

CHIEF PRINCIPAL
MOI TEACHERS COLLEGE - BARINGO
P.O. BOX 30400, KABARNET

Lorraine Mukoya
Chief Principal/Secretary to the Board

Date... 11/5/2022

Moi Teachers College- Baringo

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

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

| Description | Original budget | Adjustments | Final budget | Actual on comparable basis | Performance difference | Utilization Difference |
|--|-------------------|-------------|-------------------|----------------------------|------------------------|------------------------|
| | 2021-2022 | 2021-2022 | 2021-2022 | 2021-2022 | 2021-2022 | 2021-2022 |
| Revenue | Kshs | Kshs | Kshs | Kshs | Kshs | % |
| Transfers from other govt entities and govt grants | 16,346,520 | (1,363,720) | 14,982,800 | 14,956,031 | (26,769) | 1% |
| Rendering of services- Fees from students | 12,182,898 | 26,876,820 | 39,059,718 | 41,722,155 | 2,662,437 | 6% |
| Sale of milk | 250,536 | 0.00 | 250,536 | 384,755 | 134,219 | 47% |
| Other Income | 174,000.00 | 0.00 | 174,000 | 4,486,329 | 4,312,329 | |
| Rental income | 1,042,800 | 0.00 | 1,042,800 | 853,825 | (188,975) | 18% |
| Total income | 29,996,754 | | 55,509,854 | 62,403,095 | | |
| Expenses | | | | | | |
| Transfers from other govt entities and govt grants | 16,346,520 | (1,363,720) | 14,982,800 | 16,956,060 | (1,973,260) | 13% |
| Rendering of services- Fees from students | 12,182,898 | 26,876,820 | 39,059,718 | 30,032,994 | 9,026,724 | 23% |
| Farm expenses | 250,536 | 0.00 | 250,536 | 562,040 | (311,504) | 12.4% |
| Rental income | 1,042,800 | 0.00 | 1,042,800 | 0 | 1,042,800 | |
| Board expenses | | | | 1,831,500 | | |
| Repairs and maintenance | | | | 885,570 | | |
| Covid-19 response | | | | 16,120 | | |
| Land expenses | | | | 966,240 | | |
| Total expenditure | 29,996,754 | | 55,509,854 | 51,250,524 | | |

XVIII. Notes to the Financial Statements

1. General Information

Moi Teachers College-Baringo is established by and derives its authority and accountability from Basic Education Act, 2013. The College is wholly owned by the Government of Kenya and is domiciled in Kenya. The College principal activity is training teachers.

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 College's 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.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of Moi Teachers College-Baringo.

The financial statements have been prepared in accordance with the Public Finance Management Act, the State Corporations Act, 2004, the Basic Education Act, 2013 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

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

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

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

MOI TEACHERS COLLEGE-BARINGO

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

| | |
|--|---|
| | (b) The key features of the operation of those social benefit schemes; and 2020) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows. |
| Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments | Applicable: 1st January 2023: <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. <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> |
| Other improvements to IPSAS | Applicable 1st January 2023 <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023. |
| IPSAS 43 | Applicable 1st January 2025 <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> |
| IPSAS 44: Non- Current Assets Held for Sale and | Applicable 1st January 2025 <p>The Standard requires,</p> |

MOI TEACHERS COLLEGE-BARINGO

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

| | |
|-------------------------|--|
| Discontinued Operations | Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. |
|-------------------------|--|

iii. Early adoption of standards

The Moi Teachers College-Baringo did not early-adopt any new or amended standards in year 2022.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

ii) Revenue from exchange transactions

Rendering of services

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

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

Sale of goods

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

Interest income

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

Dividends

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

a) Revenue recognition

ii) Revenue from exchange transactions

Rental income

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

b) Budget information

The original budget for FY 2021/2022 was approved by the Board on **28/06/2022**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of **Kshs. 26,876,820/=** on the FY 2021/2022 budget following the Board's approval.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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

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

c) Taxes

Current income tax

The entity is exempt from paying taxes as per Income tax Act Cap.470.

Sales tax/ Value Added Tax

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

- i) 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.
- ii) When receivables and payables are stated with the amount of sales tax included.

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

d) Investment property

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

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

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

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

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

MOI TEACHERS COLLEGE-BARINGO

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

The annual depreciation applied on reducing balance basis are:

| Asset | Motor Vehicles | Furniture and Fittings | Computers | Books | Plant and Equipment |
|--------------|-----------------------|-------------------------------|------------------|--------------|----------------------------|
| | 25% | 12.5% | 30% | 25% | 12.5% |

In addition, financial year ended 30 June 2022; the college had the following assets which had not been valued

Land 53 acres estimated at Kshs. 700,000.00 per acre

Buildings: Hostels
Classrooms
Kitchen
Dining hall

Staff quarters - 4 Bedroomed house (1 blocks)

-3 Bedroomed houses (8 blocks)

-2 Bedroomed houses (24 blocks)

-Flats (8 blocks)

N/B: Buildings 2.5% (useful life of 40 years-straight line method)

Land appreciates in value, thus not depreciated.

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

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

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

g) Intangible assets

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

h) Research and development costs

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

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

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

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

i) Financial instruments

Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or an entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the

initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

4 Summary of Significant Accounting Policies

i) Financial instruments

Financial assets

Impairment of financial assets

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

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

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

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

j) Inventories

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

MOI TEACHERS COLLEGE-BARINGO

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

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

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

Inventories (Continued)

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

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

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

k) Provisions

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

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

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

Contingent liabilities

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

Contingent assets

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and

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the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

l) Nature and purpose of reserves

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

m) Changes in accounting policies and estimates

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

n) Employee benefits

Retirement benefit plans

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

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

o) Foreign currency transactions

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

p) Borrowing costs

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

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

4 Summary of Significant Accounting Policies

q) Related parties

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

r) Service concession arrangements

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

s) Cash and cash equivalents

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

t) Comparative figures

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

u) Subsequent events

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

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

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

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

Provisions

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

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

Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

| Description | 2021-2022 | 2020-2021 |
|--|----------------------|----------------------|
| | KShs | KShs |
| Unconditional grants | | |
| Receipts b/f from 2020-2021 fy | 5,395,790.00 | 0.00 |
| Operational grants | 12,456,031.00 | 10,791,578.00 |
| Conditional Grants | 0.00 | 0.00 |
| Hostel Grant | 2,500,000.00 | 0.00 |
| Total Government Grants and Subsidies | 20,351,821.00 | 10,791,578.00 |

7. Transfers from Other Levels of Government

| Description | 2021-2022 | 2020-2021 |
|---------------------------------|---------------------|-------------|
| | Kshs | Kshs |
| Bal brought forward | 9,874.00 | 0.00 |
| Transfer from County of Baringo | 1,200,000.00 | 0.00 |
| Total Transfers | 1,209,874.00 | 0.00 |

8. RENDERING OF SERVICES

| Description | 2021-2022 | 2020-2021 |
|---------------------------------------|---------------|------------|
| | KShs | KShs |
| Tuition ,equipment and stores | 2,069,140.00 | 70,102.00 |
| Activity fees | 1,057,446.00 | 249,686.00 |
| Boarding equipment and stores | 12,430,285.00 | 475,460.00 |
| Repairs, maintenance and improvements | 1,944,185.00 | 62,657.00 |
| Local Transport and Travelling | 1,546,729.00 | 297,151.00 |
| Electricity, water and conservancy | 1,953,036.00 | 235,857.00 |
| Medical fees | 312,413.00 | 21,472.00 |
| Examination fees | 4,694,859.00 | 850,300.00 |
| Motor vehicle repairs/Replacement | 2,060,883.00 | 52,377.00 |
| Insurance | 0.00 | 49,114.00 |
| Administration cost | 1,100,156.00 | 51,758.00 |
| Teaching practice | 1,203,516.00 | 77,716.00 |
| Computer studies | 1,841,208.00 | 109,991.00 |
| Rehabilitation fund | 0.00 | 98,207.00 |
| Gratuity fund | 649,285.00 | 0.00 |
| Student governance | 237,198.00 | 0.00 |
| Personal emoluments subsidy | 2,278,806.00 | 0.00 |
| Track suits | 1,142,800.00 | 0.00 |

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| | | |
|---|----------------------|---------------------|
| Student ID's | 144,600.00 | 0.00 |
| Club and environmental subsidy | 481,396.00 | 0.00 |
| Hockey stick | 508,000.00 | 0.00 |
| Library books | 170,000.00 | 0.00 |
| Set book show | 68,000.00 | 0.00 |
| College Magazine | 51,000.00 | 0.00 |
| Student guide book | 34,000.00 | 0.00 |
| Lesson plan books | 576,000.00 | 0.00 |
| Covid -19 | 913,325.00 | 0.00 |
| Bank charges | 119,550.00 | 0.00 |
| Registration | 97,200.00 | 0.00 |
| KNEC Assessment | 241,424.00 | 0.00 |
| Arrears 2021-2022fy | 1,795,715.00 | 0.00 |
| Total revenue from the rendering of services | 41,722,155.00 | 2,701,848.00 |

Rendering of services: Income relates to fees paid by students as determined by the Ministry of Education. During the year under review, the college had three categories of students AS follows:

- i) **Diploma in Primary Teacher Education (DPTE) each paying Kshs.76, 622.00 per year.**
- ii) **Diploma in Early Childhood Education (DECTE) each paying Kshs.76, 622.00 per year.**
- iii) **PI Upgrading students -321 students each paying Kshs.81, 935.00 per year.**

9. SALE OF GOODS

| Description | 2021-2022 | 2020-2021 |
|---|-------------------|-------------------|
| | Kshs | Kshs |
| Sale of milk | 158,635.00 | 158,250.00 |
| Outstanding from sale of milk | 226,120.00 | 0.00 |
| Total revenue from sale of goods | 384,755.00 | 158,250.00 |

The college rears dairy cows. The income is from sale of milk.

10. RENTAL REVENUE FROM FACILITIES AND EQUIPMENT

| Description | 2021-2022 | 2020-2021 |
|--------------------------|-------------------|---------------------|
| | Kshs | Kshs |
| Rental fees | 722,475.00 | 1,004,105.00 |
| Arrears for 2021-2022 FY | 131,350.00 | |
| Total rentals | 853,825.00 | 1,004,105.00 |

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The college has staff quarters within the college compound. The houses are categorized as below with respective charges per house.

| | |
|--------------------------------|----------|
| 4 bedroomed house -1..... | 3,450.00 |
| 3 bedroomed houses-8..... | 3,050.00 |
| 2 bedroomed houses-24..... | 2,250.00 |
| 2bedroomed houses flats-9..... | 900.00 |

11. OTHER INCOME

| Description | 2021-2022 | 2020-2021 |
|----------------------------------|---------------------|-------------------|
| | Kshs | Kshs |
| Income from sale of tender forms | 32,000.00 | 0.00 |
| Hire of bus | 505,720.00 | 133,294.00 |
| Disposal of idle assets | 81,200.00 | 389,850.00 |
| Graduation fee | 903,437.00 | 204,917.00 |
| CBC Workshop | 236,600.00 | 0.00 |
| Sundry debtors | 2,727,372.00 | 0.00 |
| Total other income | 4,486,329.00 | 728,061.00 |

12. USE OF GOODS AND SERVICES

| Description | 2021-2022 | 2020-2021 |
|------------------------------------|----------------------|---------------------|
| | Kshs | Kshs |
| Tuition ,equipment and stores | 2,355,302.00 | 592,480.00 |
| Activity fees | 1,262,658.00 | 0.00 |
| Boarding equipment and stores | 10,204,307.00 | 2,656,342.00 |
| Local Transport and Travelling | 2,994,438.00 | 1,238,785.00 |
| Electricity, water and conservancy | 2,593,707.00 | 972,918.00 |
| Medical fees | 180,694.00 | 50,778.00 |
| Examination fees | 5,283,900.00 | 850,300.00 |
| Motor vehicle repairs/Insurance | 968,524.00 | 154,420.00 |
| Insurance | 0.00 | 124,185.00 |
| Administrative cost | 1,027,560.00 | 138,576.00 |
| Teaching practice | 9,250.00 | 0.00 |
| Computer studies/Internet expenses | 1,314,514.00 | 0.00 |
| Graduation fee | 387,640.00 | 0.00 |
| Code of regulations | 95,000.00 | |
| Students Tracksuits | 981,200.00 | |
| Student guide book | 95,000.00 | |
| Student ID's | 125,000.00 | |
| Performance contract expenses | 12,000.00 | |
| Community meetings (CSR) | 81,500.00 | |
| Seminars expenses | 60,800.00 | |
| Total goods and services | 30,032,994.00 | 6,778,784.00 |

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13. EMPLOYEE COSTS

| | 2021-2022 | 2020-2021 |
|-----------------------|----------------------|----------------------|
| | Kshs | Kshs |
| Salaries and wages | 12,018,240.00 | 11,941,440.00 |
| Hardship allowance | 2,714,400.00 | 2,714,400.00 |
| Medical allowance | 343,620.00 | 343,620.00 |
| House allowance | 1,762,200.00 | 1,762,200.00 |
| Employer NSSF | 117,600.00 | 117,600.00 |
| Gratuity | 0.00 | 509,725.00 |
| Employee costs | 16,956,060.00 | 17,388,985.00 |

14. BOARD ALLOWANCES

| | 2021-2022 | 2020-2021 |
|----------------------------------|---------------------|-------------------|
| | Kshs | Kshs |
| Board allowances | 925,500.00 | 822,000.00 |
| Board induction | 906,000.00 | |
| Total director emoluments | 1,831,500.00 | 822,000.00 |

15. DEPRECIATION AND AMORTIZATION EXPENSE

| Description | 2021-2022 | 2020-2021 |
|--|---------------------|---------------------|
| | Kshs | Kshs |
| Property, plant and equipment | 5,032,447.00 | 6,260,991.00 |
| Total depreciation and amortization | 5,032,447.00 | 6,260,991.00 |

16. REPAIRS AND MAINTENANCE

| Description | 2021-2022 | 2020-2021 |
|--------------------------------------|-------------------|-------------------|
| | KShs | KShs |
| Repairs of Hostels | 0.00 | 84,290.00 |
| Fencing | 127,460.00 | 70,000.00 |
| Footbridge | 181,385.00 | 0.00 |
| Facia board | 211,055.00 | 0.00 |
| Property | 315,670.00 | 0.00 |
| Furniture and fittings | 50,000.00 | 0.00 |
| Total Repairs and Maintenance | 885,570.00 | 154,290.00 |

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17. COVID-19

| Description | 2021-2022 | 2020-2021 |
|-----------------------|------------------|-------------------|
| | KShs | KShs |
| Covid-19 expenses | 16,120.00 | 900,000.00 |
| Total expenses | 16,120.00 | 900,000.00 |

18. CASH AND CASH EQUIVALENTS

| Description | 2021-2022 | 2020-2021 |
|--|----------------------|---------------------|
| | Kshs | Kshs |
| Current account | 8,303,971.22 | 3,342,976.22 |
| Savings account | 2,791,343.95 | 3,034,798.95 |
| cash in hand | 655.00 | 3,650.00 |
| Total cash and cash equivalents | 11,095,970.17 | 6,381,425.17 |

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

| Financial institution | Account number | 2021-2022 | 2020-2021 |
|---------------------------|----------------|----------------------|------------------------|
| | | Kshs | Kshs |
| a) Current account | | | |
| Kenya Commercial bank | 1103641743 | 4,061,540.57 | 3,212,692.57 |
| Kenya Commercial bank | 1103641816 | 396,322.65 | 94,525.65 |
| Kenya Commercial bank | 1232908398 | 136,486.00 | 35,758.00 |
| Kenya Commercial bank | 1296052168 | 2,499,748.00 | 0.00 |
| Kenya Commercial bank | 1296179729 | 1,209,874.00 | 0.00 |
| | | 8,303,971.22 | 3,342,976.22 |
| Savings account | | | |
| Kenya Commercial bank | 1107906423 | 2,791,343.95 | 3,034,798.95 |
| Sub- total | | 2,791,343.95 | 6,377,775.17.00 |
| b) Others(specify) | | | |
| cash in hand | | 655.00 | 3,650.00 |
| Grand total | | 11,095,970.17 | 6,381,425.07 |

19. Receivables from Exchange transactions**a) Current Receivables from Exchange transactions**

| Description | 2021-2022 | 2020-2021 |
|----------------------------------|---------------------|---------------------|
| | Kshs | Kshs |
| Current receivables | | |
| Student debtors | 1,795,715.00 | 1,115,403.00 |
| Rent debtors | 131,350.00 | 206,350.00 |
| Total current receivables | 1,927,065.00 | 1,321,753.00 |

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b) Long-term Receivables from Exchange transactions

| Description | 2021-2022 | 2020-2021 |
|--|----------------------|------------------|
| | Kshs | Kshs |
| Non- Current receivables | | |
| Sundry debtors –Regular students 1993-2022 | 8,215,513.00 | 0.00 |
| Sundry debtors-school based students 2016-2020 | 6,474,562.00 | 0.00 |
| Sundry debtors-ECDE | 4,248,572.00 | 0.00 |
| Total Non-current receivables | 18,938,647.00 | 0.00 |

20. Receivables from Non- Exchange Transactions**Current Receivables from Exchange Transactions**

| Description | 2021-2022 | 2020-2021 |
|-------------------------------------|------------------|---------------------|
| | Kshs | Kshs |
| Current receivables | | |
| Transfers from other govt. entities | 0.00 | 5,395,790.00 |
| Total current receivables | 0.00 | 5,395,790.00 |

21. INVENTORIES

| Description | 2021-2022 | 2020-2021 |
|--|---------------------|---------------------|
| | Kshs | Kshs |
| Boarding Equipment stores | 1,028,624.00 | 214,612.00 |
| Maintenance stores | 27,720.00 | 64,517.00 |
| Teaching Equipment stores | 855,639.00 | 738,424.00 |
| Electrical stores | 32,130.00 | 20,750.00 |
| Medical stores (Health unit stores) | 23,072.00 | 21,993.00 |
| Farm stores | 86,950.00 | 0.00 |
| Total inventories at the lower of cost and net realizable value | 2,054,135.00 | 1,060,296.00 |

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22. Property, Plant And Equipment

| Asset | LAND | BUILDING | Motor Vehicles | Furniture and Fittings | Computers | Books | Plant and Equipment | New kitchen | Totals |
|-----------------------------|------------|----------|----------------|------------------------|-----------|-----------|---------------------|-------------|------------|
| | | | | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs |
| As at 1st July 2021 | 36,400,000 | | 9,608,672 | 1,621,638 | 3,236,821 | 1,415,939 | 6,770,816 | 4,871,640 | 63,925,526 |
| | | | - | - | - | - | - | - | |
| Additions | | 966240 | - | - | 448,000 | - | - | - | 1,414,240 |
| As at 30 June 2021 | 36,400,000 | 966240 | 9,608,672 | 1,621,638 | 3,684,821 | 1,415,939 | 6,770,816 | 4,871,640 | 65,339,766 |
| Depreciation for the year | | | 2,402,168 | 202,705 | 1,105,446 | 353,985 | 846,352 | 121,791 | 5,032,447 |
| Net Book Value 30 June 2022 | 36,400,000 | 966240 | 4,804,343 | 1,216,228 | 1,608,328 | 707,969 | 5,078,112 | 4,749,849 | 60,307,319 |

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23. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

| Description | 2021-2022 | 2020-2021 |
|---------------------------------------|---------------------|----------------------|
| | KShs | KShs |
| Trade payables | 1,201,253.00 | 5,574,043.00 |
| Fees paid in advance | 3,207,933.00 | 11,167,656.00 |
| Total trade and other payables | 4,409,186.00 | 16,741,699.00 |

24. REFUNDABLE DEPOSITS FROM CUSTOMERS/STUDENTS

| Description | 2021-2022 | 2020-2021 |
|-----------------------|------------------|------------------|
| | KShs | KShs |
| Fees refund | 70,270.00 | 15,000.00 |
| Total deposits | 70,270.00 | 15,000.00 |

25. NET CASH FLOW FROM OPERATING ACTIVITIES

| Description | 2021-2022 | 2020-2021 |
|-----------------------|----------------------|-----------------------|
| | KShs | KShs |
| Surplus/deficit | 12,725,788.00 | (16,056,007.00) |
| Add depreciation | 5,032,447.00 | 6,260,991.00 |
| Total deposits | 17,758,235.00 | (9,795,016.00) |

26. Capital Fund

| Description | 2021-2022 | 2020-2021 |
|--|----------------------|----------------------|
| | KShs | KShs |
| Capital fund brought forward as at 1 st July,2021 | 28,502,418.00 | 28,502,418.00 |
| Land value (estimate) | 36,400,000.00 | |
| Additional land and projectors | 1,414,240.00 | |
| Total deposits | 66,316,658.00 | 28,502,418.00 |

27. Accumulated Fund

| Description | 2021-2022 | 2020-2021 |
|---|----------------------|---------------------|
| | KShs | KShs |
| Balance brought forward as at 1 st July,2021 | 4,988,243.00 | 21,909,451.00 |
| Surplus/(deficit) for the year | 12,725,788.00 | (16,921,208.00) |
| Total deposits | 17,714,031.00 | 4,988,243.00 |

28. College Farm Expenses

| Description | 2021-2022 | 2020-2021 |
|----------------------------|-------------------|------------------|
| | Kshs | Kshs |
| Farm Expenses | 562,040.00 | 0.00 |
| Total Farm Expenses | 562,040.00 | 0.00 |

28. EMPLOYEE BENEFIT OBLIGATIONS

Retirement benefit Asset/ Liability

Moi Teachers College-Baringo contributes to the National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The College's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at ksh.400 per employee per month.

29. Financial Risk Management

The College's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The college's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The college 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 college has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

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

30. Financial Risk Management

(i) Credit risk

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

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

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.

31. Financial Risk Management

(iii) Market risk

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

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

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

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

a) Foreign currency risk

The College has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

The entity manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

32. FINANCIAL RISK MANAGEMENT (Continued)

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 company'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.

33. FINANCIAL RISK MANAGEMENT

(iii) Market risk

b) Interest rate risk

Sensitivity analysis

The entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

(iv) **Capital Risk Management**

The objective of the College's capital risk management is to safeguard the entity's ability to continue as a going concern.

34. RELATED PARTY BALANCES

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder of the Moi Teachers College-Baringo, holding 100% of the College's equity interest. The Government of Kenya has provided full

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guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

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

35. Segment Information

Moi Teachers College-Baringo does not operate in different geographical regions or departments

36. Contingent Assets And Contingent Liabilities

In the financial year under review the college had no contingent asset and the subsequent years.

Contingent Liabilities

In the financial year under review the college had no contingent liability and the subsequent years.

37. Events After The Reporting Period

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

38. Ultimate And Holding Entity

Moi Teachers College-Baringo is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

39. Currency

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

MOI TEACHERS COLLEGE-BARINGO

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

Appendix 1: Implementation Status of Auditor-General Recommendations

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

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|--|---|-----------------------------------|--|
| 1 | Accuracy and completeness of Property, plant and Equipment | Process of Valuation is on-going. The college did a request letter to Ministry of Lands, Public works, Housing and Urban Development and response letter received on 3 rd April, 2023. | On-going. | By 30 th June, 2023. |
| 2 | Unsupported prepayments balance | The management provided a detailed schedule showing the amount paid by each student. | Resolved | |
| 3 | The cash flow statement | The management was implementing IPSAS accrual system of accounting in 2020/2021 financial and being first time adoptors did not have 2019/2020 comparative figures | Resolved | |
| | Other matters | | | |
| 1 | Lack of a Risk Management policy | The management operationalized the Risk Management Committee and policy developed. | Resolved | |
| 2 | Lack of Audit Committee meetings | <i>The management ensured the committee meets at least 4 times every financial year as required by the</i> | | |

MOI TEACHERS COLLEGE-BARINGO

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

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|-----------------------------------|---|-----------------------------------|--|
| | | <i>Education act,2013 so as to perform its duties as prescribed under Regulation 175 of the PFM Regulations, 2015 in ensuring proper oversight structures over the functions of the entity.</i> | | |

Guidance Notes:

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

Lorraine Mukoya

Chief Principal/Secretary to the Board

Signature.....



CHIEF PRINCIPAL
MOI TEACHERS COLLEGE - BARINGO
 P.O. BOX 348-30400, KABARNET

Date 29th Sept.2022.

MOI TEACHERS COLLEGE-BARINGO

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Appendix II: Projects Implemented by the Moi Teachers College-Baringo

Projects

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

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

During the financial year 2022, there was no project funded by the state corporation.

Status of Projects completion

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

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

MOI TEACHERS COLLEGE-BARINGO

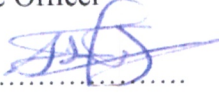
Annual Report and Financial Statements for the year ended 30 June 2022

APPENDIX III: INTER-ENTITY TRANSFERS

| | | | | |
|---|---------------------|-------------------------------------|--|--|
| | ENTITY NAME: | MOI TEACHERS COLLEGE-BARINGO | | |
| Break down of Transfers from the State Department of | | | | |
| Financial Year 2020-2021 | | | | |
| | | | | |
| | | | | |

During the year under review, there was no inter entity transfers and therefore no amounts were communicated and reconciled with the Ministry of Education.

David C. Maiyo
Finance Officer

Sign.....

Lorraine Mukoya
Chief Principal/Secretary to the Board

Sign.....


MOI TEACHERS COLLEGE-BARINGO

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

APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

| Name of the MDA/Donor Transferring the funds | Date received | Nature: Recurrent/Development/Others | Total Amount - Kshs | Where Recorded/recognized | | |
|--|-----------------------|--------------------------------------|----------------------|------------------------------------|--------------|---------------------------------|
| | as per bank statement | | | Statement of Financial Performance | Capital Fund | Total Transfers during the Year |
| Ministry of Education | 7/7/2021 | Recurrent | 2,697,895.00 | Statement of Financial Performance | | |
| Ministry of Education | 7/7/2021 | Recurrent | 2,697,895.00 | Statement of Financial Performance | | |
| Ministry of Education | 18/10/2021 | Recurrent | 2,132,262.00 | Statement of Financial Performance | | |
| Ministry of Education | 2/11/2021 | Development | 2,500,000.00 | Statement of Financial Performance | | |
| Ministry of Education | 18/1/2022 | Recurrent | 2,342,615.00 | Statement of Financial Performance | | |
| Ministry of Education | 23/06/2022 | Recurrent | 4,025,856.00 | Statement of Financial Performance | | |
| Ministry of Education | 23,06,2022 | Recurrent | 3,955,298.00 | Statement of Financial Performance | | |
| Total Kshs | | | 20,351,821.00 | | | |

