

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*



**REPORT**

NATIONAL ASSEMBLY  
PAPERS LAID

12 OCT 2023

DAY: THURS  
12/10/2023

**OF**

Hon - Owen Bayo, mp  
Deputy leader, majority  
Ashubuko

**THE AUDITOR-GENERAL**

**ON**

**KERICHO TEACHERS TRAINING COLLEGE**

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

OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
REGISTRY

26 JUL 2023

RECEIVED



---

**KERICHO TEACHERS TRAINING COLLEGE**

**AMENDED ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

---

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

## Table of Contents

1.	TABLE OF CONTENTS.....	i
1.	KEY KERICHO TEACHERS INFORMATION AND MANAGEMENT .....	iii
	The college purpose.....	iii
	Core Mandate of Kericho T.T.C.....	iii
	The college Motto .....	iii
	Vision statement.....	iii
	Mission statement .....	iii
	Philosophy statement .....	iii
	The college core values/ guiding principles.....	iii
	KEY KERICHO TEACHERS COLLEGE INFORMATION AND MANAGEMENT (Continued).....	vii
2.	THE BOARD OF MANAGEMENT TEAM.....	viii
3.	CHAIRMAN'S STATEMENT .....	x
4.	REPORT OF THE PRINCIPAL.....	xi
3.	STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES .....	xii
5.	CORPORATE GOVERNANCE STATEMENT .....	xiii
6.	MANAGEMENT DISCUSSION AND ANALYSIS.....	xiii
7.	CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING .....	xiv
8.	REPORT OF THE BOARD OF MANAGEMENT .....	xvi
9.	STATEMENT OF BOARD OF MANAGEMENT RESPONSIBILITIES .....	xviii
10.	STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30JUNE 2022.....	1
11.	STATEMENT OF FINANCIAL POSITION AS AT 30JUNE 2022.....	2
12.	STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30JUNE 2022.....	4
13.	STATEMENT OF CASH FLOWS IN NET ASSETS FOR THE ENDED 30JUNE 2022.....	5
14.	STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT FOR THE YEAR ENDED 30JUNE 2022 .....	8
15.	NOTES TO THE FINANCIAL STATEMENTS.....	10

# **1. KEY KERICHO TEACHERS INFORMATION AND MANAGEMENT**

## **(a) Background information**

Kericho Teachers' Training College was established under the Basic Education Act 2013. The College is domiciled in Kenya and is under the Ministry of Education.

## **(b) Principal Activities**

### **The college purpose**

To provide quality and transformative education and training.

### **Core Mandate of Kericho T.T.C**

Kericho T.T.C was established through the Education Act of 1968. The college is mandated to carry out the following responsibilities:

- To train teachers.
- To carry out co-curriculum activities.
- To instil discipline.
- To award and present certificates

### **The college Motto**

Kericho T.T.C's motto is "Elimisha wajielimisha".

### **Vision statement**

A model institution in the training and development of competent and Multi-skilled teachers.

### **Mission statement**

To provide quality training and equip teachers with practical and theoretical knowledge, skills and positive attitudes for professional competence and integrity to meet the needs of a dynamic society.

### **Strategic Objectives**

- a) To train and develop competent and multi-skilled teachers.
- b) To expand training opportunities and enhance discipline.
- c) To develop and maintain quality infrastructure.
- d) To ensure compliance with the established quality assurance standards in education and training and enhance research and consultancy.
- e) To increase the efficiency and effectiveness of human resource.
- f) To ensure prudent utilization of resources and fully embrace the use of ICT.

### **Philosophy statement**

Excellence in teacher training and management.

### **The college core values/ guiding principles**

The college, in cognizant of the following values, will strive to achieve its goals as illustrated below:

#### **Customer focus**

It is a series of activities designed to deliver customer satisfaction based on the understanding of what the customer wants and needs. The management shall ensure that student requirements are met with an aim of enhancing their satisfaction, security and sustainability for instance teacher availability, improved infrastructure, access to information and effective complaint-handling process, transparency and accountability.

### **Integrity and ethics**

It is adherence to moral and ethical values. It means being true to ourselves and being honest, upright and decent in our dealing with others. It is consistency of actions, values, methods, measures, principles, expectations, and outcomes. Factors such as corruption, immorality, theft, poor time management and gossip are likely to affect the achievement of the college objectives. Kericho Teachers' Training College shall aspire to adapt to the above moral values to totally discourage concepts that may hinder the development of good morals.

### **Resilience**

It is the ability to withstand and cope with stress and challenges of all kinds. The college will ensure that human resource is able to utilize their skills and strengths to cope and recover from challenges encountered. The challenges such as corruption, procrastination, fear, misuse of college resources, negative attitude and rigidity are likely to hinder the achievements of institutional objectives.

### **Timeliness**

It refers to the principle where information is presented to the users in time to fulfil their decision making needs. The concepts of timeliness include meeting deadlines, security of information, mode of information delivery and feedback of information. The college will put measures that ensure timeliness is observed.

### **Teamwork**

It is a combined effort of a group of individuals towards achieving institutional objectives. It is a cooperative and coordinated effort on part of a group of persons acting together in the interest of a common cause. Feedback, responsibility, coordination, monitoring, communication, cooperation and shared objectives are components that the college aspires to achieve.

### **(c) Key Management**

- Board of Management
- Accounting officer/ Principal

**(d) Fiduciary Management**

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

S/N	Name	Designation
1	Ms. Elda P. Achungo	Chief Principal
2	Mr Fredrick Nyawanda	Deputy Principal
3	Mr John Bett	The Dean of Curriculum
4	Mr Geoffrey Ngeno	The Dean of Students
5	Mr Daniel Keter	Finance and Administrative Officer
6	Mr Evans Cheruiyot	Procurement Officer

**(e) Fiduciary Oversight Arrangements**

**1. FINANCE, PROCUREMENT AND GENERAL PURPOSE**

S/N	NAME	DESIGNATION
1	Mr.Peter Korir	Chairperson
2	Mr. Rasto Chepkwony	Member
3	Mr. Abdallah Bii	Member
4	Ms. Janet Langat	Member

**2. ACADEMIC STANDARDS, QUALITY AND ENVIRONMENT**

S/N	NAME	DESIGNATION
1	Prof. Charles Tibbs	Chairperson
2	Dr. Vicky Chepkorir	Member
3	Dr. Daniel Nyongesa	Member
4	Ms Lydia Sigilia	Member

### **3. DISCIPLINE, ETHICS AND INTEGRITY**

<b>S/N</b>	<b>NAME</b>	<b>DESIGNATION</b>
1	Ms Stellah Koech	Chairperson
2	Mr. Fredrick Nyawanda	Member
3	Mr. Joel Mitei	Member
4.	Mr.Abdallah Bii	Member

### **4. AUDIT**

<b>S/N</b>	<b>NAME</b>	<b>DESIGNATION</b>
1	Dr. Vicky Chepkorir	Member
2	Prof. Charles Tibbs	Chairperson
3	Dr. Joyce Kirui	Member
4	Dr. Daniel Nyongesa	Member

### **5. HUMAN RIGHTS AND STUDENT WELFARE**

<b>S/N</b>	<b>NAME</b>	<b>DESIGNATION</b>
1	Mr. Abdallah Bii	Chairperson
2	Ms. Stella Koech	Member
3	Prof. Charles Tibbs	Member
4	Dr.Vicky Chepkorir	Member

**KERICHO TEACHERS TRAINING COLLEGE**

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

**KEY KERICHO TEACHERS COLLEGE INFORMATION AND MANAGEMENT (Continued)**

**(f) KERICHO TEACHERS COLLEGE**

Kericho Town

**(g) KERICHO TEACHERS COLLEGE Contacts**

P.O. Box 10 – 20200 KERICHO

Telephone: (254)721457785

E-mail: kerichottc@yahoo.com

**(h) KERICHO TEACHERS COLLEGE- Bankers**










S/N	BANK NAME	BRANCH	ACCOUNT NUMBER	ACCOUNT TYPE
1	KCB BANK K LTD	KERICHO	1107170168	CURRENT
2	KCB BANK K LTD	KERICHO	1107169887	CURRENT
3	KCB BANK K LTD	KERICHO	1102279323	SAVINGS
4	KCB BANK K LTD	KERICHO	1215778686	CURRENT
5	KCB BANK K LTD	KERICHO	1102695270	SAVINGS

**(i) Principal Legal Adviser**

The State Counsel






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

**2. THE BOARD OF MANAGEMENT TEAM**

Category of persons	Name of persons	Gender	Photo	Highest Education Qualification	Professional Qualification	Current occupation	COUNTRY
Representatives of parents/local community	Dr .Joyce kirui	F		Phd	Health management	Lecturer kenya university	Kericho
	M/s Lydia chepkoech sigilai	F		Degree	B.Com	Business woman	Kericho
	Ms. Stella Koech	F		Degree	Lawyer	Advocate	Kericho
	Mr. Peter Korir	M		Masters	MBA	Managing Director Nyayo Tea Zone	Kericho
	Mr. Rasto Chepkwony	M		Masters	Masters in distrib. technology	Director – KEWASCO	Kericho
	Ms. Janet Langat	F		Masters	Master in Planning Management	Procurement Officer- Athi water Agency	Nairobi
One representative of Teaching staff	Mr.Fredrick Nyawanda	M		Degree	Tutor	Tutor	Vihiga
Three representative of sponsors	Dr. Charles Yugi Tibbs	M		Phd.	Lecturer	Lecturer MMUST	Kisumu
	Mr. Abdallah Cheruiyot	M		Degree	Lawyer	Deputy Director, legal services- National Commission for science, technology	Nairobi

**KERICHO TEACHERS TRAINING COLLEGE**

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

						and innovation	
	Dr.Vicky B.Chepkorir	F		Masters	Education	Asst. Director Kenya Water Towers Agency	Bomet
One person nominated by CEB	Mr. Sammy Kirui	M		Masters	MBA	General Manager, James Finlays(K) Ltd.	Kericho
One representatives with special interest group	Dr. Daniel Nyongesa	M		Masters	Medical Doctor	Consultant surgeon Kericho Referral Hospital	Bungoma
One representative of person with special needs	Joel Mitei	M		O-level	Certificate	Retired Telcom employee/ Farmer	Kericho
Principal/Secretary to the Board	Ms. Achungo E. P	F		Masters	Lecturer	Chief Principal	Kericho

### **3. CHAIRMAN'S STATEMENT**

Kericho Teachers' Training College share in the belief that with enabling environment, we can face future challenges in the field of teacher-training programs. With the right ingredients, we can leap forth to higher levels of educational, socio-cultural, economic and political development. We hope that in making this leap, students and teachers, policy and decision makers and others will find this Annual report and financial statements useful for future management of our day-to-day activities.

This report aims at streamlining the activities of Kericho T.T.C in the education sector to suit the 21<sup>st</sup> century education challenges. It underpins the pedagogies and sophisticated modern tools that learners and teachers can embrace during the teaching and learning sessions. The bottom-line is production of quality teachers who are able to deliver the Competence Based Curriculum (CBC) and the unique needs of our nation in the 21<sup>st</sup> century economy driven by relevant skills, knowledge and positive attitudes.

The Kenya Vision 2030 blue print recognizes human resource development as key to rapid development. Highly trained, yet flexible human resource that has the relevant knowledge and skills requires sustained and continuous learning and relearning of content developed in close consultation with industry players. Kericho T.T.C will continue to be guided in the implementation of its curriculum by the needs of industry and advances in knowledge in the world in general.

The vision of Board of Management (BoM), Administration and Stakeholders is to develop quality teachers and workforce required at various levels of our economy. Quality programs will be developed and given priority. The Board of Management (BoM) will address pertinent issues and craft policies and strategies appropriate for implementation of its planned activities.

#### **4. REPORT OF THE PRINCIPAL**

Kericho Teachers' Training College is a public college established in 1964 to provide quality teacher education, training, research and innovation for the advancement of individual and society.

Currently, it has over 850 students, 49 academic staff and 61 non-teaching staff.

All over the world, colleges have always been strategic national institutions whose developments have punctuated the advancement of nations with progressive economies. Such countries would not have developed as much as they have without allocating significant investment in teacher-preparedness. Education in Kenya is a costly investment and Kericho T.T.C is faced with scarcity of resources. The high cost of infrastructure development and equipment to adequately meet the requirements for quality education has made it difficult for any institution to be absolutely self-sufficient in meeting all its requirements.

Kericho Teacher's training College has actively participated in the implementation of the wider government of Kenya policies and the Vision 2030 Strategy among others. In this regard, the college embarked on reviewing its annual report and financial statement in tandem with new government policies and priorities in order to enhance efficiency and effectiveness in teacher training management program. This has been done in keeping with its vision statement "To be a leading developer of quality teachers for a dynamic society".

The college will endeavour to establish the basis for ensuring that efficient and effective services are delivered to Kenyans in line with the provisions of the Constitution of Kenya 2010 that enable innovativeness and adaptability of public services to the needs of the Constitution and by requiring Kericho T.T.C to adapt systems that it uses.

The Challenge for the college is therefore to develop and review its annual report and financial statements in line with its mandate, its Vision, National Government agenda, Vision 2030 Blue print and the "Big Four Initiatives" of the GOK; and to develop appropriate implementation of current Competence Based Curriculum that will anticipate infrastructural, social-cultural, economic, political and technological changes and identify relevant opportunities outside the traditional work practices. The development of this report has therefore become a priority if the college is to realize its strategic goals in line with the Basic Education Act of 2013.

The college envisage to engage the use of digital technologies and the internet, which are, potentially powerful enabling tools for educational change especially in implementing the new curriculum and reforms that will help expand access to education, strengthen the relevance of education to increasingly digital work place and raise educational quality among others, helping make teaching and learning into an engaging, active process connected to real life.

I expect a paradigm shift in curriculum and pedagogy, institutional readiness, teacher competencies and effectiveness, cost, equity and sustainability, among others.

I urge all stakeholders to join me in taking our institution to greater heights of success through implementation of this report and other relevant policies.

**3. 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.

Kericho Teachers Training College has 4 strategic pillars and objectives within current Strategic Plan for the Financial Year 2019- 2020. 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 safety and security in the college

Pillar 4: To enhance leadership and governance

Kericho Teachers Training college develops its annual work plans based on the above 4 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The college achieved its performance targets set for the FY 2021/212period for its 2 strategic pillars, as indicated in the diagram below:

<b>Strategic Pillar</b>	<b>Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
Pillar / 1	To enhance safety and security in the college			
	-Enhance fencing -Install modern security gadgets and programs	-Proper fence Kei-apple (Kayaba) Chain link -Gadgets (Biometric kit -Pass words) -Programs Receipts Delivery notes -Rumps -Doors and windows opening outside	- Demarcate - Type of fencing -Identify and fence - Frequent repairs - Install gadgets -Identify areas of sensitization -Resource persons - Fire drills	-Secure environment -Serene environment Improved skills in disaster management -Peaceful co-existence
Pillar / 2	To enhance leadership and governance			

	-Capacity build the Board of Management	-Good leadership and governance	Handbook Minutes Budget	- Meetings - Build capacity	Management skills -Motivated managers -Improved discipline -Efficient college management
--	---	---------------------------------	-------------------------------	--------------------------------	---

**5. CORPORATE GOVERNANCE STATEMENT**

The current Board of Management was appointed into office in 27<sup>th</sup> June, 2022 and upon appointment immediately took charge of their mandate to steer the college forward through application of best governance practices and standards.

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.

**6. MANAGEMENT DISCUSSION AND ANALYSIS**

**The college operational and financial performance**

The operational and financial performance of Kericho Teachers college is set out in pages 1 to 30.

In the year under review, Coronavirus Disease (COVID-19) affected the college operations

**College compliance with statutory requirement**

Kericho Teacher college financial statements have been prepared in accordance with Section 81(3) of the Public Finance Management Act of 2012. The college complied with statutory obligation of its employees from time to time.

**Reporting framework**

The college adopts International Public sector accounting standards (IPSAS) Accrual basis in the 2021-2022 financial year for the first 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))

## **7. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

Kericho Teachers Training college exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on five pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements during the year under review.

### **1. Environmental performance**

The college has laid down a policy of planting trees within the water catchment areas and ensures 75% survival rate.

### **2. Market place practices-**

Being a public Institution, there is the perception that there is a lot of resources to be utilised. The reality is far from that and the resources we have are carefully managed to have the most impact. To this end we carry out the following exercises to get the best partners for continued provision of goods and services.

#### **a) Supplier prequalification**

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 and takes into consideration the reservations for youth, women and people with disabilities.

#### **b) With our prequalified suppliers, we endeavour to meet our obligations on time so that we may be able to sustain relations for future partnerships.**

#### **c) 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.**

#### **d) List of registered tenderers**

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

**KERICHO TEACHERS TRAINING COLLEGE**

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

**8. REPORT OF THE BOARD OF MANAGEMENT**

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

**13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022**

	Notes	2021-2022	2020-2021
			Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the National Government–grants	6	25,571,322	8,055,152
<b>Total Revenue from non-exchange transactions</b>		<b>25,571,322</b>	<b>8,055,152</b>
<b>Revenue from exchange transactions</b>			
Rendering of services- Fees from students	7	89,121,759.13	9,154,011
Sale of goods	8	1,621,695	953,256
Rental revenue from staff houses	9	662,550	1,213,240
Other income	10	3,662,821	765,000
<b>Revenue from exchange transactions</b>		<b>95,068,825.13</b>	
<b>Total revenue</b>		<b>120,640,147.13</b>	<b>20,140,659</b>
<b>Expenses</b>			
Use of goods and services	11	60,900,123.69	14,752,550
Employee costs	12	12,041,934	
Board expenses	13	414,000	8,993,137
Depreciation and amortization expense	14		
Repairs and maintenance	15	8,603,686	3,508,485

# KERICHO TEACHERS TRAINING COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Covid -19	16	1,249,077	
Grants (contra entry)	17	25,571,322	
<b>Total expenses</b>		<b>108,780,142.69</b>	<b>27,254,172</b>
<b>Net surplus /(deficit) for the year</b>		<b>11,860,004.4</b>	<b>(7,113,513)</b>

## Principal activities

The principal activities of KERICHO TEACHERS COLLEGE continue to:-

- Train teachers.
- Carry out co-curriculum activities.
- Instil discipline.
- Award and present certificates

## BOARD OF MANAGEMENT

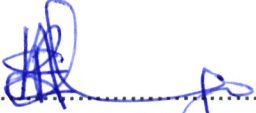
The members of the Board who served during the year 2021/2022 are shown on page .....

## Auditors

The Ministry of Education and Office of Auditor are responsible for the statutory Audit of the college financial books.

The Auditor General is responsible for the statutory audit of the Kericho Teachers College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 to carry out audit of Kericho Teachers College 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

  
.....  
Secretary of the Board of Management  
Kericho Teachers College

Date 17/07/2023

### **9. STATEMENT OF BOARD OF MANAGEMENT RESPONSIBILITIES**

Section 81 of the Public Finance Management Act, 2012 and Basic Education Act 2013 require the Board of Management to prepare financial statements in respect of Kericho Teachers' Training College which give a true and fair view of the state of affairs of Kericho Teachers' Training College at the end of the financial year 2020/2021 and the operating results of *KETECO* for 2020/2021. The Board of Management are also required to ensure that the *KETECO* keeps proper accounting records which disclose with reasonable accuracy the financial position of *KETECO*. The Board of Management are also responsible for safeguarding the assets of *KETECO*.

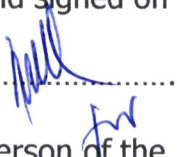
The Board of Management are responsible for the preparation and presentation of *KETECO's* financial statements, which give a true and fair view of the state of affairs of *KETECO* for and as at the end of the financial year 2020/2021 ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of *KETECO*; (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 *KETECO*; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

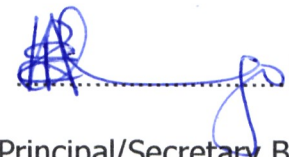
The Board of Management accept responsibility for *KETECO's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner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

Nothing has come to the attention of the Board of Management to indicate that the *KETECO* will not remain a going concern for at least the next twelve months from the date of this statement.

#### **Approval of the financial statements**

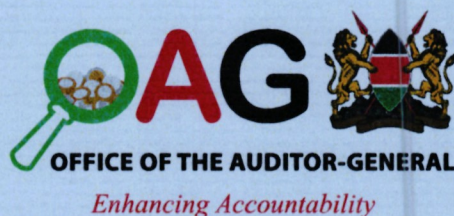
Kericho Teachers' Training College financial statements were approved by the Board on 30<sup>TH</sup> June 2022 and signed on its behalf by:

1.   
Chairperson of the B.O.M

2.   
Principal/Secretary BOM

# REPUBLIC OF KENYA

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



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

## **REPORT OF THE AUDITOR-GENERAL ON KERICHO TEACHERS TRAINING COLLEGE FOR THE YEAR ENDED 30 JUNE, 2022**

---

### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Kericho Teachers Training College set out on pages 1 to 33, which comprise of the statement of financial position as

at 30 June, 2022 and the statement of financial performance, statement of changes in net assets, statement of cash flows and the 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 Kericho Teachers Training College as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Technical and Vocational Education and Training Act, 2013.

### **Basis for Qualified Opinion**

#### **1. Inaccuracies in the Financial Statements**

Review of the financial statements presented for audit revealed variances between the financial statements balances and the ledger balances as summarized below:

<b>Note</b>	<b>Financial Statement Component</b>	<b>Financial Statement Balance (Kshs.)</b>	<b>General Ledger Balance (Kshs.)</b>	<b>Variance (Kshs.)</b>
7	Rendering of Services - Fees from Students	89,121,759	90,510,168	(1,388,409)
10	Other Income	3,662,821	2,671,322	991,499
11	Boarding Expenses	19,535,389	19,859,627	(324,238)
11	Examination Expenses	10,615,720	10,126,500	489,220
12	Employee Costs	12,041,934	11,282,746	759,188
15	Repairs and Maintenance	8,603,686	7,761,165	842,521
23	Sundry Creditors	5,427,534	4,847,734	579,800

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

#### **2. Failure to Prepare Statement of Changes in Net Assets**

The financial statements submitted for audit did not include the statements of changes in net assets as required. Management did not provide satisfactory explanation for the omission.

In the circumstances, the financial statements were incomplete.

### **3. Unsupported Property, Plant and Equipment**

The statement of financial position and Note 21 to the financial statements reflects property, plant and equipment balance of Kshs.830,771,760. However, the College did not maintain a fixed asset register. Further, the college did not have a depreciation policy in place and the assets balances were reported at cost instead of net book values.

In the circumstances, the accuracy of property, plant and equipment balance of Kshs.830,771,760 could not be confirmed.

### **4. Unsupported Receivables**

The statement of financial position and Note 19 to the financial statements reflects receivables from debtors balance of Kshs.31,065,049. However, the balance was not supported with an ageing analysis of the receivables. In addition, the college did not have a policy on provision of bad and doubtful debts.

In the circumstances, the accuracy and recoverability of the receivables balance of Kshs.31,065,049 could not be confirmed.

### **5. Unsupported Inventories**

The statement of financial position and note 19 to the financial statements reflects inventories balance of Kshs.1,518,654. However, the balance was not supported with a stock take report. In addition, an amount of Kshs.750,000 in respect if Covid 19 expenses was classified under inventories.

In the circumstances, the accuracy of inventories balance of Kshs.1,518,654 could not be confirmed.

### **6. Unsupported Cash and Cash Equivalents**

The statement of financial position and Note 17 to the financial statements reflects cash and cash equivalents balance of Kshs.17,017,453. However, the balance includes bank balance of Kshs.4,763,160 which was not supported with cash books and bank reconciliation statements.

In the circumstances, the accuracy of cash and cash equivalents balance of Kshs.17,017,453 could not be confirmed.

### **7. Inaccuracies in Employee Costs**

The statement of financial performance and Note 12 to the financial statements reflects employee costs of Kshs.12,041,934. However, the balance includes salary arrears amounting to Kshs.6,4397,004 for the financial year 2020/2021.

In the circumstances, the accuracy of employee costs amounting to Kshs.12,041,934 could not be confirmed.

## **8. Suspense Account**

The statement of financial position reflects current assets balance of Kshs.49,970,694 which includes suspense account balance of Kshs.272,346 and Kshs.875,661 as at 30 June, 2022 and 30 June, 2021 respectively. However, Management did not provide justification for disclosure of the suspense account in the statement of financial position as part of the current assets.

In the circumstances, the accuracy of the current assets balance of Kshs.49,970,694 could not be confirmed.

## **9. Misclassification of Boarding Expenses**

The statement of financial performance and Note 11 to the financial statements reflects use of goods and services balance of Kshs.60,900,124. Included in the balance is Kshs.19,535,389 in respect of boarding expenses. Review of financial of financial records provided revealed that expenditure amounting to Kshs.3,249,127 classified under boarding expenses related to other expenditure items.

In the circumstances, the accuracy of boarding expenses of Kshs.19,535,389 could not be confirmed.

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

## **Key Audit Matters**

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

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, 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 Internal Audit Function**

The College did not have an internal audit unit to give reasonable assurance through the audit committee on the state of risk management, control and governance within the organization as outlined in Regulation 160(1)(b) of Public Finance Management (National Government) Regulations, 2015.

In the circumstances, the existence of an effective system of internal controls and risk management could not be confirmed.

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

### **Responsibilities of Management and the Board of Management**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatements, 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 sustain its services, disclosing, as applicable, matters related to

sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the College or to cease operations.

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

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

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

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal 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

26 September, 2023

**13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022**

	Notes	2021-2022	2020-2021
			Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the National Government–grants	6	25,571,322	8,055,152
<b>Total Revenue from non-exchange transactions</b>		<b>25,571,322</b>	<b>8,055,152</b>
<b>Revenue from exchange transactions</b>			
Rendering of services- Fees from students	7	89,121,759.13	9,154,011
Sale of goods	8	1,621,695	953,256
Rental revenue from staff houses	9	662,550	1,213,240
Other income	10	3,662,821	765,000
<b>Revenue from exchange transactions</b>		<b>95,068,825.13</b>	
<b>Total revenue</b>		<b>120,640,147.13</b>	<b>20,140,659</b>
<b>Expenses</b>			
Use of goods and services	11	60,900,123.69	14,752,550
Employee costs	12	12,041,934	
Board expenses	13	414,000	8,993,137
Depreciation and amortization expense	14		
Repairs and maintenance	15	8,603,686	3,508,485
Covid -19	16	1,249,077	
Grants (contra entry)	17	25,571,322	
<b>Total expenses</b>		<b>108,780,142.69</b>	<b>27,254,172</b>
<b>Net surplus /(deficit) for the year</b>		<b>11,860,004.4</b>	<b>(7,113,513)</b>

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

#### 14. STATEMENT OF FINANCIAL POSITIONAS AT 30 JUNE 2022

	Notes	2021-2022	2020-2021
			Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	17	17,017,452.75	656,590.45
Current Receivables -investment	18	97,191.85	97,191.85
Receivables from debtors	19	31,065,049	29,056,994
Inventories	19	1,518,654	1,518,500
Suspense a/c	20	<b>272,346.30</b>	875,660.8
<b>Total current assets</b>		<b>49,970,693.90</b>	<b>32,676,381.75</b>
<b>Non-current assets</b>			
Property, plant and equipment	21	830,771,760	829,235,381.75
<b>Total assets</b>		<b>880,742,453.39</b>	<b>862,235,381.75</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Uniforms a/c	22	173,925.25	173,925
Sundry creditors	23	5,427,534.25	33,680,488.37
Farm a/c		10,941,580.50	10,562,868
<b>Total current liabilities</b>		<b>16,543,040.00`</b>	<b>44,417,281.62</b>
<b>Total liabilities</b>		<b>16,543,040.00</b>	<b>44,417,281.62</b>
<b>Net assets</b>		<b>33,427,653.90</b>	

**KERICHO TEACHERS TRAINING COLLEGE**

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Accumulated fund	26	16,543,039.49	(19,779,195.39)
Capital Fund	25	830,771,760	829,559,000
<b>Total net assets and liabilities</b>		<b>880,742,453.39</b>	<b>854,197,086.23</b>

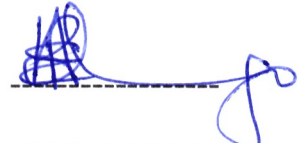
The Financial Statements set out on pages **2 to 5** were signed on behalf of the College Board of Management by:



**Mr SAMMY KIRUI**  
**Chairman of BOM**  
**BOM**



**DANIEL KETER**  
**Finance Officer**



**M/S ACHUNGO E.P.**  
**Chief Principal/Secretary**

Date 17/07/2023 ICPAK No. 13664

Date 17/07/2023

Date 17/07/2023

**15.STATEMENT OF CHANGES IN NET ASSETS****FOR THE YEAR ENDED 30 JUNE 2022**

	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Proposed dividends	Capital / Development Grants/ Fund	Total
<b>At July 1, 2018</b>	-	-	-	-	-	-	-
Revaluation gain	-	-	-	-	-	-	-
Transfer of excess depreciation on revaluation	-	-	-	-	-	-	-
Deferred tax on excess depreciation	-	-	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	-
Capital/Development grants received during the year	-	-	-	-	-	-	-
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	-	-	-	-
Dividends paid – 2018	-	-	-	-	-	-	-

**KERICHO TEACHERS TRAINING COLLEGE**

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Proposed dividends	Capital / Development Grants/ Fund	Total
Interim dividends paid – 2019	-	-	-	-	-	-	-
Proposed final dividends	-	-	-	-	-	-	-
<b>At June 30, 2019</b>	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
<b>At July 1, 2019</b>	-	-	-	-	-	-	-
Issue of new share capital	-	-	-	-	-	-	-
Revaluation gain	-	-	-	-	-	-	-
Transfer of excess depreciation on revaluation	-	-	-	-	-	-	-
Deferred tax on excess depreciation	-	-	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	-

**16.STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022**

**KERICHO TEACHERS TRAINING COLLEGE**

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

		2021-2022	2020-2021
	Note		Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other Government entity	6	25,571,722	8,055,152
Rendering of services- Fees from students	7	89,121,759.13	9,154,011
Sale of goods	8	1,621,695	953,256
Rental revenue from facilities	9	662,550	1,213,240
Other income	10	3,662,821	765,000
<b>Total Receipts</b>		<b>120,640,147.13</b>	<b>20,140,659</b>
<b>Payments</b>			
Use of goods and services	11	60,900,123.69	14,752,550
Compensation of employees	12	12,041,934	8,993,137
Board expenses	13	414,0000	414,000
Repairs and maintenance	15	8,603,686	3,508,485
Covid-19	16	1,249,077	
Grants (contra entry)		25,571,322	
<b>Total payments</b>		<b>108,780,142.69.</b>	<b>27,254,172</b>
<b>Net cash flows from operating activities</b>		<b>11,860,004.40</b>	<b>(7,113,513)</b>
<b>Less adjustment of items not involving movement of cash</b>			
Depreciation and amortization expense	14	0	
<b>Movement in working capital</b>		<b>33,427,113.65</b>	
Increase/Decrease in receivables-purchase of			120,000

**KERICHO TEACHERS TRAINING COLLEGE**

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

plough	-	
Increase/Decrease in inventory-	154	(611,000)
Increase in trade debtors (rent and students fees)	298,796	1,596,329
Increase / decrease in creditors	(709,845.75)	4,565,257
<b>Changes in working capital</b>	<b>33,016,217.90</b>	
<b>cash flow from investing activities</b>	-	
Purchase of assets	2,212,760	
<b>Net cash flow from investing activities</b>		
<b>Cash flow from financing activities</b>		
Development funds	0	
<b>Net cash flows used in financing activities</b>		
Net increase/(decrease) in cash and cash equivalents		
Cash and cash equivalents as at 1 July 2021	656,590.15	
<b><u>Cash and cash equivalents as at 30 June 2022</u></b>	<b><u>17,071,452.75</u></b>	

**17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022**

	<b>Original budget</b>	<b>Adjustments</b>	<b>Final budget</b>	<b>Actual on comparable basis</b>	<b>Performance difference</b>
	<b>2021-2022</b>	<b>2021-2022</b>	<b>2021-2022</b>	<b>2021-2022</b>	<b>2021-2022</b>
<b>Revenue</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Transfers from government	16,400,000			25,571,722	
Rendering of services- Fees from students	65,864,840			89,121,759.13	
Other Income	2,450,000			3,662,821	
Sale of goods	2,610,500			1,621,695	
Rental revenue from facilities	975,000			662,550	
<b>Total income</b>	<b>88,300,340</b>			<b>120,640,147.13</b>	
<b>Expenses</b>					
Compensation of employees	18,250,745			12,041,934	
Use of goods and services	58,403,095			60,900,123.69	
Repairs and maintenance	9,036,000			8,603,686	
Board expenses				414,000	
Farm operation	2,610,500				
Grants contra entry				25,571,722	
Covid-19				1,249,077	
<b>Total expenditure</b>	<b>88,300,340</b>			<b>108,780,142.69</b>	
<b>Surplus</b>				<b>11,860,004.44</b>	

**Budget notes**

The Ministry of Education delayed the remittance of the 3<sup>rd</sup> and 4<sup>th</sup> quarter grants for the period under review

30% of expected income from students was not received during the period. The arrears therefore will be collected before release of P1 Certificates

## **18. NOTES TO THE FINANCIAL STATEMENTS**

### **GENERAL INFORMATION**

Kericho Teachers College- 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.

### **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 the college

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)**

**ADOPTION OF NEW AND REVISED STANDARDS**

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

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

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

Standard	Effective date and impact:
<p><b>IPSAS 41:</b> Financial Instruments</p>	<p><b>Applicable: 1 January 2023:</b></p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>•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;</li> <li>•Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>•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.</li> </ul> <p><i>(State the impact of the standard to the entity if relevant)</i></p>
<p><b>IPSAS 42:</b> Social Benefits</p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> <li>(a) The nature of such social benefits provided by the entity;</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> </ul> <p>I The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.</p>

Standard	Effective date and impact:
	<i>(State the impact of the standard to the entity if relevant)</i>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p><b>Applicable: 1<sup>st</sup> January 2023:</b></p> <p>Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <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>

### Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2021.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Revenue recognition

#### 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 College 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

#### Revenue from exchange transactions

### **Rendering of services**

KETECO recognizes revenue from rendering of services.

### **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, it includes sale of farm produce and ESD goods.

## **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

### **4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **a) Revenue recognition (Continued)**

##### **Revenue from exchange transactions (continued)**

##### **Rental income**

Rental income arising from staff living in college houses.

### **Budget information**

The original budget for Financial Year 2021-2022 was approved by the Board on 6<sup>th</sup> July, 2021. Subsequent revisions of the budgets were made to the approved budget. Amended budget was approved on 27th November 2022 with a students population of 850 students from a previous 1000 students.

### **Taxes**

#### **Current income tax**

KETECO is exempt from paying taxes as per Income Tax Act Cap.470

## **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

### **4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **c) Taxes (continued)**

##### ***Sales tax/ Value Added Tax***

Expenses and assets are recognized net of the amount of sales tax.

##### **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.

**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.

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

For annual depreciation, the college will formulate a policy on how to depreciate its fixed assets.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Financial instruments**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Financial instruments (Continued)**

**Financial assets (Continued)**

**Impairment of financial assets (Continued)**

The debtors or an entity of debtors are experiencing significant financial difficulty

Default or delinquency in interest or principal payments

The probability that debtors will enter bankruptcy or other financial reorganization

Observable data indicates a measurable decrease in estimated future cash flows (e.g., changes in arrears or economic conditions that correlate with defaults)

## **Financial liabilities**

### **Initial recognition and measurement**

Financial liabilities within the scope of International Public Sector Accounting Standard 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The College 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.

### **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.

## **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

### **4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **Inventories (Continued)**

#### **Provisions**

Provisions are recognized when the College 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 College 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.

## **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

### **4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **Nature and purpose of reserves**

KETOCO creates and maintains reserves in terms of specific requirements. The College has Retained Earnings as a reserve and the purpose of this is to clear any pending bills accrued in the prior financial year once income is realized.

#### **Changes in accounting policies and estimates**

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

#### **Employee benefits**

##### **Retirement benefit plans**

KETECO provides retirement benefits in form of gratuity for its employees.. 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.

##### **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.

##### **Borrowing costs**

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

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Related parties**

KETECO 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 College, or vice versa. Members of key management are regarded as related parties and comprise the Board of Management, the Chief Principal and Senior Managers.

**Service concession arrangements**

KETECO analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the College also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**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 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.

**Comparative figures**

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

**SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of the KETECO financial statements in conformity with International Public Sector Accounting Standard 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 College 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 College. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

### **Useful lives and residual values**

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

The condition of the asset based on the assessment of experts employed by the College

The nature of the asset, its susceptibility and adaptability to changes in technology and processes

The nature of the processes in which the asset is deployed

Availability of funding to replace the asset

Changes in the market in relation to the asset

### **Provisions**

Provisions were raised and management determined an estimate based on the information available.

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)****(a) TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
		<b>KShs</b>
<b>Unconditional grants</b>	<b>25,571,722</b>	<b>8,055,152</b>
Ministry grants		
<b>Total government grants</b>	<b>25,571,722</b>	<b>8,055,152</b>

**RENDERING OF SERVICES**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
		<b>KShs</b>
Boarding equipment and stores	21,094,302	2,008,046
Tuition ,equipment and stores	6,412,885	492,058
Local Transport and Travelling	3,286,151.70	491345
Medical fee	521,600	4,172
Activity	2,996,179	435,854
Administrative/ contingencies	2,419,690	239,950
Teaching Practice	2,128,486	402,238
Electricity, water and conservancy	3,316,865	411,665
Computer studies	3,668,071	214,311
Per. emolument	10,987,075.79	785,828
Student council	417,615	
Examination	12,572,208	886,240



<b>Total revenue from sale of goods</b>	<b>1,621,695</b>	<b>953,256</b>
---	------------------	----------------

**RENTAL REVENUE FROM FACILITIES AND EQUIPMENT**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
		<b>Kshs</b>
Rental fees	662,550	1,213,240
<b>Total rentals</b>	<b>662,550</b>	<b>1,213,240</b>

**OTHER INCOME**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
		<b>Kshs</b>
Income from sale of tender forms	81,000	56,000
Hosting /facilitation	3,581,821	1,01,200
Disposal of idle assets		654,000
Graduation fee		
<b>Total other income</b>	<b>3,662,821</b>	<b>1,724,200</b>

**USE OF GOODS AND SERVICES**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
		<b>Kshs</b>
Boarding expenses	19,535,389	4,664,851
Teaching, equipment expenses	4,744,351	1,845,834
Local Transport and Travelling expenses	2,684,803	1,752,317

**KERICHO TEACHERS TRAINING COLLEGE**

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Medical expenses	328,146	3,930
Activity expenses	1,961,572	80,250
Administrative / Contingencies expenses	1,456,947	379,000
Teaching Practicums expenses	313,664	499,669
Electricity, water and conservancy	3,774,729	1,223,650
Computer studies expense	1,149,180	
Graduation expenses		7,390
Creditors	6,397,003.69	2,436,450
Examination expenses	10,615,720	886,240
Sale of tenders expenses	83,618	51,528
ESD Project	152,434	272,280
Hosting /Facilitation	1,732,162	649,161
Students Registration	139,500	
Students Government	12,000	
Track suits	1,955,000	
Students IDS	146,840	
Club/Environ	489,197	
Hockey sticks	531,960	
Library books	252,317	
Set book shows		
College magazine		
Students Guide book		
T.P Lesson book		
Covid -19	1,249,077	
Graduation fee	1,194,514	
<b>Total goods and services</b>	<b>60,900,123.69</b>	<b>14,752,550</b>

**KERICHO TEACHERS TRAINING COLLEGE**

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

**EMPLOYEE COSTS**

	<b>2021-2022</b>	<b>2020-2021</b>
		<b>Kshs</b>
Salaries and wages	8,020,014	8,993,137
Medical allowance	264,450	
House allowance	1,905,650	
Employer NSSF	1,092,632	
Gratuity	759,188	
<b>Employee costs</b>	<b>12,041,934</b>	<b>8,993,137</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****BOARD ALLOWANCES**

	<b>2021-2022</b>	<b>2020-2021</b>
		<b>Kshs</b>
Board allowances	414,000	
<b>Total director emoluments</b>		

**DEPRECIATION AND AMORTIZATION EXPENSE**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
		<b>Kshs</b>
Property, plant and equipment		
<b>Total depreciation and amortization</b>		

**REPAIRS AND MAINTENANCE**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs.</b>	<b>KShs</b>
Repairs and rehabilitation	5,507,055	2,224,397
VRM/Replacement	3,096,631	568,000
Furniture and fittings		373,304
Equipment and machinery		340,784
<b>Total repairs and maintenance</b>	<b>8,603,686</b>	<b>3,506,485</b>

**COVID-19**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Ksh.</b>	<b>KShs</b>
Covid-19 expenses	1,249,077	-
<b>Total expenses</b>	<b>1,249,077</b>	<b>-</b>

**CASH AND CASH EQUIVALENTS**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
		<b>Kshs</b>
Current account	13,457,009.9	559,030.45
Savings account	3,613,551.85	97,560
cash in hand		
<b>Total cash and cash equivalents</b>	<b>17,071,452.75</b>	<b>656,590.45</b>

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

	2021-2022		2020-2021
<b>Financial institution</b>			<b>Kshs</b>
<b>Current account</b>			
Kenya Commercial bank - 1107169887			99,222.5
Kenya Commercial bank- 1107170168	12,323,289.95		(500)
Kenya Commercial bank -1215778686	372,688		180,637.95
Kenya Commercial bank 1102279323	761,922		97,560
<b>Savings account</b>			
Kenya Commercial bank1102695270	3,613,551.85		387,688
<b>Sub- total</b>	<b>17,071,452.75</b>		<b>656,590.45</b>
<b>Others(specify)</b>			
cash in hand			
<b>Grand total</b>			

**RECEIVABLES FROM EXCHANGE TRANSACTIONS****Current Receivables from Exchange Transactions**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
		<b>Kshs</b>
<b>Current receivables</b>		
Student debtors/rent	31,065,049	30,766,253
Rent debtors		
Less bad debts written off		
<b>Total current receivables</b>	<b>31,065,049</b>	<b>30,766,253</b>

**RECEIVABLES FROM NON- EXCHANGE TRANSACTIONS****Current Receivables from Exchange Transactions**

Description	2021- 2022	2020- 2021
		Kshs
<b>Current receivables</b>		
Transfers from other govt. entities		
<b>Total Current receivables</b>		

**INVENTORIES**

Description	2021- 2022	2020- 2021
		Kshs
Boarding Equipment stores (catering stores)	360,000	360,000
Maintenance stores	560,000	560,000
Electrical	12,500	12,500
Teaching Equipment stores ( consumable stores)	300,000	300,000
Cleaning materials	56,000	56,000
Medical stores (Health unit stores)	230,154	230,000
<b>Total inventories at the lower of cost and net realizable value</b>	<b>1,518,654</b>	<b>1,518,500</b>

**KERICHO TEACHERS TRAINING COLLEGE**

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

**PROPERTY, PLANT AND EQUIPMENT**

Asset	Motor Vehicles	Furniture and Fittings	Computers	Books	Plant and Equipment	Other Assets	Land and buildings
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Assets at 1st July 2020	21,550,000	5,000,000	2,500,000			1,000,000	800,000,000
Additions							
Assets at 30 June 2021	21,550,000	5,000,000	2,500,000			1,000,000	800,000,000
Accumulated Depreciations at 1 July 2021							
Depreciation for the year							
Additional			652,560	835,200	120,000	725,000	
Disposal	611,000						
Accumulated Depreciation 30 June 2020							
Net Book Value 30 June 2022	20,939,000	5,000,000	3,152,560	835,200	120,000	725,000	800,000,000

**TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS**

Description		
	2021-2022	2020-2021
Trade payables 1.07.2021	6,137,380	2,777,810
Add; unpaid bills 2022	5,687,157.94	6,296,020
Less; payment made	6,397,003.69	2,436,450
<b>Total trade and other payables</b>	<b>5,427,534.25</b>	<b>6,137,380</b>

**REFUNDABLE DEPOSITS FROM CUSTOMERS/STUDENTS**

Description	2021-2022	2020-2021
		Kshs
Fees refund		
<b>Total deposits</b>		

**NET CASH FLOW FROM OPERATING ACTIVITIES**

Description	2021-2022	2020-2021
		Kshs
Surplus/deficit		
Add depreciation		
<b>Total deposits</b>		

**CAPITAL FUND**

Description	2021-2022	2020-2021
		Kshs
Capital fund brought forward as at 1 <sup>st</sup> July,2020	830,771,760	830,050,000
Add purchase		
Less disposal		(611,000)
<b>Total deposits</b>		831,771,760

**26. GENERAL RESERVE**

Description	2021-2022	2020-2021
		Kshs
Balance brought forward as at 1 <sup>st</sup> July,2020		
Surplus/(deficit) for the year		
<b>Total deposits</b>		

**EMPLOYEE BENEFIT OBLIGATIONS**

**Retirement benefit Asset/ Liability**

KETECO contributes to the National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act.

**APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

The college is submitting its financial records to the Auditor General for the first time hence the table below is blank as no report has been issued in respect to all audit of the college

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

**KERICHO TEACHERS TRAINING COLLEGE**

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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

**Guidance Notes:**

Use the same reference numbers as contained in the external audit report;

Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;

Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;

Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.

M/s ACHUNGO.E.P

Chief Principal/Secretary to the Board

Signature.....