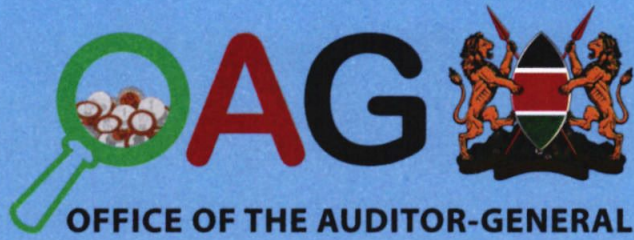


REPUBLIC OF KENYA



*Enhancing Accountability*

PARLIAMENT  
OF KENYA  
LIBRARY

**REPORT**

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 30 APR 2025 DAY: 30/4/25

TABLED BY: Leader of Majority Party

OF WORK-AT THE-TABLE: M. Mado

**THE AUDITOR-GENERAL**

**ON**

**MOSORIOT TEACHERS TRAINING COLLEGE**

**FOR THE YEAR ENDED  
30 JUNE, 2024**



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# MOSORIOT TEACHERS TRAINING COLLEGE

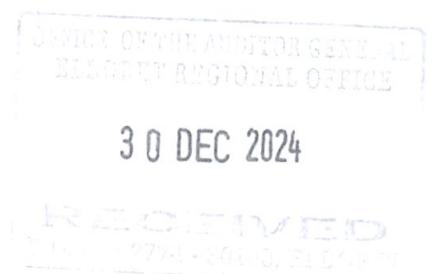
ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30<sup>TH</sup> JUNE 2024

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





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**1. Acronyms & Glossary of Terms**

BOM	Board of Management
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSAB	Public Sector Accounting Standards Board
MTTC	Mosoriot Teachers Training College
Fiduciary Management	Key management personnel who have financial responsibility

## **2. Key Entity Information and Management**

### **(a) Background information**

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

The college was re-located to its current site in 1960. The site had been reserved for cattle pasture during dry spells for the community by the Senior Chief Joel Kiptenai Malel in 1959. He was the Senior Chief of Kosirai Location. He had transferred his office to the current site that houses the Catholic Church, St. Francis Primary School and, St. Francis Girls Secondary School - Cheptarit. The college was named after the then colonial District Commissioner (DC) of Nandi by the name Hunter. The Hunters Tree College emanates from the zeal and passion of the DC in planting blue gum trees in the current site of the College and hence the name 'Kap-Hunters'.

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

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

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

Malel Mosoriot Teachers' College Primary School was started in 1987 as Cheptarit East Primary School. The school was intended to serve the college staff since other good schools were far off in Eldoret.

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

**(b) Principal Activities**

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

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

**VISION**

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

**MISSION**

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

**MOTTO**

Training for excellence

**THE CORE VALUES**

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

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

**(c) Key Management**

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

Board of Management  
Accounting officer/ Principal  
Management team

**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name	Academic Qualification
1.	Chief Principal	Mr.Chebogut J Kiprotich	M,Ed.Management, Bed
2.	Deputy principal	Mr. Moses Ouko	M.Ed. Bed Aged
3.	Dean of Curriculum	Mrs. Rinny Lelei	Bed
4.	Dean of students	Ms. Mary Mukungei	Bed
5.	Head of Finance	Mr. Michael Munai	BBM Accounting
6.	Head of Procurement	Ms. Ruth Sambu	BBM Procurement

**(e) Fiduciary Oversight Arrangements**

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

**The Audit and risk Committee Members;**

No.	Position	Name
1.	Chairman	Prof. Daniel Tarus
2.	Member	Mr. Benjamin Katam
3	Member	Mr. Paul Kamau
4	Member	Mr. Moses Ouko
5	Member	Mr. Chebogut J Kiprotich

**Academic Committee**

No.	Position	Name
1.	Chairperson	Prof. Rose Korir
2.	Member	Titus Yego
3	Member	Joseph Chepkonga
4	Member	Chebogut J Kiprotich
5	Member	Rev. James Mosonik

**Key Entity Information and Management (Continued)**

**(f) Entity Headquarters**

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

**(g) Entity Contacts**

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

**(h) Entity Bankers**

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




**(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




3. BOARD OF MANAGEMET




<p>1.</p>	 <p>Dr. Andrew Tuimur – CBS, BOM chairman</p>	<p>A carrier civil servant having served government in various position. Currently serves as Chief Administrative Secretary, Ministry of Water</p> <p>Holder of Master of Science Degree from University of Edinburgh United Kingdom and a Bachelor of Veterinary Medicine University of Nairobi.</p>
<p>2.</p>	 <p>Chebogut J Kiprotich- Chief Principal / BOM Secretary</p>	<p>Employed by Teachers service commission as a professional teacher, holder of MED, Education management, Bachelor Education from Kenyatta University. currently serving as a chief principal.</p>
<p>3.</p>	 <p>Prof. Daniel Tarus- BOM Member</p>	<p>A member of the BOM. Prof of Business and Finance. Currently serving as university Don and deputy vice chancellor Rongo university.</p>

4.	 Rev. James Mosonik -Bom member	A member of the BOM. Serves as a clergy of the African Inland Church  Holder of Bachelors of Arts in Theology and Pastoral Work
5.	 Rael Magut- BOM Member	Retired Lecturer of teacher training college with many years of experience in Management of schools.
6.	 Jesca Amaya – BOM MEMBER	A teacher trainer, Serving as staff representative in the BOM. Holder Bachelor of Education
7.	 Paul Kamau- BOM Member	Holder of Bachelor serves as stores controller /Procurement manager at RAI plywood (K) Limited.

8.	 Prof. Rose Korir- BOM Deputy Chair	A senior lecturer and Ag. Deputy Principal of Koitaleel Samoei University College.
9.	 Benjamin Katam- BOM Member	A holder of Business Management degree and business man. representative
10	 Titus Yego- BOM member	Representative of special needs persons in BOM. Works with National Council of Persons living with Disability.

4. KEY MANAGEMENT TEAM.

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

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

## **5. CHAIRMAN'S STATEMENT**

Financial year 2023/2024 was quite unique but a successful year with a number of activities taking place in Mosoriot Teachers Training College. At the moment, our financial records for the year ending June 2024 are ready.

The board strives to increase access and equity to quality training to enable both staff and trainees deal with dynamics in today's dynamic world. The college aims at producing teachers who are socially responsible with academic excellence at the foresight. We are optimistic that benefits of team work will propel the college to meet its objectives of trickling down the dream of realizing goals on basic education. The board further intends to ensure the budget and procurement plans are aligned to the "Bottom-Up Transformation Agenda (BETA)"

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

I am grateful to all those who unreservedly gave us the support through the financial year despite the low student enrolment and the slow cash flow from the national government's Ministry of Education.

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



**Dr. Andrew Tumur, CBS**  
**Chairman, Board of Management**

## **6. REPORT OF THE PRINCIPAL**

The Board of management has been able to steer the college during the period of 2022/2023 Financial Year amidst financial constraints, after a successful meeting where the budget for financial 2022- 2023 was approved on 26<sup>st</sup>September 2022. Over the period, we managed to hold two full BOM meetings aimed at solving pertinent management issues.

### **SUCCESSSES**

1. The management was able to maintain the support staff employees by paying them their dues (salaries), despite the difficult financial constraints.
2. The college transited from the original tuition site, the current Koitaleel Samoei University College, to the new site.
3. There were environmental improvement activities and beautification of the college.
4. Income Generating Activities (IGAs) were increased through purchase of sheep breeding stock.
5. The old buildings were given a face lift through repair and painting of the halls or residence, Dining hall and kitchen.
6. The management complied with the Ministry of Health guidelines and protocols for curbing spread of Covid -19 infection by purchasing of PPEs, litter bins, adequate hand washing soap, thermos guns, installation of adequate hand washing points and proper arrangement of desks/beds to enhance social distancing.
7. On academics, our UDPTE and UDECTE candidates excelled in the KNEC assessment, with a pass rate of 76%.

### **COLLEGE REVENUE**

The college operations are dependent on funds collected from students' fee and transfers from Ministry of Education for recurrent expenditure. The budget for the year ended June 2024 stands at Ksh.110,844,940.00

### **CHALLENGES**

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

**WAY FORWARD**

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

**CONCLUSION**

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



Chebogut J Kiprotich.

**BOM SECRETARY / CHIEF PRINCIPAL**

**7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES**

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of Mosoriot teachers training college performance against predetermined objectives.

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

Mosoriot teachers training college develops its annual work plans based on the above eighteen. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The college achieved its performance targets set for the FY 2023/24 period for its four strategic issues, as indicated in the diagram below:

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

	<p>and regulations on labour</p> <ul style="list-style-type: none"> <li>• Enhance employee satisfaction</li> </ul>	<p>Comfortable staff room</p>	<ul style="list-style-type: none"> <li>• Provide protective gears for relevant staff</li> <li>• Organize capacity enhancing programs</li> <li>• Have performance reward system</li> </ul>	
4. Security	<ul style="list-style-type: none"> <li>• To identify security needs of the college</li> <li>• To enhance overall security of the college's stakeholders and property</li> <li>• To ensure that all stakeholders within the college feel safe</li> </ul>	<p>Secure environment for students and staff.</p> <p>Assured safety of college property</p>	<ul style="list-style-type: none"> <li>• Outsourcing security services</li> <li>• Enhance nyumba kumi initiative</li> <li>• Sensitize college community on security</li> <li>• Enhance security of computer software and data</li> <li>• Explore insurance of college buildings against fire.</li> </ul>	<ul style="list-style-type: none"> <li>• Secure college</li> <li>• Safety of property</li> </ul>

## **8. CORPORATE GOVERNANCE STATEMENT**

### **Roles and Functions of the Board of Management**

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

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

Appointment is carried out by County Education Board as follows:

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

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

The following conditions shall be observed when making appointments:

- Ethnic and regional diversity of the people of Kenya
- Impartiality and gender equity
- Article 10 and Chapter 6 of the constitution

**Removal of a Board member**

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

**Succession Plan**

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

**Training of Board members**

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

**Conflict of interest**

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

**Board Remuneration**

Members are paid subsistence allowance based on attendance to meetings

**Ethics, Conduct and governance audit**

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

## 9. MANAGEMENT DISCUSSION AND ANALYSIS

In the financial period which ended 30<sup>th</sup> June 2024, the College Board of Management held meetings as follows:

### I) Full Board – held on:

- 03/08/2023 – 11/14 members including the Secretary attended the meeting.
- 08/11/2023 – 11/14 members attended with 4 apologies.

### II) Finance, audit committee

- Held on 23/11/2023 - 4/5 attended the meeting
- Held on 28/06/2024 - 4/5 attended the meeting.

## **10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING**

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

### **Environmental performance**

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

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

### **Strategic actions:**

- Mow grass regularly
- Planting more trees and flowers in appropriate areas
- Buying adequate dustbins
- avail provision of sanitary bins
- Improve the institutions drainage system
- Introduce college environmental day
- Dispose waste effectively
- Provide sufficient water for hand washing and cleaning to combat Covid – 19 Pandemic

### **Employee welfare**

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

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

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

### **Corporate Social Responsibility / Community Engagements**

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

## **11. REPORT OF THE BOARD OF MANAGEMENT**

The Board members submit their report together with the audited financial statements for the year ended June 30, 2024 which show the state of Mosoriot teachers training college affairs.

### **Principal activities**

The principal activities of the entity are;

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

### **Results**

the results of Mosoriot Teachers Training College for the year ended June 30 are set out in page 1 to 5 of the financial statement.

### **BOARD OF MANAGEMENT.**

The members of the Board who served during the year as shown on page vii – ix, were appointed with effect from July 2022 to date.

### **Auditors**

The Auditor General is responsible for the statutory audit of Mosoriot teachers training college in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year/period ended June 30, 2024.

  
Chebogut J Kiprotich  
**BOM SECRETARY / CHIEF PRINCIPAL**

**12. STATEMENT OF BOARD OF MANAGEMENT RESPONSIBILITIES**

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

The Board members are responsible for the preparation and presentation of the Mosoriot teachers training college financial statements, which give a true and fair view of the state of affairs as at the end of the financial year (period) ended on June 30, 2023. 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; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for Mosoriot teachers training college financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and basic Education Act ,2013. The Board members are of the opinion that the Mosoriot teachers training college financial statements give a true and fair view of the state of transactions during the financial year ended June 30, 2024 and financial position as at that date. The Board further confirm the completeness of the accounting records maintained for the Mosoriot teachers training college, which have been relied upon in the preparation of financial statements as well as the adequacy of the systems of internal financial control.

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

**Approval of the financial statements**

Mosoriot teachers training college financial statements were approved by the Board on September 2024 and signed on its behalf by:

Name... ANDREW TUIMUR .....

Signature.....  .....

Chairperson Board of Management.

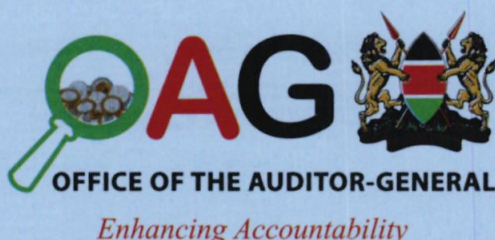
Name... CHEBOSWI J. KIROTU .....

Signature.....  .....

Accounting Officer/Principal

# REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

## **REPORT OF THE AUDITOR-GENERAL ON MOSORIOT TEACHERS TRAINING COLLEGE FOR THE YEAR ENDED 30 JUNE, 2024**

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### **PREAMBLE**

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

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

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

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

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

#### **Qualified Opinion**

I have audited the accompanying financial statements of Mosoriot Teachers Training College set out on pages 1 to 30, which comprise of the statement of financial position

as at 30 June, 2024 and the statement of financial performance, statement of Changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the 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 Mosoriot Teachers Training College as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Inaccuracy in the Statement of Financial Position**

The statement of financial position reflects capital fund balances Kshs.394,420,767. However, the statement of changes in net assets reflects capital fund balances of Kshs.6,240,000 leading to unreconciled and unexplained variances of Kshs.388,180,767. In the circumstances, the accuracy of the statement of financial position could not be confirmed.

#### **2. Cash and Cash Equivalents**

The statement of financial position reflects cash and cash equivalents balance of Kshs.30,187,742 which includes a balance of Kshs.113,456 held in a local bank as disclosed in Note 19(a) to the financial statements. However, bank reconciliation statements, cash book, certificate of bank balance and bank statements were not provided for audit to support this balance. Further, although Management explained that the bank account had stayed dormant for a long period and the balance was transferred by the bankers to the Unclaimed Financial Assets Authority, no communication from the bank was provided to support this assertion. In addition, no efforts were seen from the Management with a view to making a follow-up on the idle money.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.30,187,742 could not be confirmed.

#### **3. Current Receivables from Exchange Transactions**

The statement of financial position reflects current receivables from exchange transactions balance of Kshs.16,380,585 which includes students' debtors and rent debtors balances of Kshs.15,978,085 and Kshs.402,500 respectively all totaling Kshs.16,380,585 as disclosed in Note 20(a) to the financial statements. However, it was

observed that the College did not provide for bad and doubtful debts and did not have a policy on provision for bad and doubtful debts. Further, the debtors' ageing analysis was not provided for audit review. In addition, the College did not provide a record showing the buildup of Kshs15,978,085 and evidence on the efforts being made to collect the outstanding debts.

In the circumstances, the accuracy and collectability of current receivables from exchange transactions balance of Kshs.16,380,585 could not be confirmed.

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

## **Emphasis of Matter**

### **Budgetary Control and Performance**

The statement of comparative budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.96,755,860 and Kshs.108,734,807 respectively resulting to an under-realization of Kshs.553,450 or 1% of the budget. Similarly, the Authority spent Kshs.73,051,600 against actual receipt of Kshs.108,734,807 resulting into an under-expenditure of Kshs.35,683,207 or 33% of the budget.

The under-absorption affected the planned activities and impacted negatively on service delivery to the public

My opinion is not modified in respect of this matter.

## **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

## **Other Matter**

### **1. Unresolved Prior Year Matters**

In the audit report of the previous year, several paragraphs were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, no report nor recommendations from the Management of the

Mosoriot Teachers Training College and oversight bodies was submitted for audit verification. The issues remain unresolved contrary to Section 68(2) (l) of the Public Finance Management Act, 2012 which require accounting officers designated for National Government entities to try to resolve any issues resulting from an audit that remain outstanding.

## 2. Presentation, Accuracy and Disclosure of Financial Statements

A review of financial statements submitted for audit revealed the various anomalies as detailed below Contrary to Paragraph 27 of the International Public Sector Accounting Standards (IPSAS) 1 which stipulates that financial statements shall present fairly the financial position, financial performance, and cash flows of an entity.

	Component	Finding
1.	Table of Contents	The reference pages as disclosed in the table of Contents do not match the page on which the reports are in the financial statements.
2.	Signing of Financial statements	The ICPAK Number of the accountant has not been disclosed.
3	Statement of Changes in net assets	The opening balance of Kshs 7,576,063 in respect of accumulated Surplus in the statement of Changes in net assets is not in agreement with (Kshs.17,282,866) disclosed in the previous year. The re was no evidence of a prior year adjustment on the same.
4	Statement of Budget and Actual amounts	Computation of Performance differences and utilization difference for revenue reflects Kshs.553,450 while the actual on recalculation is Kshs.11,978,947.
5	Furniture and fittings	The net book value of furniture and fittings as disclosed in Note 22 and 23(b) to the financial statements had a variance of Ksh72,515. Note 23 (b) to the financial statement has an undercast of Kshs.707,422 on furniture and fittings. In addition, presentation of Note 22 is not as per the approved reporting template,

In the circumstance, the financial statements could not be confirmed to present fairly the financial position, financial performance, and cash flows of an entity.

### Other Information

The Management is responsible for the other information set out on page (i) to (xxii) which comprise of Acronyms and Definition of key terms, Key Entity Information and Management, The Fund administration committee, Key Management Team, Report of the

Fund Administrator, Statement of Performance Against Predetermined Objectives, Environmental and Sustainability Reporting, Corporate Governance Statement, Report of trustees, Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Mosoriot Teachers Training College financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **Failure to Observe Ethnic Balance on Staff Composition**

Review of the payroll records provided for audit indicated that, as at 30 June 2024, the College had a total of thirty-six (36) employees out of which thirty-two (32) or approximately 88% were from the dominant ethnic community. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that, “all public offices shall seek to represent the diversity of the people of Kenya in employment of staff and that no public institution shall have more than one third of its staff establishment from the same ethnic community”.

In the circumstances, Management was in breach of the law

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

# REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

## Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of 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 governance were not effective.

## Basis for Conclusion

### 1. Weak Information Communication Technology (ICT) Internal Control Environment

As previously Reported, review of the ICT internal control environment during the year under review revealed that the College had a web-based Enterprise Resource Planning (ERP) application system (INTELLIMS), which is hosted by the vendor of the system. The contract document submitted for audit review indicated that the vendor would grant the College license to access and use the software including inventions and design marks embodied in the system by the time of the system handover. The system was handed over to the College in May 2023 and the College currently uses the system in its operations. However, the software vendor had not yet granted the College the license. Without the license, the College cannot lay claim to the system and has no guaranteed access to the back-end of the system to allow it carry out system administration activities. There is also the risk of unauthorised access and changes to the system back end by the third party hosting the system, raising doubts on the preservation of system integrity. In addition, the College does not back-up its data in an off-site location and off-site secondary servers.

Further, the College does not have in place IT business continuity plan and therefore in case of a disaster, the College may not recover critical information resources especially critical data on current and former students of the College contrary to Regulation 110(1) of the Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer for a national government entity shall institute appropriate access controls needed to minimize breaches of information confidentiality, data integrity and loss of business continuity.

In addition, the College did not have an IT strategic committee and IT steering committee which could provide guidance to IT-related decision-making processes during the year under review.

In the circumstances, the organizational objectives may not be achieved and it may not be possible to optimize the utilization of the ICT resources within the College.

## **2. Lack of Approved Human Resource Policy**

As previously reported, an approved Human Resource Policy Manual was not provided for audit review. The statement of financial performance reflects employee costs amount of Kshs.10,844,251. In the absence of an approved Human Resource Policy, the college may not be able to plan for, recruit, remunerate and retain competent staff needed to achieve the objectives of the college.

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

### **Responsibilities of the Management and those Charged with Governance**

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

In preparing the financial statements, Management is responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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 comply with the authorities which govern them and that public resources are applied in an effective way.

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

## **Auditor-General's Responsibilities for the Audit**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**31 December, 2024**

## 14. Statement of Financial Performance for the year ended 30 June 2024.

Description	Notes	2023-2024	2022-2023
		Kshs	
<b>Revenue from non-Exchange transactions</b>			
Transfers from other National Government entities (MOE)	6	13,449,785	13,810,307
Transfers from other National Government entities (SNE)	20	192,000	0
		<b>13,641,785</b>	<b>13,810,307</b>
<b>Revenue from Exchange transactions</b>			
Rendering of services- fees from students	7	87,855,113	7,257,624
Sale of goods	8	385,829	52,000
Rental revenue from facilities and equipment	9	1,500	72,000
Other income	10	6,850,580	1,177,708
		<b>95,093,022</b>	<b>8,559,332</b>
<b>Total Revenue</b>		<b>108,734,807</b>	<b>22,369,639</b>
<b>Expenses</b>			
Use of goods and services	11	54,120,047	14,231,005
Employee costs	12	10,844,251	6,772,033
Board Expenses	13	325,000	779,000
Depreciation and amortization expense	14	4,965,850	4,898,352
Repairs and maintenance	15	5,809,352	1,567,205
Contracted services	16	1,944,394	1,560,000
Finance costs	17	8,556	8,379
<b>Total Expenses</b>		<b>78,017,450</b>	<b>29,815,974</b>
<b>Other Gains/(Losses)</b>			
Gain on sale of assets		0	00
<b>Total Other Gains/(Losses)</b>		<b>0</b>	<b>00</b>
<b>Net surplus for the year</b>		<b>30,717,357</b>	<b>(7,446,335)</b>

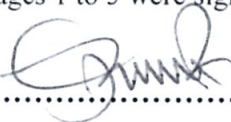
(The notes set out on pages 6 to 32 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 1 to 5 were signed by:

  
.....

**Chairman of Board**

**Date**

  
.....

**Accountant**

**ID 11842021**

**Date**

27/12/2024

  
.....

**Principal**

**Date**

## 15. Statement of Financial Position as at 30th June 2024

Description	Notes	2023-2024	2022-2023
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	19	30,187,742	13,922,536
Current portion of receivables from exchange transactions	20(a)	16,380,585	1,066,504
Inventories	22	3,588,460	744,920
		<b>50,156,787</b>	<b>15,735,960</b>
<b>Non-Current Assets</b>			
Long term receivables from exchange transactions	20(b)	3,985,739	1,043,436
Property, plant, equipment	23(b)	375,890,046	368,116,798
Biological assets	24	514,000	390,000
Intangible assets	24(a)	2,430,000	1,566,000
Total Non- current Assets		<b>382,819,785</b>	<b>371,116,234</b>
<b>Total Assets</b>		<b>432,976,572</b>	<b>386,852,194</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables from exchange transactions		-	-
Refundable deposits from customers	26	875	875
Employee benefit obligation	27	261,510	761,160
<b>Total Liabilities</b>		<b>262,385</b>	<b>762,035</b>
<b>Net Assets</b>		<b>432,714,187</b>	<b>386,090,159</b>
Accumulated Surplus		<b>38,293,420</b>	7,576,063
Capital Fund		394,420,767	377,785,400
<b>Total Net Assets and Liabilities</b>		<b>432,714,187</b>	<b>385,361,463</b>

The Financial Statements set out on pages 1 to 5 were signed by:

.....  
Chairman of Board of Management

Date

.....  
Accountant

ID 11842021

Date

27/12/2024

.....  
Date


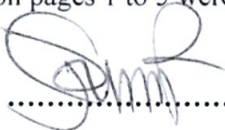
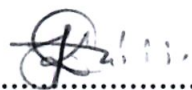
## 16. Statement of Changes in Net Asset for the year ended 30 June 2024

Description	Revaluation reserve	Accumulated surplus	Capital Development Grants	Total
At June 30, 2022	-	15,021,093	3,540,000	18,561,093
At July 1, 2023	-	15,021,093	3,540,000	18,561,093
Capital/development grant received during the year	-	-	2,700,000	2,700,000
Surplus/ deficit	-	(7,445,030)	-	(7,445,030)
At June 30, 2023	-	7,576,063	6,240,000	13,814,758
At July 1, 2024	-	7,576,063	6,240,000	13,814,758
Revaluation gain	-	-	-	-
Surplus/ deficit for the year	-	30,717,357	-	30,717,357
Capital grants received	-	-	-	-
At June 30, 2024	-	38,293,420	6,240,000	44,533,420

17. Statement of Cash Flows for the year ended 30 June 2024

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other government entities/govt. Grants	6	13,449,785	13,895,557
Rendering of services- fees from students	7	87,855,113	31,616,851
Sale of goods	8	385,829	241,000
Rental revenue from facilities and equipment	9	1,500	72,000
Special grants	10	192,000	104,150
Other income	11	6,850,580	5,767,521
<b>Total Receipts</b>		<b>108,734,807</b>	<b>47,916,079</b>
<b>Payments</b>			
Use of goods and services	12	54,120,047	24,640,680
Compensation of employees	13	10,844,251	7,014,745
Board expenses	14	325,000	575,475
Repair and Maintenance	16	5,809,352	2,298,917
Finance cost	18	8,556	15,930
Other payments	17	1,944,394	1,572,000
<b>Total Payments</b>		<b>73,051,600</b>	<b>36,366,803</b>
<b>Net Cash Flows from operating activities</b>		<b>35,683,207</b>	<b>11,549,276</b>
<b>Cash flows from investing activities</b>	22	(8,040,767)	0.00
Proceeds from sale of property, plant and equipment		0	0.00
<b>Net cash flows used in investing activities</b>		<b>(8,040,767)</b>	<b>(00)</b>
<b>Cash flows from financing activities</b>		<b>0</b>	
<b>Net Increase/(Decrease)in Cash and Cash equivalents</b>		<b>27,642,440</b>	<b>00</b>
Cash and Cash equivalents at 1JULY 2023	19	<b>13,922,535.95</b>	6,236,486
<b>Cash and Cash equivalents at 30 JUNE 2024</b>	19	<b>30,187,742.70</b>	<b>13,922,535.95</b>

The Financial Statements set out on pages 1 to 5 were signed by:

		
.....	.....	.....
<b>Chairman of the Board</b>	<b>Accountant</b>	<b>Principal</b>
	<b>ID 11842021</b>	
<b>Date</b>	<b>Date</b> 27/12/2024,	<b>Date</b>

**18. Statement of Comparison of Budget & Actual amounts for the year ended 30 June 2024**

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	2023- 2024	2023- 2024	2023- 2024	2023- 2024	2023- 2024	2023- 2024
<b>Revenue</b>						
Transfers from other govt entities and govt grants	8,765,160	0	8,765,160	13,449,785	4,684,625	153%
Rendering of services- fees from students	36,190,400	51,187,300	87,377,700	87,855,113	-4,946,245	94%
Capital Development	0	0	0	0	0	
Other incomes; Gains on disposal, rental income and farming and other activities	613,000	0	613,000	7,429,909	0	0
<b>Total Income</b>	<b>45,568,560</b>	<b>51,187,300</b>	<b>96,755,860</b>	<b>108,734,807</b>	<b>- 553,450</b>	<b>99%</b>
<b>Expenses</b>						
Compensation of employees	9,808,416	0	9,808,416	10,844,251	-938,821	90%
Use of goods and services	31,928,125	24,327,419	56,255,544	54,120,047	-7,617,144	89%
Contracted Services	1,560,000	148,000	1,708,000	1,944,394	94,528	111%
Board Expenses	1,140,000	0	1,140,000	325,000	-815,000	28.5%
Repair and Maintenance	14,600,000	13,243,900	27,843,900	5,809,352	-19,803,133	29%
Finance cost/ Bank charges	0	0	0	8,556	0	0
<b>Total Expenditure</b>	<b>59,377,641</b>		<b>96,755,807</b>	<b>73,051,600</b>	<b>-29,078,762</b>	<b>74%</b>
<b>Surplus For the Period</b>	<b>0</b>		<b>0</b>	<b>35,683,207</b>		
Capital Expenditure	104,000,000	7,000,000	111,000,000	0	0	0

**(Budget notes)**

1. The difference between the original and final budget was occasioned by high student enrolment which was not anticipated in preparation of the budget.

**19. Notes to the Financial Statements**

**1. General Information**

**1. GENERAL INFORMATION**

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

**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Mosoriot teachers training college accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Notes

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

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

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

**i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2024.**

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 2024.

**ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.**

<b>Standard</b>	<b>Effective date and impact:</b>
<b>IPSAS 41:</b> Financial Instruments	<b>Applicable: 1<sup>st</sup> January 2023:</b> 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:

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Standard	Effective date and impact:
	<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><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> <li>(c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.</li> </ul> <p>Mosoriot teachers training college has no social program in place, this standard has no impact to our institution.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p><b>Applicable: 1st January 2023:</b></p> <ul style="list-style-type: none"> <li>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.</li> <li>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</li> </ul>

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Standard	Effective date and impact:
	<p>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> <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	<p><i>Applicable 1<sup>st</sup> January 2023</i></p> <ul style="list-style-type: none"> <li>• <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i></li> </ul> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> <li>• <i>IPSAS 39: Employee Benefits</i></li> </ul> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> <li>• <b>IPSAS 29: Financial instruments: Recognition and Measurement</b></li> </ul> <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1<sup>st</sup> January 2023.</p>
IPSAS 43	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non-Current Assets Held for Sale and	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p>

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Standard	Effective date and impact:
Discontinued Operations	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**

Mosoriot teachers training college did not early-adopt any new or amended standards in year 2023.

**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

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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.

**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 2023/2023 was approved by the Board in July 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 did not record additional appropriations.

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.

**c) Taxes**

**Current income tax**

Mosoriot pays taxes both PAYE and Withholding taxes as per the Act.

**Sales tax/ Value Added Tax**

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

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

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

**Notes to the Financial Statements (Continued)**

**d) Investment property**

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

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

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

**e) Property, plant and equipment**

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

**25% Motor vehicles**

**30% Computers**

**12.5% Furniture**

**10% Equipment**

**2.5% Buildings**

**Notes to the Financial Statements (Continued)**

**4 Summary of Significant Accounting Policies (Continued)**

**f) Leases**

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

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

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

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

**g) Intangible assets**

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

**h) Research and development costs**

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

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

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

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

i) Financial instruments

*Financial assets*

**Initial recognition and measurement**

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

**Loans and receivables**

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

**Held-to-maturity**

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

**Impairment of financial assets**

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

*Impairment of financial assets (Continued)*

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

**Financial liabilities**

**Initial recognition and measurement**

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

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

### **Loans and borrowing**

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

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

#### **j) Inventories**

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

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

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

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

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

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

#### **k) Provisions**

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

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

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

### **Contingent liabilities**

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

**Contingent assets**

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

**Notes to the Financial Statements (Continued)**

**4 Summary of Significant Accounting Policies (Continued)**

**l) Nature and purpose of reserves**

The Entity creates and maintains reserves in terms of specific requirements. However, there were reserves created or adopted during the year.

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

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

**o) Foreign currency transactions**

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

**p) Borrowing costs**

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

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

**Notes to the Financial Statements (Continued)**

**4 Summary of Significant Accounting Policies (Continued)**

**q) Related parties**

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

**r) Service concession arrangements**

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

**s) Cash and cash equivalents**

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

**t) Comparative figures**

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

**u) Subsequent events**

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

**5. Significant Judgments and Sources of Estimation Uncertainty**

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

**Estimates and assumptions**

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

**Notes to the Financial Statements (Continued)**

assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

**Useful lives and residual values**

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

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

**Provisions**

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

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

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

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Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

Description	2023-2024	2022-2023
	Kshs	Kshs
Operational grant	13,449,785.00	12,958,307
Special grant		852,000
		13,810,307
	<b>13,449,785.00</b>	<b>13,810,307</b>

(a) Transfers from other Government entities (Categorized)

Name Of the Entity Sending the Grant	Amount recognized to Statement of Comprehensive Income Kshs	Amount deferred under deferred income Kshs	Amount recognised in capital fund Kshs	Total grant income during the year	
				2023-2024	2022-2023
				Kshs	Kshs
State Department Basic Education		00	00	13,449,785.00	13,810,307.00
<b>Total</b>		<b>00</b>	<b>00</b>	<b>13,449,785.00</b>	<b>13,810,307.00</b>

*(Ensure that the amount recorded above as having been received from the Ministry fully reconciles to the amount recorded by the sending Ministry. An acknowledgement note/receipt should be raised in favour of the sending Ministry. The details of the reconciliation have been included under appendix ii)*

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Notes to the Financial Statements (Continued)

7. Rendering of Services

Description	2023-2024	2022-2023
	Kshs	Kshs
Tuition Fees	2,709,804	192,576
Activity Fees	2,844,972	171,650
Teaching Practice	2,507,537	213,184
Examination Fee	6,079,474	1,532,690
Medical fees	816,186	81,076
Stores	4,058,129	00
Boarding fees	34,884,788	2,660,708
Repair and Maintenance	3,420,764	234,314
Vehicle repair and Maintenance	5,732,235	418,780
Contingencies / Administration costs	1,988,504	216,520
Electricity and Conservancy	4,002,046	254,680
Personal emoluments	8,087,644	662,092
Student council	464,342	44,600
Clubs and Environment	486,490	46,300
Computer and Internet	4,004,857	256,854
Local Transport and Travelling	4,283,841	271,600
KUCCPS	1,483,500	00
<b>Total Revenue from The Rendering of Services</b>	<b>87,855,113</b>	<b>7,257,624</b>

(Revenue from student fees.)

8. Sale of Goods

Description	2023-2024	2022-2023
	Kshs	Kshs
Sale of Farm Produce	373,829	0
Sale of tender	12,000	52,000
<b>Total Revenue from Sale of Goods</b>	<b>385,829</b>	<b>52,000</b>

(Revenue generated from farm and tenders)

9. Rental revenue from facilities and equipment

Description	2023-2024	2022-2023
	Kshs	Kshs
House rent	1,500	72,000
Contingent Rental	-	-
<b>Total</b>	<b>1,500</b>	<b>72,000</b>

(Revenue collected from resident staff.)

**Mosoriot Teachers Training College**  
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**Notes to the Financial Statements (Continued)**

**10. Other Income**

Description	2023-2024	2022-2023
	Kshs	Kshs
Graduation fees	-	629,000
Disposal	294,550	00
Track suit	2,327,598	182,258
Student ID	288,800	29,200
Hosting fees	3,676,207	337,250
Collection from old students	263,425	00
<b>Total other income</b>	<b>6,850,580</b>	<b>1,177,708</b>

**11. Use Of Goods and Services**

Description	2023-2024	2022-2023
	Kshs	Kshs
Teaching and learning materials	3,085,196	412,693
Electricity, Water	2,498,751	305,509
Boarding expenses	22,607,412	4,318,050
Examination fees	49,700	1,747,130
Farming	1,345,189	802,998
Travelling and accommodation	3,155,147	1,417,040
Fuel and oils	2,797,755	1,659,150
Insurance	1,709,997	357,877
Contingencies	569,044	444,840
Student council	63,614	113,845
Stores	2,885,699	14,500
Internet expenses	2,056,418	548,620
Graduation fees	-	570,105
Track suit	2,317,788	223,660
Student ID	496,000	18,400
Cartridges and Markers	-	33,080
Hosting expenses	2,135,990	543,840
Administration costs	1,047,187	0
Refund	102,893	0
Medical fee	351,915	54,408
Activity	2,898,096	634,810
Clubs and Environment	126,850	10,450
KRA	107,106	0
TP Books	189,100	0
Registration	47,200	
KUCCPS	1,476,000	0
<b>Total other expenses</b>	<b>54,120,047</b>	<b>14,231,005</b>

**12. Employee Costs**

Description	2023-2024	2022-2023
	Kshs	Kshs
Basic Salaries and wages	8,869,595	5,197,585
Medical allowances	266,850	197,640
NSSF Employer	748,472	318,408
PAYE	267,942	0
Gratuity	691,392	0
<b>Total Costs</b>	<b>10,844,251</b>	<b>6,772,033</b>

**13. Board Expenses**

Description	2023-2024	2022-2023
	Kshs	Kshs
Sitting allowance	325,000	779,000
<b>Total</b>	<b>325,000</b>	<b>779,000</b>

**14. Depreciation and Amortization expense**

Description	2023-2024	2022-2023
	Kshs	Kshs
Property, plant and equipment	4,965,850	4,898,352
Intangible assets	0	0
<b>Total depreciation and amortization</b>	<b>4,965,850</b>	<b>4,898,352</b>

**15. Repairs and Maintenance**

Description	2023-2024	2022-2024
	Kshs	Kshs
Equipment and machinery	3,801,410	1,027,795
Repair of Vehicles	2,007,942	539,410
<b>Total Repairs and Maintenance</b>	<b>5,809,352</b>	<b>1,567,205</b>

**16. Contracted Services**

Description	2023-2024	2022-2023
	Kshs	Kshs
Outsourced Security	1,944,394	1,560,000
Property valuations	-	-
<b>Total contracted services</b>	<b>1,944,394</b>	<b>1,560,000</b>

**17. Finance Costs**

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank charges	8,556	8,379
<b>Total Finance Costs</b>	<b>8,556</b>	<b>8,379</b>

(Bank charges incurred during the year.)

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Notes to the Financial Statements (Continued)

18. Cash and Cash Equivalents

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Account	19,172,843.80	10,624,115.05
Savings Account	11,014,898.90	3,298,420.90
<b>Total Cash and Cash Equivalents</b>	<b>30,187,742.70</b>	<b>13,922,535.95</b>

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

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

Financial Institution	Account number	2023-2024	2022-2023
		Kshs	Kshs
<b>a) Current Account</b>			
Kenya Commercial Bank			
Main/Grants Account	1102484024	9,247,573.45	7,044,127
Fund/Operation Account	1102484121	9,925,270.35	3,579,360.85
ECDE Account	1133314864	0	627.20
<b>Sub- Total</b>		<b>19,172,843.80</b>	<b>10,624,115.05</b>
<b>b) Savings Account</b>			
Kenya Commercial Bank			
Farm Account	1101513179	1,628,829.65	1,282,351.65
Exam/ Caution Money Account	1103435590	2,613.25	1,902,613.25
Exam/ Caution Money (Fixed deposit)	1103435590	9,270,000	0
Reserve Account	172000261	113,456	113,456
<b>Sub- Total</b>		<b>11,014,989</b>	<b>3,298,420.90</b>
<b>Grand Total</b>		<b>30,187,742</b>	<b>13,922,535.95</b>

19. Receivables from Exchange transactions

20(a) Current Receivables from Exchange transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Current Receivables</b>		
Student Debtors	15,978,085	664,004
Rent Debtors	402,500	402,500
<b>Total Current Receivables</b>	<b>16,380,585</b>	<b>1,066,504</b>

20(b) Long- term Receivables from Exchange transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Non-Current Receivables</b>		
Student Debtors	3,985,739	1,043,436
<b>Total Receivables</b>	<b>3,985,739</b>	<b>1,043,436</b>

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**20 (c) Reconciliation for impairment Allowance on Receivables from Exchange Transactions**

Description	2023-2024	2022-2023
	Kshs	Kshs
At the beginning of the year	4,249,164	3,860,270
Provisions during the year		1,043,436
Recovered during the year	(263,425)	(654,542)
Write offs during the year	0	0
At the end of the year	<b>3,985,739</b>	<b>4,249,164</b>

**20. Receivables from non-Exchange transactions**

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Current Receivables</b>		
Transfers from Other Govt. entities	192,000	00
<b>Total Current Receivables</b>	<b>192,000</b>	<b>00</b>

**21. Inventories**

Description	2023-2024	2022-2023
	Kshs	Kshs
Main Stores	1,654,330	532,060
Boarding Stores	1,934,130	214,860
<b>Total Inventories at Lower of Cost and Net Realizable Value</b>	<b>3,588,460</b>	<b>746,920</b>

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Notes to the Financial Statements (Continued)

22. Property, Plant and Equipment.

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Total
Cost	Kshs		Kshs	Kshs	Kshs	Kshs	Kshs
At 1 July 2020	248,000,000	119,000,000	14,650,000	1,038,250	602,000	1,620,000	<b>384,910,250</b>
Disposals	-	-	-	289,554	-	-	<b>289,554</b>
<b>At 30<sup>th</sup> June 2021</b>	<b>248,000,000</b>	<b>119,000,000</b>	<b>14,650,000</b>	<b>748,696</b>	<b>602,000</b>	<b>1,620,000</b>	<b>384,620,696</b>
<b>Depreciation and Impairment</b>	<b>-</b>	<b>2,975,000</b>	<b>3,662,500</b>	<b>93,587</b>	<b>180,600</b>	<b>162,000</b>	<b>7,073,687</b>
At 1 July 2022	248,000,000	116,025,000	10,987,500	655,109	421,400	1,458,000	<b>377,547,009</b>
Disposal	-	-	-	-	-	-	-
<b>Net Book Values At 30<sup>th</sup> June 2022</b>	<b>248,000,000</b>	<b>116,025,000</b>	<b>10,987,500</b>	<b>655,109</b>	<b>421,400</b>	<b>1,458,000</b>	<b>377,547,009</b>
At 1 <sup>st</sup> July 2023	248,000,000	116,025,000	10,987,500	655,109	421,400	1,458,000	377,547,009
Disposal	-	-	1,020,000	210,250	-	-	1,230,250
Additions	-	2,700,000	-	-	-	-	2,700,000
Depreciation and Impairment	-	2,900,625	2,746,875	81,889	126,420	145,800	6,001,609
<b>Net Book Values At 30<sup>th</sup> June 2023</b>	<b>248,000,000</b>	<b>115,824,375</b>	<b>7,220,625</b>	<b>362,970</b>	<b>294,980</b>	<b>1,312,200</b>	<b>373,015,150</b>
At 1 <sup>st</sup> July 2024	<b>248,000,000</b>	<b>115,896,890</b>	<b>7,220,625</b>	<b>362,970</b>	<b>294,980</b>	<b>1,312,200</b>	<b>373,015,150</b>
Disposal	-	-	-	127,506	-	-	127,506
Additions	-	5,565,767	-	2,475,000	-	-	8,040,767
Depreciation and Impairment	-	2,895,609	1,805,156	45,371	88,494	131,220	4,965,850
<b>Net Book Values At 30<sup>th</sup> June 2024</b>	<b>248,000,000</b>	<b>118,567,048</b>	<b>5,415,469</b>	<b>2,520,063</b>	<b>206,486</b>	<b>1,180,980</b>	<b>375,890,046</b>

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**Notes to the Financial Statements (Continued)**

**Valuation**

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). These amounts were adopted in the financial statements in September 2022.

**23 (b) Property, Plant and Equipment at Cost**

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	248,000,000	-	248,000,000
Buildings	127,265,767	8,771,234	118,494,533
Plant and Equipment	1,620,000	439,020	1,180,980
Motor Vehicles	13,630,000	8,214,531	5,415,469
Computers	602,000	395,514	206,486
Furniture and Fittings	3,303,000	220,847	2,592,578
<b>Total</b>	<b>394,420,767</b>	<b>18,041,146</b>	<b>375,890,046</b>

Note: Refer to page 12 for basis of depreciation.

**24. BIOLOGICAL ASSETS**

**i) FARM ANIMALSS**

S\NO	NAME	VALUE
1	3 Dairy Cows	180,000
2	2 Young Bulls	30,000
3	1 Heifers	50,000
4	3 Boers (pigs)	24,000
5	3Sows (pigs)	30,000
6	1 Ram (sheep)	20,000
7	23 Ewe (sheep)	180,000
	<b>TOTAL</b>	<b>514,000</b>

**24 a. INTANGIBLE ASSETS (ERP SOFTWARE)**

S\NO	NAME	VALUE
1	Intellimis ERP software (opening)	1,560,000
2	Bio metric (additions)	870,000
		<b>2,430,000</b>

Notes to the Financial Statements (Continued)

25. Trade and Other Payables from Exchange transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
Trade payables	0	0
Fees paid in advance	0	0
<b>Total Trade and Other Payables</b>	<b>0</b>	<b>0</b>

26. Refundable Deposits from Customers/Students

Description	2023-2024	2022-2023
	Kshs	Kshs
Caution money	875	875
<b>Total Deposits</b>	<b>875</b>	<b>875</b>

27. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Provision	2023-2024	2022-2023
	Kshs	Kshs	Kshs	Kshs	Kshs
Gratuity				261,510	761,160
<b>Total Employee Benefits Obligation</b>				<b>261,510</b>	<b>761,160</b>

**Retirement benefit Asset/ Liability.**

The entity does not operate a defined benefit scheme for all full-time employees since inception Staff are paid lumpsum gratuity on retirement.

An actuarial valuation to fulfil the financial reporting disclosure requirements of IPSAS 39 is not applicable since there's no defined benefit obligation and the related current service cost and past service cost.

Mosoriot TTC also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. Mosoriot TTC obligation under the scheme is limited to specific contributions legislated from time to time and is currently at 6% of monthly salary per employee per month.

## **28. Financial Risk Management**

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

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

### **(i) Credit risk.**

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

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

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

## **28. 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 company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The entity has significant concentration of credit risk on amounts due.

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

### **(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.

## **Financial Risk Management**

### **(iii) Market risk.**

The Mosoriot teachers training college has put in place an internal audit committee to assist it in assessing the possible risk faced on an ongoing basis, evaluate and test the design and effectiveness of its internal controls.

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Overall responsibility for managing the risk rests with the Audit and Risk Management Committee.

The 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 exposure to risks or the manner in which it manages and measures the risk.

**a) Foreign currency risk**

The entity 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 carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

**b) Foreign currency sensitivity analysis**

The following table demonstrates the effect on the company's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

**29. Events After the Reporting Period**

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

**30.Ultimate and Holding Entity**

The Mosoriot teachers training college is Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

**31.Currency**

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

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**Appendices**

**Appendix 1: Implementation Status of Auditor-General Recommendations**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2	Irregularities in management of imprest	Surrender of imprest has been affected	Resolved	
3	Unbalanced Budget.	Management has drawn a balanced budget	Resolved	
2	Lack of human resource policy	Human report policy now in place	Resolved	

**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 time frame 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.

*(Handwritten signature)*

**Name**  
**Accounting Officer**  
**Mosoriot teachers training college**  
**Date**

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Appendix II- Inter-Entity Confirmation Letter

Mosoriot teachers training college wishes to confirm the amounts received as at 30<sup>th</sup> June 2024 from the Ministry of Education, State Department of Early Learning and Basic Education in the table below.

Confirmation of amounts received by Mosoriot Teachers Training College as at 30 <sup>th</sup> June 2024							
Reference Number	Date Disbursed	Amounts Disbursed Ministry of Education] (Kshs) as at 30th June 2024				Amount Received (KShs) as at 30 <sup>th</sup> June 2024 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
1	19/01/2024	3,136,923				3,136,923	
2	19/01/2024	3,298,024				3,298,024	
3	25/04/2024	3,330,395				3,330,395	
4	20/06/2024	3,684,443				3,684,443	
<b>TOTAL</b>		<b>13,449,785</b>				<b>13,449,785</b>	

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

**Head of Accountants department of beneficiary Entity:**

Name Michael Muma Sign  Date 27/12/2024