

REPUBLIC OF KENYA



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REPORT

DATE: 30 APR 2025

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BY:

Hon George Munyaga
MP

OF

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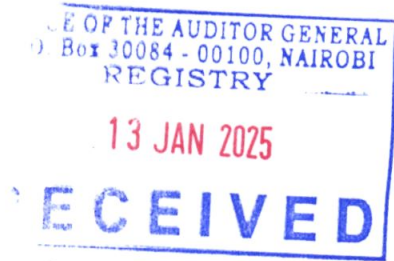
THE AUDITOR-GENERAL

ON

MACHAKOS TEACHERS COLLEGE

FOR THE YEAR ENDED

30 JUNE, 2022



MACHAKOS TEACHERS COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH JUNE 2022

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

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1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

Machakos Teachers College (MATECO) was established on 4th March, 1958 to train female teachers. In 1965, the college was made a Co-educational Institution and started offering P1 and P2 courses. From then on it continued to train P1 teachers' up to December 2020. From June 2021, the College has been offering Diploma in Primary Teacher Education (DPTE) and Diploma in Early Childhood Teacher Education (DECTE) training.

MAECO is a unique institution since it trains learners with special needs- learners with hearing, visual and physical impairment.

Currently, the college has a 39 Teaching staff, 46 Non-Teaching staff and a students' population of 464. The College optimum students' capacity is 1080.

The College is managed by a Board of Management, appointed by the Cabinet Secretary, Ministry of Education as stipulated in the Basic Education Act No. 14 of 2013. However, the day-to-day management of the College activities is undertaken by the college administration headed by a Principal who is appointed by Teachers Service Commission.

Machakos Teachers College is ISO 9001: 2015 certified by The Kenya Bureau of Standards (KEBS) which has enhanced customer focus by ensuring timely and effective service delivery.

The College has embraced Performance Contracting for the last seventeen years. This has enhanced effective utilization of resources, timely service delivery and prudent management

The College sits on a land parcel of approximately 74.26 Acres. There is one borehole which provides water to the college community.

(b) Principle Activity

The core activity of the College is to train Primary and Early Childhood education teachers as mandated by the Basic Education Act – 2013.

MATECO STRATEGY MAP

VISION

A Centre of excellence in teacher education and human resource development

MISSION

To train quality Basic Education Teachers and offer human resource skills, knowledge and attitudes responsive to the challenges of a dynamic society

KEY RESULTS

Training of quality Basic Education teachers

Wellness and Personality development

Talent development

Institutional capacity

CORE VALUES

Professionalism; Creativity and Innovation; Integrity; Gender Equity and Inclusivity; Teamwork

The Core functions of the College include:

- i). To train Primary and Early Childhood Education teachers.
- ii). Develop in the teacher the ability to communicate and collaborate effectively.
- iii). Provide Primary and Early Childhood teacher education that equips teachers with the following competencies and values:-
 - i. Critical thinking and problem solving skills.
 - ii. Creativity and imagination.
 - iii. Communication skills.
 - iv. Citizenship and Patriotism.
 - v. Digital literacy.
 - vi. Self-efficacy.
 - vii. Learning to learn.
 - viii. Moral and religious values
- iv). Develop awareness of good human relationship and international consciousness and foster in the teacher an appreciation and respect for our rich and varied cultural heritage.
- v). Develop in the teacher awareness and appreciation for good health and environmental conservation.

(c) Key Management

The College day-to-day management is under the following key organs:

- (i) Board of Management (BoM).
- (ii) Principal, the Secretary to the BoM.
- (iii) Deputy Principal.
- (iv) Dean of Students.
- (v) Dean of Curriculum.
- (vi) Head of Departments.
- (vii) Heads of Subjects.
- (viii) Heads of Sections.

d) Fiduciary Management

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

No.	Designation	Name
1.	Chairman of the BoM	Mr. Tito Musyoka
2.	Principal	Joyce Mabwai
3	Deputy Principal	Waema Mutia
4	Dean of Students	Muema Elizabeth
5	Dean of Curriculum	Felistas Mutuku
6	Head of Finance	Justin Mwairirie Kariuki
7	Head of Procurement	Harrison Mutiso
8	PC Coordinator	Titus Kituka
9	ISO Quality Manager	Joshua Mutie

e) Fiduciary Oversight Arrangements

i. Finance, Procurement and General Purpose Committee of the Board

The committee exercise powers of the Board of Management including financial matters

The role of the committee shall be to monitor financial status and procurement processes of the college on behalf of the Board of management.

ii. Executive Board of Management

The committee shall monitor the financial status of the college and implementation of the college programmes and projects. Receive reports from the Principal that informs effective management of the College Human Resource.

iii. Academic Committee of the Board

The academic committee is entrusted with the responsibility of:

Monitoring the implementation of the Curriculum as provided by Kenya Institute of Curriculum Development.

To ensure learners are subjected to assessment as provided by Kenya National Examination Council.

iv. Senior Management Committee

The main duty and responsibility of Senior Management is to:

Implement the board of management strategic decisions

To provide leadership in communicating Machakos teachers College vision, mission and values and ensure their effective and consistent achievement.

Be accountable for effective implementation of the Curriculum and development projects

Make recommendations to the Board on the implementation and achievement of the Board of management Strategic framework.

v. Audit and Risk Management Committee

a) To review and provide oversight on governance initiatives of the Board

b) Review and provide oversight on the College internal control framework

c) Review and provide oversight on establishment, implementation, maintenance and effectiveness of risk assessment, risk management and risk reporting practices.

d) Audit the College systems

vi Government Oversight Activities

The Government of Kenya Provides regulatory framework for oversight. Audit of the College activities is done by the Directorate of Audit - Ministry of Education and by the Office of The Auditor General.

(f) Entity Address

Machakos Teachers College
P.O. Box 124-90100
Machakos Teachers College
College Road
Machakos, KENYA

(f) Entity Contacts

Telephone: (254) 700393590
E-mail: machakosteacherscollege@rocketmail.com
Website: www.mateco.ac.ke

(g) Entity Banker

Kenya Commercial Bank
Machakos Branch
Fund Account: **1107139120**
Project Account: **1106322991**
Main Account: **1106308166**
Savings Account: **1104105217**








(h) Independent Auditors

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

(i) Principal Legal Adviser






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

2. THE BOARD OF MANAGEMENT





No.	Member	Title	Photograph	Age	Qualification	Independent/ Executive Member	Current Occupation
1.	Mr. Tito Musyoka Kitulu	Chairperson		63	Msc	Independent	Business Man
2.	Dr. Joyce M. Mutinda	Deputy Chairperson		65	PhD	Independent	Chairperson of National Gender and Equality Commission.
3.	Mr. Phillip M. Mulwa	Member		63	Bachelor of Law	Independent	Private Advocate
4.	Prof. Francis Mathooko	Member		56	PhD	Independent	Professor at Machakos University
5.	Architect Petrovic Muthusi	Member		54	Bachelor of Architecture	Independent	Private Practice.
6.	Mrs. Joyce Mbuve Muasa	Member		65	MDIV	Independent	Lecturer – SCORT Christian University
7.	Dr. Beatrice Mueni Nzou	Member		53	PHD Master of Counselling Psychology	Independent	Mediator Counsellor

Machakos Teachers College

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

8.	Mrs. Ruth Mumo	Member		77	Diploma in Institute Management	Independent	Business Woman
9.	Mrs. Benedicter N. Musau	Member		64	Diploma in ECDE	Independent	Business Woman
10.	Mrs. Ruth Kalee	Member		53	Master of Community Health	Independent	Working at JKIA Nairobi
11.	Mr. James Mbuva Mwisa	Member		63	Higher National Diploma in Histopathology	Independent	Senior Lecturer KMTC Machakos
12.	Mrs Mabwai Joyce	Secretary		55	Master of Education, Bachelor of Education, Diploma – School Leadership and Administration	Independent	Lecturer

3. KEY MANAGEMENT TEAM

No.	Member/Director	Prof/Academic Qualification	Main area of Responsibility	Passport size photo
1.	Mrs Joyce Mabwai	Master of Education, Bachelor of Education, Diploma – School Leadership and Administration	Principal. Lead person in implementation of the College strategic activities to ensure the college delivers on its mandate. Motivates and develops the College staff highest standards of performance and customer service	
2.	Mr Waema Mutia		Deputy Principal. Work in liaison with the principal in implementing the BoM strategic decisions, in charge of students discipline	
3.	Mrs Felistas Mutuku	Master of Education	Dean of Curriculum. In charge of curriculum implementation in the college	
4.	Mrs Muema Elizabeth	Master of Education, B.ED Education	Dean of Students. In charge of students welfare and students governance, ensure and make recommendations for provision of conducive environment for teacher trainees	
5.	CPA Justine Kariuki	BBA/CPA (K)	Finance Officer. Administering routine financial functions ensuring all works is carried out in accordance with established procedures and systems.	

4. CHAIRMAN'S STATEMENT

The Board of Management of Machakos Teachers College has been very active during the year under review in managing the affairs of the College. I am glad to report that Financial Year 2021/2022, operations in the College went on smoothly. As Teacher Training Colleges transited from offering Certificate to diploma in Teacher Education, Machakos Teachers College admitted the first cohort of 464 students for the Diploma in Teacher Education.

Machakos Teachers College delivered on her mandate. Most activities planned for in the year were accomplished. However, we recognise the existing challenges which include inadequate learning facilities, lack of course books, low internet connectivity as well as understaffing in key learning areas.

Acknowledging the importance of provision of a conducive environment for learning and the need to secure the College, the Board of Management undertook two main projects; upgrading of four hostels by partitioning into cubicles and extending the stone boundary wall.

While 2021/2022 was not a record year in terms of financial performance, due to the high cost of living, the College took a deliberate path to manage costs and improve efficiency. In addition to students' fees, which is the main source of income, the College explored other sources of income such as hosting of workshops and seminars which earned the College Kshs.9,902,121.80 and fixing of funds whose interest earned the College Kshs.760,572.00

The College takes cognizant of the importance and role Information Technology plays in enhancing service Delivery. To enable lectures and teacher trainees to integrate ICT in teaching and learning, the College invested a total of Ksh 1,105,700 on procurement of additional ICT equipment. However, the equipment and the network available is still inadequate. To this end the College will seek assistance from willing partners to make E-learning and automation of service delivery a reality.

The 2021/2022 – 2025/2026 College Strategic plan was developed and officially launched on 18th February, 2022. Looking ahead, the College priorities for this coming year and of course for the years beyond, is to focus on improvement of learning and training environment by upgrading facilities, providing resources and ensuring wellness and personality development.

As a board, we endeavour to continually put in place governance systems to ensure that we not only comply with Public Finance Management Act of 2012 but also engage in strategic leadership to enable the College achieve a good corporate status.

On behalf of the Board of Management, I wish to thank the Ministry of Education, the outgoing Board of management and other partners for their support without which our achievements would not have been realised.



For **Tito Musyoka**
Chairperson – Board of Management

Date **31.12.2022**.....

5. REPORT OF THE PRINCIPAL

I take this opportunity to present the College's FY2021/2022 Annual Report and Financial Statements. The report focuses on the College's strategic intent as outlined in the College Strategic Plan which includes improvement in physical facilities, delivery of the Core mandate, and prudent financial management. However, in spite of inadequate resources, the College was able to deliver on its mandate of training quality, engaged, empowered and ethical teachers for basic education.

The Financial Year 2021/2022 was unique for three reasons. Firstly, the College admitted its first cohort of Diploma teacher trainees and implemented Competency Based Teacher Education. Secondly, Covid-19 pandemic resulted in delay, rescheduling and suspension of some College activities. Thirdly, teacher trainees were involved in community service learning which enabled them to interact with the local community and institutions such as primary schools and hospitals.

Some of the achievements of the College include:-

- i). Successful implementation and assessment of Competency Based Teacher Education
- ii). Enhanced integration of ICT in teaching and learning.
- iii). Provision of Internet in the tuition area.
- iv). Upgrading of four hostels by partitioning into cubicles.
- v). Extension of College Boundary wall (105metres)
- vi). Prompt Payment of non-teaching staff salaries and timely remittance of statutory deductions.

These achievements have been made possible due to the strategic leadership of the Board of Management that has effectively discharged its mandate as per the Basic Education Act No. 14 of 2013.

To develop an Institution with excellence in teaching and training, Machakos Teachers College aims at investing in all areas that facilitate learning and training with emphasis on technology. To achieve this, we commit to invest in ICT infrastructure.

In spite of inadequate funding from the government for provision of services for teacher trainees with special needs, the Board of Management has prioritized projects that aim at making the environment conducive and friendly to such learners. In the year under review, pavements and ramps were constructed to ease movement within the College.

The transition of the College to Diploma in Teacher Education requires continuous capacity building of both lecturers and non-teaching staff and upgrading of the Physical facilities. The College is optimistic that the Government through the MOE will provide funding for these activities.

The College has embraced the new financial reporting system. However, the Senior Management and Finance Staff require more training. The College is yet to acquire an Integrated Management Information System and therefore the reports are prepared manually. The BoM plans to procure the Management System in the next financial year.

This Annual Report provides an authentic assessment of how the College delivered on its mandate and a consolidated financial and non-financial data for our stakeholders.

.....
Mrs. Mabwai Joyce

Date..... 31-12-2024

Secretary –Board of Management

6. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

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

Machakos Teachers College has four key result areas within current Strategic Plan for the FY 2021-FY 2026. The College's Strategic pillars with its Strategic Plan for the FY 2021/2026 are as follows:-

- i. Training of quality Basic Education Teachers
- ii. Wellness and personality development.
- iii. Talent development
- iv. Institutional capacity

Machakos Teachers College has 5 strategic goals within the current strategic plan for the year 2021-2026. These strategic goals are as follows:

Strategic Goal 1: Provide teacher education and training programmes.

Strategic Goal 2: Diversify financial sources and ensure efficient utilization of resources.

Strategic Goal 3: Enhance effective management and administration of the College.

Strategic Goal 4: Develop and enhance College infrastructure and facilities on suitable and needs basis.

Strategic Goal 5: Strengthen Capacity Building on Professional skills and emerging issues.

The College develops its annual work plans based on the above 5 strategic goals. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The College achieved its financial performance targets set for the FY 2021/2022 period for its 5 Strategic Goals as indicated in the diagram below.

Strategic Goal	Objectives	Key Performance Indicators	Activities	Targets	Achievements
Strategic Goal 1	I. To increase enrolment.	Number	I. Offering quality academic programmes.	440	439
	II. To increase transition rate.	%	I. Strengthen Guidance and Counselling to minimize non-completion of the course. II. Adequate provision of resources to enhance performance. III. Parental involvement. IV. Encourage students to apply	100	99

			for external funds for fees support.		
	III. To ensure 100% Curriculum Design coverage.	%	I. Attendance of class by Teaching Staff to ensure timely completion of the Curriculum Design.	100	98
	IV. Improve percentage pass in summative results.	Number	I. Adequate preparation of candidates.	4.7	4.4166
Strategic Goal 2	I. To ensure efficiency in resource utilization.	%	I. Develop effective College controls system and stores. II. Sensitize the college on cost cutting measures and manage resources using schedules. III. Use of efficient Procurement Process. IV. Use of resource schedules and issuance of goods register.	100	80
	II. Develop viable financial income generating projects.	Number	I. Hosting of workshops and seminars.	10	5
Strategic Goal 3	I. Ensure professionalism, transparency, integrity among Staff in performance of duties.	%	I. Implement Quality Management System. (QMS). II. Form performance Indicator Committees. III. Attendance of Workshops	100	95

Strategic Goal 4 Develop and enhance College infrastructure and facilities on suitable and needs basis.	I. To ensure rehabilitation of the infrastructure in the College.	Number	I. Hostels partitioning, tiling and refurbishment.	6	6
	II. Enhance College Security	Length in Metres	Construction of Stone boundary wall – Phase 11.	105 Metres	105 Metres
	III. Improvement of pavements and pathways.	%	Construction of Pavements	100	95
Strategic Goal 5 Strengthen Capacity Building on Professional skills and emerging issues.	I. Implementation of the Service Delivery Charter.	Number	I. Review and display the Service Delivery Charter at the Administration Block and main gate in English and Kiswahili.	2	3
	II. Competence Development	%	I. Carry out Staff training needs assessment, execute interventions to address the identified skill gaps. II. Training of needs through external facilitation, coaching and mentoring.	100	98
	III. Gender Mainstreaming	%	Implement gender Mainstreaming policy, plans and programs. Set up and operationalize a Gender Management System.	100	100

	IV. Disability Mainstreaming.	%	Implement Disability Mainstreaming policy, plans and programs. Submit reports to NCPWD.	100	100
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7. CORPORATE GOVERNANCE STATEMENT

The College affirms that good corporate governance is key to any Institution of learning. The College commits to ensure that there is compliance with the legal and statutory requirements. It also commits to meet the set deadlines.

On behalf of the Cabinet Secretary, Ministry of Education, the College is managed by the Board of Management comprising of thirteen (13) Members. The new Board assumed office on 20th July, 2022.

The process of appointment and mandate of the Board of Management is clearly outlined in CAPS 14 of the Basic Education Act of 2013.

a) Appointment of Board of Management Members.

The members of the Board of Management are appointed by the Cabinet Secretary, Ministry of Education following recommendations of the Nomination Committee. The Board comprises of fourteen (14) members and serves for three (3) years.

b) Composition of Board of Management.

The Board of Management established under section 55 of the Basic Education Act, 2013 consists of the following members appointed by the County Education Board:

- i). Six persons elected to represent local community.
- ii). One person nominated by the County Education Board.
- iii). One representative of the teaching staff in the school elected by the teachers.
- iv). Three representatives of the sponsors of the school.
- v). One person to represent special interest groups in the community.
- vi). One person to represent persons with special needs.
- vii). A representative of the students' council who shall be an ex officio member.

c) Roles and functions of the Board of Management.

As stipulated in The Basic Education Act No. 14 of 2013, Section 59, the functions of the Board of Management shall be to:-

- i). Promote the best interest of the Institution and ensure its development.
- ii). Promote quality education for all pupils in accordance with the standards set under this Act or any other written law.
- iii). Ensure and assure the provision of proper and adequate physical facilities for the Institution.
- iv). Manage the Institution's affairs in accordance with the rules and regulations governing the occupational safety and health.

- v). Advise the County Education Board on the staffing needs of the Institution.
 - vi). Determine cases of pupils' discipline and make reports to the County Education Board.
 - vii). Prepare a comprehensive termly report on all areas of its mandate and submit the report to the County Education Board.
 - viii). Facilitate and ensure the provision of guidance and counselling to all learners.
 - ix). Provide for the welfare and observe the human rights and ensure safety of the pupils, teachers and non-teaching staff at the Institution.
 - x). Encourage a culture of dialogue and participatory democratic governance at the Institution.
 - xi). Promote the spirit of cohesion, integration, peace, tolerance, inclusion, elimination of hate speech and elimination of tribalism at the Institution.
 - xii). Encourage the learners, teachers and non-teaching staff and other parents and the community, and other stakeholders to render voluntary services to the Institution.
 - xiii). Allow reasonable use of the facilities of the Institution for community, social and other lawful purposes, subject to such reasonable and equitable conditions as it may determine including the charging of a fee.
 - xiv). Administer and manage the resources of the Institution.
 - xv). Receive, collect and account for any funds accruing to the Institution.
 - xvi). Recruit, employ and remunerate such number of non-teaching staff as may be required by the Institution in accordance with this Act.
 - xvii). Perform any other function to facilitate the implementation of its functions under Basic Education Act No. 14 of 2013 or any other written law.
- d) Board of Management Induction and Training.
Members of the Board are inducted by officers from the Ministry of Education during or immediately after inauguration. Further training can be organised by the College.
- e) Board members' allowances.
The College pays allowances to Board members to cater for their travel.
- f) Meetings.
- i). Full Board meetings – Once a term,
 - ii). Board Committee meetings – Once every term.
 - iii). Executive Board meetings – Once every term.
 - iv). Special Board of Management meeting may be held on need basis.

8. MANAGEMENT DISCUSSION AND ANALYSIS

i) Operational Performance.

Machakos Teachers College has continued to demonstrate great resilience, as reflected in our operational and financial performance in FY2021/2022. The College was able to deliver on its mandate despite the threats caused by Covid-19 Pandemic and low enrolment. Below are some notable achievement;

- (a)** Upgrading of four students' hostels by partitioning.
- (b)** Extension of the boundary wall by approximately 105metres.
- (c)** Timely payment of non-teaching staff salaries.
- (d)** Compliance with the government's statutory requirements through timely remittance of statutory deductions.

During the year, the College prepared well to implement the new Competency Based Teacher Education Curriculum. Rapid adjustments guided by the Ministry of Education were made. The College has taken extensive measures to ensure lecturers and teacher trainees embrace new approaches to learning. The College acknowledges the contribution of teaching and non-teaching staff in the College operations. Furthermore, the College took proactive measures to acquire resources and collaborate with the local community, schools and other institutions.

ii) Financial Performance.

The College operations are funded through fees, Government grants and Income generated from other activities. In the FY 2021/2022, the College targeted to raise Kshs. 57,850,860.00. By the end of the financial year, the total revenue of the College was Kshs. 68,035,376.15. There were pending bills of Kshs 822,806.00 at the close of the FY2021/2022.

a) Compliance with statutory requirements.

The College complies with various statutory requirements by deduction and timely remittance of P.A.Y.E., N.S.S.F, N.H.I.F and HELB as required.

b) Major risks facing the College

Some of the major risks facing the College are:-

- (i)** Inadequate funding
- (ii)** Inadequate staff and rising costs due to inflation
- (iii)** Asbestos roofs on about 95% of the College buildings which is a health risk to the members of the Community.
- (iv)** Low students' enrolment of students for the new Diploma course due to the qualification requirements.
- (v)** Non funding of PC and ISO activities.
- (vi)** Low, unstable internet connectivity
- (vii)** Low rate of acquisition of ICT equipment
- (viii)** Late disbursement of the government grants.
- (ix)** Delayed disbursement of government funds.

Material arrears in Statutory/Financial obligations.

Total pending bills for the FY2020/2021 of Kshs. 154,345.00 were paid in the FY 2021/2022.

SECTION F

Machakos Teachers College's financial probity and serious governance issues

Machakos Teachers College, observe financial probity by ensuring due Procurement Regulations are followed in tendering of services or goods. Integrity is one of the core values of the College. Based on absolute honesty in handling public funds, the College staff maintain strict obedience to The Code of Ethics for Public Servants.

To protect the College from legal and financial risks, tenders were advertised, opened and evaluated as per the Public Procurement and Disposal Act. Tender participants are treated fairly and equally; their confidential information is maintained in confidence.

During the year under review, the Principal and the Procurement Officer attended a training organised by PPRA. The College currently advertises tenders through the Public Procurement and Information Portal (PPIP) the college website and public notice boards.

The College financial records are updated, well maintained and accurate. Financial statements are easily generated on needs basis. Payments are made only for goods received and services provided. The College Inspection and Acceptance Committee play a critical role in ensuring there is no loss of funds by the college. The Finance and Procurement staff have the right qualification for their positions. To enhance effective service delivery, the staff has embraced ICT.

9. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Sustainability strategy and profile

Machakos Teachers College is located in close proximity to Machakos town which is the headquarters of Machakos County. In addition, it is about 65 km from Nairobi. Its location thus provides opportunities for growth.

To achieve the above, the College:

- a) Ensures due processes are followed in procurement of goods and services so as to ensure value for money.
- b) Sensitizes the college community on the importance of conserving water and electricity.
- c) Harvests water from the few iron roofed buildings.
- d) Makes orders based on approved requisition to minimise wastage.

Environmental performance

To enhance environmental sustainability, the college:

- a) Undertakes an annual tree planting exercise.
- b) Uses Energy saving jikos.
- c) Is developing an Environmental Policy.
- d) Enforces minimal use of paper.

The College has two parcels of land; Machakos Block 1/27 and Block 1/26. The Land Parcel Block 1/26 was donated by the Machakos Golf Club to the College in 1970's. However, FY 2020/2021, Golf Club took the College to Court to restrain the college from carrying out any activity on the aforementioned piece of land. The Case is yet to be concluded.

Employee welfare

The College uses guidelines and regulations provided by the Ministry of Education to hire and manage its employees. The number of staff recruited is as per the Non-teaching staff establishment approved by the Ministry of Education. The non-teaching staff salaries is funded by the government grants and students fees.

The Board commits and upholds the equal opportunity principle. The recruitment is carried out in a competitive basis that results in recruitment of suitable employees.

The Board provides a gender responsive working environment for its staff by providing equipment, tools and staff uniforms. The Board of Management has put in place measures to ensure compliance with Occupational Safety and Health Act of 2007. The Staff were provided with protective gears and clothing in the year.

Market place practices-

In the year FY2021/2022, the College registered with Public Procurement Information Portal and was able to advertise tenders through the portal, College Website and public notice boards. This ensures accountability and selection of the most suitable suppliers. Members of Tender

Committee are guided by the code and procurement ethics to ensure tendering process is run openly and fairly.

The College has continued to maintain good relations with her suppliers by ensuring that orders are made on time. Proper documentation and Quality Management procedures are followed. The inspection and acceptance committee verifies the quantity and quality of goods. Once deliveries are made, payment is made as stipulated in the Colleges' Citizens Service Delivery Charter.

Corporate Social Responsibility / Community Engagements

During the year under review, the college engaged with the Community as follows:-

- i). Visiting and donating items to The Machakos Men and Women Prisons.
- ii). Hosted Garissa, Kitui and Kagumo Teacher training Colleges for benchmarked with.
- iii). Local entrepreneurs provided canteen services.
- iv). Hosting institutions and sports clubs for games and sports activities.
- v). Visiting and donating items to Kathekekai Children's Home.
- vi). Teacher trainees constructed gabions in the neighbourhood.

10. REPORT OF THE BOARD OF MANAGEMENT

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

Principal activities

The mandate of the College is to train Basic Education teachers according to The Basic Education Act-2013, Legal Notice No. 14 of 2013 of The laws of Kenya.

Results

The results of Machakos Teachers College for the year ended 30th June, 2022 are set out on page 2 to 28

BOARD OF MANAGEMENT

The members of the Board who served during the year are shown on page xiii

Auditors

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

By Order of the Board



Secretary of the Board of management

Machakos

31-12-2024

Date

11. STATEMENT OF BOARD OF MEMBERS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and Section 14 of Education Act, 2013 require the Board of Management members to prepare financial statements in respect of Machakos Teachers College which give a true and fair view of the state of affairs of the College at the end of the financial year 2020/2022 and the operating results of Machakos Teachers College for that year 2020/2022. The Board members are also required to ensure that the College keeps proper accounting records which disclose with reasonable accuracy the financial position of the College. The Board members are also responsible for safeguarding the assets of the College.

The Board members are responsible for the preparation and presentation of the Machakos Teachers College financial statements, which give a true and fair view of the state of affairs of the College for and as at the end of the financial year 2021/2022 ended on June 30, 2022. This responsibility includes:

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

The Board members accept responsibility for the College 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 College financial statements give a true and fair view of the state of Machakos Teachers College transactions during the financial year ended June 30, 2022, and of the College financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the College, which have been relied upon in the preparation of the College's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

Machakos Teachers College financial statements were approved by the Board on 26th August, 2022 and signed on its behalf by:

Name: Tito Musyoka

Signature.....

For Chairperson of the Board

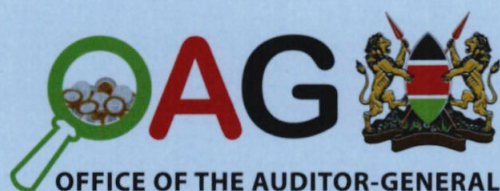
Name: Mrs. Joyce Mabwai

Signature.....

Accounting Officer/Principal

REPUBLIC OF KENYA

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



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

Enhancing Accountability

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

PREAMBLE

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

- A. Report on 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; and,
- 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 Machakos Teachers College set out on pages 1 to 25, which comprise the statement of financial position as at 30 June, 2022 and the statement of financial performance, statement of changes in net

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

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

Basis for Qualified Opinion

1. Unsupported Receivables from Exchange Transactions

The statement of financial position and as disclosed in Note 17 to the financial statements reflects receivables from exchange transactions balance of Kshs12,020,424. However, schedules or debtors control accounts were not provided for audit and there was no disclosure on the adopted recognition of receivables and the aging analysis policy.

In the circumstances, the accuracy, completeness and recoverability of the receivables from exchange transactions balance of Kshs.12,020,424 could not be confirmed.

2. Inaccuracies in Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.21,577,411 as disclosed in Note 18 to the financial statements. However, the lease of the 29.1 acres piece of land where the College is constructed expired on 1 April, 1996 and another piece of land measuring approximately 13.49 acres had only a letter of allotment issued in 1967. Further, 95% of the College buildings are old, delapidated and covered with asbestos posing health risks, the College land is not fenced and approximately 26.3 acres had been encroached resulting to a pending court case.

In the circumstances, the accuracy, completeness and ownership of property, plant and equipment balance of Kshs.21,577,411 could not be confirmed.

3. Unsupported Trade and Other Payables from Exchange Transactions

The statement of financial position and as disclosed in Note 19 to the financial statements reflects trade and other payables from exchange transactions balance of Kshs.14,937,381. However, schedules or creditors control accounts were not provided

for audit and there was no disclosure on the adopted recognition of trade and other payables and the aging analysis policy.

In the circumstances, the accuracy and completeness of the trade and other payables from exchange transactions balance of Kshs.14,937,381 could not be confirmed.

4. Inaccuracies in the Statement of Comparison of Budget and Actual Amounts

The statement of comparison of budget and actual amounts reflects budget of Kshs.38,609,365 in respect to use goods and services while the original budget was Kshs.38,355,107 resulting to an unexplained variance of Kshs.254,258. Further, the statement reflects budget of Kshs.16,258,832 in respect to compensation of employees while the original budget was Kshs.17,258,832 resulting to an unexplained variance of Kshs.1,000,000. In addition, three (3) components with a budget amount of Kshs.2,884,307 were not disclosed in the statement of comparison of budget and actual amounts.

In the circumstances, the accuracy and completeness of the statement of comparison of budget and actual amounts could not be confirmed.

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

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 Information

The Board of Management is responsible for the other information set out on page ii to xxii which comprise of Key Entity Information and Management, The Board of Management, Management Team, Chairman's Statement, Report of the Chief Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Board of Management, Statement of Directors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the College's 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 and I am required to report that fact. Based on the audit procedures performed, because of the significance of the matters described in my Basis for Qualified Opinion, I confirm that the Other Information is materially inconsistent with the financial statements.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

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 effect 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

1. Lack of Higher Education Loans to Students

The College admits teacher trainees both for regular and special needs which sometimes could be costly to trainees. However, the students have no access to Higher Education Loans Board (HELB) funding as they are not considered government-sponsored students despite placement by Kenya Universities and Colleges Central Placement Service (KUCCPS). Further, HELB funds Universities and Technical and Vocational Education and Training (TVET) trainees leaving out Teachers Training Colleges.

In the circumstances, the needy students may be disadvantaged and drop out due to lack of fees and contradicts the HELB Act on access to loans by all students.

2. Non-Compliance with the National Cohesion and Integration Act

The statement of financial performance reflects employee costs amount of Kshs.16,120,449 as disclosed in Note 13 to the financial statements. Review of the payroll revealed that the College had forty-six (46) staff members out of whom thirty-four (34) or 74% belonged to the dominant ethnic community in the county. This was contrary to Section 7(1) an (2) of the National Cohesion and Integration Act, 2008 that require all

public establishments to seek to represent the diversity of the people of Kenya in employment of staff.

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 matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Failure to Update Fixed Assets Register

The statement of financial position and as disclosed in Note 18 to the financial statements reflects property, plant and equipment balance of Kshs.21,577,411. However, the fixed asset register was not updated with details of date of purchase, cost of asset, make & model, depreciation rates, annual depreciation amounts, accumulated depreciation, source of funds, net book values and responsible officer. Further, the Management did not prepare a finance manual to provide guidelines on the capitalization threshold for assets acquired.

In the absence of an updated assets register, the effectiveness of internal controls on identification, accountability and monitoring of the College's assets could not be confirmed.

2. Use of Manual System

During the year, Management had not automated the systems and relied on manual system on critical operations including student registration, billing and maintain accounting records which are prone to human errors and manipulation. Further, the manual ledgers were summarized per month instead of recording the transactions as they

occur. In addition, the monthly balances in the cash books were inscribed in pencil which can be easily erased.

In the circumstances, the effectiveness of internal controls on using manual system could not be confirmed and may limit real time processing or reporting which can delay decision making.

3. Understaffing

The statement of financial performance reflects employee costs amount of Kshs.16,120,449 as disclosed in Note 13 to the financial statements. Review of the College's teaching staff revealed forty-seven (47) in-post staff against an authorized establishment of one hundred and fifty-one (151) resulting to staff shortage of one hundred and four (104). Further, the subordinate staff were forty-six (46) against an authorized establishment of sixty-six (66) resulting to staff shortage of twenty (20).

In the circumstances, due to understaffing the College is not likely to effectively and efficiently carry out its mandate.

4. Weak Information Communication and Technology Controls

Review of the College's information technology systems revealed that a structured cable network that provides network connectivity to various offices had been installed. However, the College did not have an Information Communication and Technology (ICT) steering committee to assist in the development of ICT policy framework to enable the College realize long-term ICT strategic goals.

In the circumstances, lack of effective ICT controls could affect critical operations of the College including student registration, billing and accounting books and records.

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 Board of Management

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

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.

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

14 January, 2025

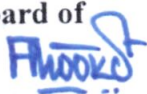
13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2021-2022	2020-2021
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government – grants/ gifts in kind	6	21,627,224	7,648,914
		21,627,224	7,648,914
Revenue from exchange transactions			
Rendering of services- Fees from students	7	37,241,558	6,189,007
Sale of goods	8	7,550	5,000
Rental revenue from facilities and equipment	9	1,701,265	1,705,151
Finance income - external investments	10	760,573	1,116,211
Other income	11	10,655,215	4,002,359
Revenue from exchange transactions		50,366,161	13,017,728
Total revenue		71,993,385	20,666,642
Expenses			
Use of goods and services	12	42,484,289	16,817,386
Employee costs	13	16,120,449	14,588,873
Remuneration of Board of Management	14	1,013,500	741,500
Repairs and maintenance	15	9,071,901	7,364,334
Depreciation and Amortization		3,312,742	3,263,456
Total expenses		72,002,881	42,775,549
Net Surplus/ (Deficit) for the year		(9,496)	(22,108,907)

The Financial Statements set out on pages 1 to 26 were signed by:

Tito Musyoka

Chairman - Board of Management



Date... 31.12.2024.....

CPA Justine Kariuki

Finance Officer

ICPAK No 20658

Date... 31/12/2024.....

Mrs Joyce Mabwai

Chief Principal

Date... 31-12-2024.....

Machakos Teachers College
Annual Report and Financial Statements for the year ended 30th June, 2022

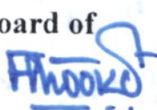
14. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2022

	Notes	2021-2022	2020-2021
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	16	37,627,080	37,932,015
Current portion of receivables from exchange transactions	17	12,020,424	11,079,464
		49,647,504	49,011,479
Non-current assets			
Property, plant and equipment	18	21,577,411	19,563,564
		21,577,411	19,563,564
Total assets		<u>71,224,915</u>	<u>68,575,543</u>
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	19	14,937,381	12,278,014
		14,937,381	12,278,014
Non-current liabilities			
Total liabilities		14,937,381	12,278,014
Accumulated surplus		56,297,030	78,405,936
Surplus/(Deficit) for the year	10536	(9,496)	(22,108,907)
Total net assets and liabilities		<u>71,224,915</u>	<u>68,575,043</u>

The Financial Statements set out on pages 1 to 26 were signed by:

Tito Musyoka

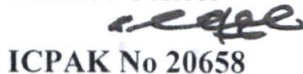
For Chairman - Board of Management



Date... 31.12.2024

CPA Justine Kariuki

Finance Officer



ICPAK No 20658

Date... 31/12/2024

Mrs Joyce Mabwai

Chief Principal



Date... 31-12-2024

15. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30TH JUNE 2022

	Revaluation gain	Fair value adjustment reserve	Retained Earnings	Capital/Development Grants/Fund	Total
At July 1, 2021	-	-	-	-	-
Revaluation gain	-	-	-	-	-
Surplus/(deficit) for the year	-	-	(22,108,907)	-	(22,108,907)
Capital grants received during the year	-	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-	-
Retained earnings	-	-	-	-	-
At June 30, 2021	-	-	(22,108,907)	-	(22,108,907)
At July 1, 2021	-	-	(22,108,907)	-	(22,108,907)
Revaluation gain	-	-	-	-	-
Surplus/(deficit) for the year	-	-	(9,496)	-	(9,496)
Capital grants received during the year	-	-	-	-	-
Transfer of depreciation/amortisation from capital fund to	-	-	-	-	-
Retained earnings	-	-	-	-	-
At June 30, 2022	-	-	<u>(22,099,411)</u>	<u>-</u>	<u>(22,099,411)</u>

Machakos Teachers College
Annual Report and Financial Statements for the year ended 30th June, 2022

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

		2021-2022	2020-2021
	NOTE	Kshs.	Kshs.
Cash flows from operating activities			
Deficit for the Year		(9,496)	(22,108,907)
Adjustments for :			
Interest income			
Operating Profit		(9,496)	(22,108,907)
Add back			
Depreciation & Amortization	19	3,312,742	3,263,450
Interest Income			
		3,303,246	(18,844,451)
Changes in working capital			
Decrease / (Increase) in Inventories			
Increase/(Decrease) in Receivables from exchange transactions	17	(940,960)	(11,079,464)
(Decrease) / Increase in Trade and other payables	19	2,659,367	12,278,014
Prior year adjustments-Amortization		-	
		1,718,407	1,198,550
Net cash flows from operating activities		5,021,653	(17,646,401)
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(5,326,589)	(2,012,457)
Proceeds from sale of property, plant and equipment			
Net cash flows from investing activities		(5,326,589)	(2,012,457)
Cash flows from financing activities			
Proceeds From Borrowing		-	
Repayment Of Borrowings		-	
Net cash flows used in financing activities		-	-
Net Increase/(Decrease) in Cash and Cash equivalents		(304,936)	(19,659,358)
Cash and Cash Equivalents at Beginning of Year		37,932,015	57,591,373
Cash and Cash Equivalents at End of Year		37,627,079	37,932,015

The Financial Statements set out on pages 2 to 5 were signed by:

Tito Musyoka

Tito Musyoka

Chairman - Board of Management

CPA Justine Kariuki

Justine Kariuki

Finance Officer

Mrs Joyce Mabwai

Joyce Mabwai

Chief Principal

ICPAK No 20658

Date 31.12.2024

Date 31/12/2024

Date 31-12-2024

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

		Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilisation Difference
	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other Govt entities grants	16,629,360	1,482,299	18,111,659	21,627,224	(3,515,565)	-19%
Rendering of services- Fees from students	39,758,641	(6,082,453)	33,676,188	37,241,558	(3,565,370)	-11%
Finance Income	637,500	-	637,500	760,573	(123,073)	-19%
Graduation fees	869,786	-	869,786	720,593	149,193	17%
Gains on disposal, rental income and sale of Tender	1,306,920	-	1,306,920	1,191,100	115,820	9%
Seminars and Courses	750,000	-	750,000	9,902,122	(9,152,122)	-1220%
Hire of facilities	250,000	-	250,000	550,215	(300,215)	-120%
Total income	60,202,207	(4,600,154)	55,602,053	71,993,385	(16,391,332)	-29%
Expenses						-
Compensation of employees	16,258,832	(943,392)	15,315,440	16,120,449	(805,009)	-5%
Use of Goods and services	38,609,365	(7,247,314)	31,362,051	42,484,789	(11,122,738)	-35%
Finance costs	-	-	-	-	-	0%
Rent paid	1,306,920	-	1,306,920	-	1,306,920	100%
Facilitation of BOM	783,000	-	783,000	1,013,500	(230,500)	-29%
Repairs and Maintenance	2,244,090	2,590,552	4,834,642	9,071,901	(4,237,259)	-88%
Total expenditure	60,202,207	(4,600,154)	54,602,053	63,440,911	(8,838,858)	-16%
Surplus for the period	-		-	7,305,459	-	-

- i. Budget was done after the receipt of government grants directing on its allocation to specific vote heads.
- ii. The exact number of students (464) was used in the review.
- iii. The exact establishment of Non-Teaching staff (46) was use in reviewed Budget. Expenditures which had not been budgeted were incorporated in the reviewed Budget

18. NOTES TO THE FINANCIAL STATEMENTS

1. General Information

Machakos Teachers College is established by and derives its authority and accountability from The Basic Education Act No. 14 of 2013. Machakos Teachers College is wholly owned by the Government of Kenya and is domiciled in Kenya. Machakos Teachers College's principal activity is to train quality engaged, empowered and ethical Primary and Early Childhood education teachers.

2. Statement of Compliance and Basis of Preparation

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

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

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

3. Adoption of New and Revised Standards

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

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

NEW AND AMENDED STANDARDS AND INTERPRETATIONS IN ISSUE BUT NOT YET EFFECTIVE IN THE YEAR ENDED 30 JUNE 2022

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

Standard	Effective date and impact:
	(c) The impact of such social benefits provided on Machakos Teachers College's financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. <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>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p>
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that</p>

Standard	Effective date and impact:
	<p>leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1st 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> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

Machakos Teachers College 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 Machakos Teachers College.

Interest income

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

Dividends

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

4 Summary of Significant Accounting Policies (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions (continued)

Rental income

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

b) Budget information

The original budget for FY 2021/2022 was approved by the Board on 15/10/21. 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 Machakos Teachers College upon receiving the respective approvals in order to conclude the final budget.

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

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

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

c) Taxes

Current income tax

Machakos Teachers College is exempt from paying taxes as per the first schedule of the Income Tax 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.

d) Investment property

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

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

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

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

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, Machakos Teachers College 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 charged so as to write off the full cost of fixed assets, other than land and properties under construction, over their estimated useful lives. The College charges full depreciation on all its non-current assets in the year of purchase and no depreciation in the year of disposal.

The College has adopted the following depreciation rates for all the property, plant and equipment.

Class	Depreciation Rate	Reducing Balance
Leasehold Buildings	2%	√
Motor Vehicles	25%	√
Computer Equipment	30%	√
Office Equipment	12.5%	√
Furniture	12.5%	√
Fittings and Partitions	12.5%	√

4 Summary of Significant Accounting Policies (Continued)

Inventories (Continued)

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

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

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

f) Provisions

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

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

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

Contingent liabilities

Machakos Teachers College 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. The college has a land case with Machakos Golf Club but has not incurred any cost as the college is represented by the State Council.

Contingent assets

Machakos Teachers College 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 Machakos Teachers College 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.

g) Nature and purpose of reserves

Machakos Teachers College has not created and maintains reserves in terms of specific requirements.

4 Summary of Significant Accounting Policies (Continued)

h) Changes in accounting policies and estimates

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

i) Employee benefits

Retirement benefit plans

Machakos Teachers College 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.

j) 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.

k) 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)

l) Related parties

Machakos Teachers College 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 Machakos Teachers College, or vice versa. Members of key management are regarded as related parties and comprise the directors, the Principal and senior managers.

m) Service concession arrangements

Machakos Teachers College 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, Machakos Teachers College 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, Machakos Teachers College also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

n) 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.

o) Comparative figures

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

p) Subsequent events

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Useful lives and residual values

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

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

Provisions

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. TRANSFERS FROM OTHER NATIONAL GOVERNMENT ENTITIES

Description	2021-2022	2020-2021
	KShs	KShs
Unconditional grants		
Operational grant	20,395,908.00	7,648,914.00
SNE grants	1,231,315.80	-
	21,627,223.80	7,648,914.00
Conditional grants		
Total government grants and subsidies	21,627,223.80	7,648,914.00

7. RENDERING OF SERVICES

Description	2021-2022	2020-2021
	KShs	KShs
Tuition fees	2,850,646.00	450,410.00
Activity fees	2,008,228.00	323,850.00
Teaching practice	969,471.00	-
Medical	308,837.00	101,225.00
BES	11,429,040.00	2,194,936.00
RMI	3,061,037.00	320,025.00
EWC	1,659,375.00	320,000.00
LTT	2,526,368.00	486,450.00
Contingencies	1,374,391.15	421,391.95
MVR	1,772,498.00	288,000.00
Registration fee	70,402.00	32,000.00
Students council	218,623.00	32,000.00
ICT	1,357,177.00	480,000.00
Personal Emolument	2,230,080.00	160,000.00
Covid 19 response	714,216.00	160,000.00
Students ID	102,556.00	48,000.00
Bank changes	77,862.00	43,500.00
Examination fees	4,193,261.00	327,219.00
Stationary	317,490.00	-
Total revenue from the rendering of services	37,241,558.15	16,189,006.95

In FY 2021/2022, the College received a total of 466 students. The income was received from students as fees

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. SALE OF GOODS

Description	2021-2022	2020-2021
	KShs	KShs
Sale of goods		
Sale of farm produce	7,550.00	5,000.00
Total revenue from the sale of goods	7,550.00	5,000.00

9. Rental revenue from facilities and equipment

Description	2021-2022	2020-2021
	KShs	KShs
Hire of facilities and equipment	550,215.35	282,095.75
House Rent	1,151,050.00	1,423,055.00
operating lease revenue	-	-
Total	1,701,265.35	1,705,150.75

10. FINANCE INCOME

Description	2021-2022	2020-2021
	KShs	KShs
Interest from fixed deposits	760,573.00	1,116,210.95
Interest income from Treasury Bills	-	-
Interest income from Treasury Bonds	-	-
Interest from outstanding debtors	-	-
Total finance income	760,573.00	1,116,210.95

11. OTHER INCOME

Description	2021-2022	2020-2021
	KShs	KShs
Income from sale of tender	32,500.00	280,000.00
Income from Disposal	-	8,100.00
Graduation fees	720,593.00	130,414.00
Seminars, workshop and courses,	9,902,121.80	3,583,845.30
Total other income	10,655,214.80	4,002,359.30

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. USE OF GOODS AND SERVICES

Description	2021-2022	2020-2021
	KShs	KShs
Tuition fees	2,095,176.00	577,880.00
Activity fees	2,307,782.00	-
Teaching practice	97,095.00	90,930.00
Medical	511,542.00	46,776.00
BES	13,095,256.10	4,713,617.95
EWC	1,924,885.80	1,618,073.40
LTT	2,518,512.00	1,378,829.65
Contigencies	920,867.25	1,153,312.10
MVR	1,171,022.00	145,264.00
Registration fee	87,200.00	4,000.00
Students council	131,600.00	95,000.00
ICT	1,311,150.00	641,400.00
Covid 19 resonse	89,008.00	1,769,045.26
Students ID	92,200.00	-
Examination fees	4,373,531.00	373,830.00
Farm	-	88,000.00
Graduation fee	958,800.25	-
Seminars and courses, ECDE	4,715,147.25	3,353,512.50
Perfomance contract	307,000.00	303,000.00
Tender	163,000.00	275,255.00
KUCCPS	70,000.00	-
ISO 9001:2015 certification	362,600.00	189,160.00
Hire of facilities	7,000.00	-
Bank Charges	9,886.00	-
Capacity building	99,050.00	
ICPAK	22,400.00	
Farm account	5,043,078.00	-
Total good and services	42,484,788.65	,816,885.86

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. EMPLOYEE COSTS

	2020-2021	2020-2021
	KShs	KShs
Salaries and wages	16,120,449.00	14,588,873.00
Employee costs	16,120,449.00	14,588,873.00

14. BOARD MEMBERS ALLOWANCES

Description	2021-2022	2020-2021
	KShs	KShs
Chairman's allowances	105,000.00	94,500.00
Other BoM allowances	908,500.00	647,000.00
Total Board Members Allowances	1,013,500.00	741,500.00

15. REPAIRS AND MAINTENANCE

Description	2021-2022	2020-2021
	KShs	KShs
General repairs	2,703,656.00	2,309,909.53
Investment property – earning rentals	-	36,564.50
Hostel renovation	6,368,245.11	5,017,860.00
Total repairs and maintenance	9,071,901.11	7,364,334.03

16 (A) CASH AND CASH EQUIVALENTS

Description	2021-2022	2020-2021
	KShs	KShs
Current account	34,029,453.13	37,821,686.19
Saving account - KCB Bank	3,595,185.00	89,308.40
Cash in hand	2,441.50	21,020.50
Total cash and cash equivalents	37,627,079.63	37,932,015.09

16 (B). DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

Financial institution	Account number	2021-2022	2020-2021
		KShs	KShs
a) Current account			
Fund account - KCB Bank	1107139120	16,655,846.42	25,808,516.43
Farm account - KCB Bank	1106322991	8,357,800.55	4,439,542.65
Main account - KCB Bank	1106308166	9,015,806.16	7,573,627.11
Sub- total		34,029,453.13	37,821,686.19
b) Savings account			
Subscription account - KCB Bank	11041052217	3,595,185.00	89,308.40
Sub- total		3,595,185.00	89,308.40
Cash in transit		-	-
Cash in hand		2,441.50	21,020.50
Mobile Money account		-	-
Sub- total		2,441.50	21,020.50
Total Cash and Cash Equivalents		37,627,079.63	37,932,015.09

17 Current Receivables from Exchange transactions

Description	2021-2022	2020-2021
	KShs	KShs
Current receivables		
Student debtors	9,672,009.29	10,258,463.29
Rent debtors	681,680.00	718,600.00
Sundry debtors	1,564,208.00	
Other receivables	102,526.34	102,400.34
Total current receivables	12,020,423.63	11,079,463.63

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
19 PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings 2%	Motor vehicles 25%	Furniture and fittings 12.5%	Computers WIFI Accessories 30%	Other Assets (Lower compound fence) and water towers 12.5%	Plant and Equipment 12.5%	Capital Work in progress	Total
Cost		Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
At 1 July 2020		8,990,72	11,352,337	-	-	471,500	-	-	20,814,63
Additions during the period		-	-	-	-	-	-	-	-
Disposals during the period		-	-	-	-	-	-	-	-
Transfers/adjustments during the period		-	-	-	-	-	-	-	-
At 30th June 2021		8,990,72	11,352,337	-	-	471,500	-	-	20,814,63
Additions		618,451	-	-	-	139,407	-	-	2,012,457
Disposals		-	-	-	-	-	-	-	-
Transfer/adjustments		-	-	-	-	-	-	-	-
At 30th June 2021		9,609,175.70	11,352,337.40	-	-	1,865,507	-	-	22,827,020
Depreciation and impairment		192,184	2,838,084	-	-	233,188	-	-	3,263,456
At 30th July 2021		9,416,992	8,514,253	-	-	1,632,319	-	-	19,563,564
Additions		-	-	-	2,346,100	319,072	385,000	2,276,417	5,326,589
At 30th June 2022		9,416,992	8,514,253	-	2,346,100	1,951,391	385,000	2,276,417	24,890,153
Depreciation		188,300	2,128,563	-	703,830	243,924	48,125	-	3,312,742
Disposals		-	-	-	-	-	-	-	-
Impairment		-	-	-	-	-	-	-	-
Transfer/adjustment		-	-	-	-	-	-	-	-
Net book values		-	-	-	-	-	-	-	-
At 30th June 2022		9,228,652	6,385,690	-	1,642,270	1,707,467	336,875	2,276,417	21,577,411
At 30th June 2021		9,416,992	8,514,253	-	-	1,632,319	-	-	19,563,564

- a) The College is in the process of acquiring the title deed for the expired lease
- b) The College is in the process of engaging a valuer to value College land, buildings and equipment

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2021-2022	2020-2021
	KShs	KShs
Trade payables	822,806.00	154,345.00
fees prepayment	482,769.00	
Students deposits	1,326,781.00	1,352,101.00
Students funded accounts	12,263,979.12	10,746,165.12
Other payables	41,046.00	25,403.00
Total trade and other payables	14,937,381.12	12,278,014.12

B FUNDED ACCOUNTS

Description	2021-2022	2020-2021
	KShs	KShs
Caution money	824,634.10	845,734.10
Uniform	572,187.75	572,187.75
Rehabilitation fund	138,469.67	138,469.67
VRM	6,241,997.00	6,241,997.00
Gratuity	1,634,029.60	1,183,776.60
Tracksuit	441,448.00	400,000.00
Club and environmental	551,994.00	160,000.00
Hockey stick	460,824.00	480,000.00
Library books	357,193.00	160,000.00
Set book show	106,253.00	64,000.00
Student guide books	94,247.00	32,000.00
Lesson plan book	532,589.00	183,000.00
College magazine	68,113.00	45,000.00
Teaching practicum	240,000.00	240,000.00
Total deposits	12,263,979.12	10,746,165.12

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21 Events After The Reporting Period

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

22 Ultimate And Holding Entity

Machakos Teachers College is a public teacher training College under the Ministry of Education. Its ultimate parent is the Government of Kenya.

23 Currency

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

19. APPENDICES