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REPORT

OF

THE AUDITOR-GENERAL

ON

ST. PAUL'S KIBABII DIPLOMA TEACHERS' TRAINING COLLEGE

FOR THE YEAR ENDED 30 JUNE, 2024

OFFICE OF THE AUDITOR GENERAL
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BORN TO SHINE
NATUS AD LUMINARE

St. Paul's Kibabii Diploma Teachers' Training College

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30TH JUNE 2024

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

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1. Acronyms & Glossary of Terms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College
Fiduciary Management	Key management personnel who have financial responsibility in the entity

2. Key Entity Information and Management

(a) Background information

Kibabii Diploma Teachers' Training College, Registration Number P/TC/606/14 Chapter 212 of the Laws of Kenya was established by the Ministry of Education after a feasibility evaluation in 2007. The College is mandated to educate and train Diploma teachers for secondary schools in Kenya. In May 2014, the College was re-registered as St. Paul's Kibabii Diploma Teachers' Training College, Registration Number 39540000010 to create a clear distinction between the College and Kibabii University.

St. Paul's Kibabii Diploma Teachers' Training College is located on two campuses in Bungoma County. Tuuti Campus is on 4.97 acres of land in Bungoma South Sub- County, approximately 5 km from Bungoma Town along Bungoma-Chwele Road. Syombe Campus is on 50 acres of land in Bumula Sub-County, around 3 km off Bungoma-Malaba Road along Kimaeti-Myanga Road. The student enrolment in the financial year stands at 328. The College is managed by a Board of Management comprising 14 members. The workforce of the College comprises 43 TSC Teacher Educators and 73 Non-teaching staff.

(b) Principal Activities

St. Paul's Kibabii Diploma Teachers' Training College is mandated to conduct Diploma Teacher Training and the College operations are dictated by its philosophical principles as enshrined in the College mandate, motto, vision statement, mission statement, core values and objectives as follows:

Mandate

To train Diploma Teachers for secondary schools

Motto

Born to shine (Natus ad Luminare)

Vision

A Global model institution in Teacher Training

Mission

To provide and promote education and training to produce dynamic, dependable and resourceful teachers

(c) Specific Objectives

i. To provide quality education and training

ii. To establish and improve infrastructure and physical facilities for effective and efficient delivery of services to all stakeholders

iii. To apply ICT in improving training and management systems

iv. To mobilize staff, students and the community within the proximity of the College to address health and emerging issues

v. To develop and maintain good working relationships with other institutions and organizations, and empower the communities living around the College

(d) Quality Policy

St. Paul's Kibabii Diploma Teachers Training College is committed to providing and promoting education and training with a view to producing dynamic, dependable and resourceful teachers. In pursuit of this commitment, the Management shall comply with all customer and applicable legal requirements and continually improve on her effectiveness by implementing a Quality Management System based on ISO 9001:2015.

(e) Key Management

Day-to-day management of the College is under the following key organs;

i. Board of Management

ii. Accounting Officer/ Principal

iii. Senior Management Team

(a) Fiduciary Management

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

No.	Designation	Name
1.	Principal	Barasa, Saul Wafula
2.	Deputy principal	Agnes Asenwa Mungai
3.	Registrar	Ruth Mutali
4.	Dean of students	Welimo Margaret
5.	Finance Officer	Muchele David

(b) Fiduciary Oversight Arrangements

Fiduciary oversight of the college is carried out by the different committees of the board as follows;

(i) **Audit Committee**

This Committee ensures that the institutional books are audited and it gives the status of audit of College accounts and audit of all College facilities. This oversight Committee also ensures that the College Administration complies with the audit requirements of the Ministry and reports to the Full Board.

(ii) Finance, Procurement and General Purpose Committee

This Committee oversees the procurement of goods & services and personnel (in terms of employment) to the College. The Committee also goes through the financial statements of the College to ascertain correctness. It ensures that the College adheres to the financial and procurement procedures of the government and reports to the Full Board.

(iii) **Academic, Standards Quality and Environmental Committee**

This Committee oversees the academic programmes of the College as well as the institution's performance in both internal and external examinations. It also oversees issues of staffing in the academic departments and reports to the Full Board.

(iv) **Human Rights and Student Welfare Committee**

This Committee oversees the general welfare of students and staff (both teaching and non-teaching) and issues of student governance.

(v) **Discipline, Ethics and Integrity Committee**

This Committee handles referral discipline cases of both students and staff (teaching and non-teaching) and reports to the Full Board.

(vi) **College Infrastructure Committee**

This Committee oversees development projects in the College and prioritises the projects to be undertaken. They also propose the Board's prioritised projects to the Ministry. Since this Committee comes up with the development plans of the institution, it entirely controls the development expenditure of the College.

(c) Entity Headquarters

St Paul's Kibabii Diploma Teachers' Training College
P.O. Box 931-50200
Bungoma, KENYA

(d) Entity Contacts

Telephone: (254) 0789916967, 0704474375
E-mail: kibabiidttc@yahoo.com
Website: www.kibabii.ac.ke

(e) Entity Bankers

Kenya Commercial Bank
P.O. Box 380-50200
Bungoma, Kenya
Cooperative Bank of Kenya
P.O. Box 1964-50200
Bungoma, Kenya

(f) Independent Auditors

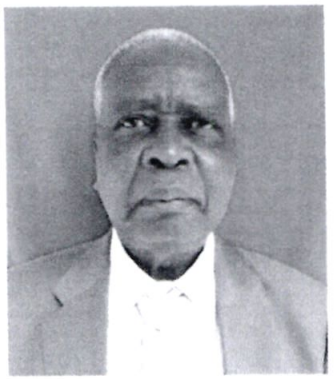
Auditor-General
Office of Auditor General
Anniversary Towers, Institute Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(g) Principal Legal Adviser

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

3. The Board of Management

The Basic Education Act 2015, Section 56 guides the appointment of Board of Management. The present Board was appointed in October 2022 and subsequently inaugurated on 22nd October, 2022. The board members of St. Paul's Kibabii Diploma Teachers' Training College as constituted are as highlighted bellow:



Prof. Simiyu Wandibba
Chairperson BoM

Prof. Simiyu Wandibba was born 1 January,1945. He holds a Ph.D Archaeology from Southampton University; MA in Archaeology programme following a scholarship by Foundation for Research into the Origin of Man (FROM); and a BA (History and Education) in the University of Nairobi. He is a Senior Lecturer at the University of Nairobi (1990 to date). He has published widely in peer reviewed journals; has book chapters in several conference proceedings and a number of books to his credit.

Prof. Wandibba has served in various capacities: External examiner for the Department of History and Archaeology (University of Dar es Salaam); the Department of Anthropology and Human Ecology (Moi University); Department of Languages (Makerere University) and the Department of Gender and Development Studies (Kenyatta University). Currently, he is an External Examiner for the Department of Sociology and Anthropology at Maseno University; and the Department of Gender and Development Studies at Egerton University. He has supervised numerous MA students and 18 PhD students.

Prof.Wandibba is a member of Nature Kenya, the Historical Association of Kenya, the British Institute in Eastern Africa and Fulbright Alumni in Kenya. He also serves on different Boards.

He was an External Examiner for the Department of History and Archaeology at the University of Dar es Salaam, the Department of Anthropology and Human Ecology at Moi University, Department of Languages at Makerere University, and the Department of Gender and Development Studies at Kenyatta University. He is currently External Examiner for the Department of Sociology and Anthropology at Maseno University and the Department of Gender and Development Studies at Ergerton University. Prof. has successfully supervised numerous MA students and 14 PhD students.

Prof. Wandibba is a member of Nature Kenya, the Historical Association of Kenya, the British Institute in Eastern Africa and Fulbright Alumni in Kenya.

Finally, Prof. Wandibba has served on different boards.

Dr. Carolyne Wakoli
Vice Chairperson
Chairperson Discipline, Ethics and Integrity Committee

Dr. Carolyne Wakoli was born on 22 November, 1960, She holds a Ph.D in Counselling Psychology from Kabarak University; Master of Education in Guidance and Counseling in 2007(Kenyatta University); and Bachelor of Education Degree in 1985(University of Nairobi).

She is a Lecturer at Alupe University in Busia County (2017 to date).

She is an accredited Counselor affiliated to KCPA (Kenya Counselors Professional Association), IMLU (International Medico- Legal Unit), Shield for Justice and Clarion International.

Dr. Caroline Wakoli is currently the Chair of the Department (COD) of Humanities and Social Sciences in the School of Education and Social

Sciences. She is an academic leader for Bachelor of Arts, Community Development and Chairperson, Complaints and Complements Handling Committee. She is a member of several committees such as: the Alupe University Institutional Scientific Ethics Review Committee (ISERC), Library Advisory Committee, Research Committee in the School of Education and Social Sciences, National and Integration Committee and Coordinator of the Students' Advisory Groups. She is a member of The Busia County Menstrual Hygiene Management Steering Committee. She has worked with torture survivors in. Mt. Elgon, Kodiaga G.K Prison, Eldoret G.K Prison, Shimo la Tewa Prison and Bostal Institute Shikuza as a counsellor.

Mr. Saul Barasa Wafula
Secretary BoM

Mr. Saul Barasa Wafula was born on 13 July, 1965.
He is currently pursuing Master of Philosophy in Educational Administration. He holds a Bachelor of Education from Kenyatta University (1986-1989). Since then, he has attended the following professional courses: (2014 – 2015) Diploma in Educational Management offered by the Kenya Education Management Institute (KEMI); (2011)- Quality Management System ISO 9001 – 2008; (2011)Performance Contracting course; (2006) -Financial and stores Management in school accounting; (2002)- In- Service course for Principals and Heads of Departments; (1999) -KESI course on Re-engineering the Management of Schools; (1999) -KESI course on Trainer of Trainers; and, (1996) -KESI course on Educational Management Stage 1. (1983 – 1984):Kenya Advanced Certificate of Education(KACE) Malava Boys High School; (1979 – 1982): Kenya Certificate of Education (KCE); (1972 – 1978); Certificate of Primary Education (CPE)
Mr. Saul Barasa is the CEO of the college, Secretary to the Board and the Accounting Officer.

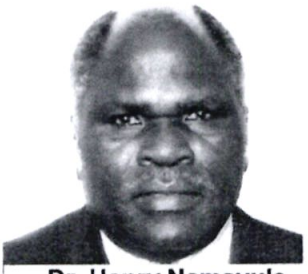
Prof.Ibrahim Wafula Khatete
Chairperson Human Rights and Students Welfare

Prof.Ibrahim Wafula Khatete was born on 11th November 1962. He holds a Ph.D in Education Planning (U.O.N).
He holds Masters of Education, Maseno University Kisumu, Kenya 1997-2002 (Economics of Education and Planning), he graduated with a Bachelor of Education (Science), Kenyatta University, Nairobi, Kenya 1983-1986 (Mathematics and Physics)
He is Senior Lecturer Department of Educational Administration and Planning, School of Education, University of Nairobi from 2015 to date, from 2015 to date he is Strategic Management Unit (SMU) Manager Kikuyu Campus, from 2007 – 2016 he was Departmental examinations officer for all courses offered by the department of Educational Administration and Planning, School of Education, University of Nairobi

Mrs. Jacqueline Onyango

Mrs. Jacqueline Onyango was born on 26TH May 1968. She holds a Master's degree in Curriculum Studies from University of Nairobi and a Bachelor of Education Degree from Kenyatta University. She also holds a Certificate in Education Planning from the International Institute of Education (IIEP-UNESCO). She has attended short courses in curriculum in USA, France, Tanzania, Japan, South Korea and Hungary, she is currently undertaking a PhD in Curriculum Development (Teacher Education) at Moi University, Eldoret.

Mrs. Jacqueline Onyango is the Senior Deputy Director in charge of Curriculum and Research Services. Prior to joining KICD, she was a lecturer at Machakos Teachers Training College and has trained teachers and curriculum developers in South Sudan and Botswana. She has also participated in a nation-wide Ministry of Education research study



Dr. Henry Namsyule Wanjala
Chairperson Academic Standards, Quality and Environmental Committee

Dr. Henry Namsyule Wanjala was born on 19th August 1948. He holds a Ph.D. M.Ed. (Kenyatta University). He also holds B.Ed. Music from University of Nairobi.

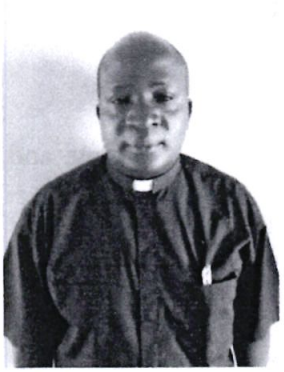
Lecturer and chairman, Department of Music and Dance 2016 to date. Prior to joining Kenyatta University, he was Principal lecturer at Kagumo Diploma College. He also served as Music lecturer at Eregi Teachers Training College.

Mrs. Bartoo Perpetua Jerono

Mrs. Bartoo Perpetual Jerono was born on 7th October 1967. She holds Masters of Philosophy in Educational psychology from Moi University. She also holds Bachelor of Education (Arts) Moi University

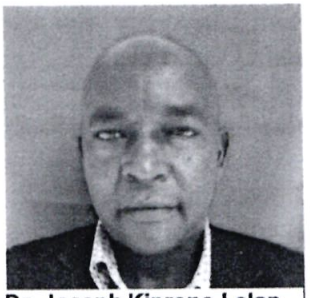
Currently, she is Ag. Deputy Registrar, Examinations department, Moi University. From 2015-2016 she was Senior Assistant Registrar Examinations Department at Moi University. Prior to joining Moi University She was a Principal in a secondary school later joining Provincial administration as a District Officer

Ms. Catherine Buteyo was born on 4th January 1962.
She holds Masters in TESL from Birmingham University, she also holds Bachelor of Education arts from Kenyatta University
She is a Lecturer Moi University from 1992 to date.
Prior to joining Moi University She also worked at Teachers Service Commission
She is a Member of Radio Board Catholic Diocese of Eldoret.
She also serves in various boards of management which includes, Vice Chairperson St. Elizabeth Lunao Secondary, Kimumu Secondary School, Parents Association Nova Pioneer Girls Schools among others



Rev. Fr. Chrispinus Wekhanya Butorire was born on 30 October,1967. He holds a Bachelor of Sacred Theology, (1998-2002); and a B.A in Philosophy and Religious Studies (Jan 1996-1998). He was ordained as a Deacon in July, 2003 and has worked in various parishes and churches: He is the Secretary of the Catholic Diocese of Bungoma since October 2023 to date.
He attended Sirisia Secondary School (1990-1993) and attained Kenya Certificate of Secondary Education. He serves the Catholic Church doing pastoral activities to enrich the spiritual life of the church in Kisoko. The activities include prayer and sharing; social services to the elderly; home mission by teaching and evangelising; Family apostolate among others. He has served in many parishes in different capacities such as Mundika Parish (March, 2003); (August, 2003) Amukura Parish as an education and youth coordinator; Kibabii Catholic Church (June 2005); St. Leo the Great, Kimilili Parish as an Assistant Parish Priest, Youth Chaplain of the parish (2005-2007); Christ the king – Assistant Parish Priest (2007-2018); Parish priest Bituyu Catholic Church; Holy Trinity Webuye Parish –Parish Priest (August 2022- August,2023). He is the Founder of Bumutiru and Bumala Parishes. He served as member of BOM Ndengelwa, Musikoma Secondary Schools, St. Augustine Bituyu Boys. Education Secretary and Young Christian Students' Chaplain (September 2023).

Dr. Kennedy Okemwa was born on 1 January, 1971, He holds a Phd (Educational Planning and Administration); Master's in Education (Administration and Management, Kenyatta University); Bachelor of Education (Economics and Geography), and a Diploma in Human Resource Management from Kenya Institute of Management.
Currently, he works as Principal Examination Administrator and Head of Section, Teacher Education (KNEC)
Prior to joining KNEC he was working as Senior Lecturer Narok Teachers' Training College in the year 2007.

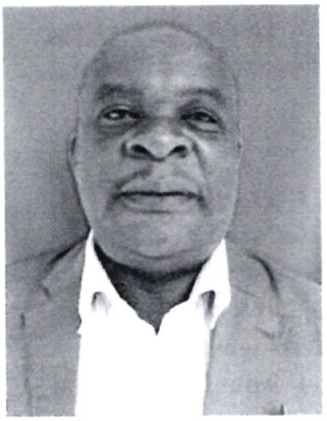


Dr. Joseph Kiprono Lelan
Chairperson Finance, Procurement and General Purposes Committee

Prof. Joseph Kiprono Lelan was born on 16 August, 1960
He holds Phd. (Educational Administration) from Moi University; Master of Science (Educational Leadership), Drake University- Des Moines, Iowa. U.S.; Bachelor of Education, University of Nairobi; and a Diploma in Education Siriba Teachers'College.
He is currently working as Head of Department/Chairperson, Department of Educational Management and Policy Studies, School of Education, Moi University. He worked as Education Officer In-charge of Secondary School Administration and Special Education, Keiyo District before joining Moi University.

Mrs. Florence Amoit

Mrs. Florence Amoit was born 25 December, 1969.
She holds Masters of Business Administration, University of Nairobi and Bachelor of Arts, Kenyatta University.
Currently, she works as Secretary, Administration in the office of Attorney General and Department of Justice. She earlier worked as Secretary, Administration in the State department of Sports and State department of Housing and Urban development.
She also worked as a County Commissioner Tharaka Nithi, and Deputy County Commissioner in Mwala, Machakos County.



Mr. Patrick S. Khaemba
Chairperson College Infrastructure Committee

Mr. Patrick S. Khaemba was born on 7th July, 1961.
He holds Master of Education (Education Communication and Technology); Bachelor of Arts (University of Nairobi), and a Post Graduate Diploma in Education (Kenyatta University).
He is Rt. Regional Director of Education. Before his retirement he worked as Director, Field coordination and co-curricular activities; Deputy Director Field coordination; Executive Secretary, Kenya schools and Colleges National drama festival. He taught English at Chwele Girls and Eregi Teachers' Training College.
He was awarded Head of State Commendation (HSC).

Ms.Elizabeth Shinoji

Ms.Elizabeth Shinoji was born on 23 August , 1976. She holds a B.Ed(Arts) from Kenyattta University.
She is a Teacher Educator at Kibabii Diploma Teachers' Training College. She is the Assistant Registrar in charge of TIMS and NEMIS; Trainer in retooling exercise of Junior Secondary teachers; KNEC examiner for UDPTE; and HOS Media Technology. Other roles she plays include: Chairperson, teaching staff welfare, representative of teaching staff on the Board of Management; Chairperson, Gender Mainstreaming committee under Performance Contracting, Drama trainer and Patron, SDA Group.

4. Key Management Team

1.	 **Mr. Saul Wafula Barasa** Bachelors in Education Chief Principal	He is the CEO of the college, Secretary of the Board of Management and the Accounting Officer.
2.	 **Mrs. Agnes Mungai** Masters in Education Deputy Principal Administration	She deputizes the Principal. In charge of discipline, transport and Security in college
3.	 **Ms. Mutali Ruth** Bachelor in Education	Registrar College Registrar coordinating academic programmes in the College

4.	 **Mrs. Margaret Welimo** Masters of Arts (Literature)	Dean of students She is in charge of students' welfare in the College
5.	 **Mr. David Simiyu Muchele** Bachelor of Science Degree (Accounting)	Finance Officer In charge of Finance management in college
6.	 **Ven. Elizabeth Nanjala Wasike** **MSC- Entrepreneurship and Innovation**	**PC Coordinator** In charge of performance contracting implementation

5. Chairman's Statement

St. Paul's Kibabii Diploma Teachers' Training College is an institution mandated to train Diploma teachers for secondary schools in Kenya. During the Financial Year 2023/2024, the following key activities were undertaken:

1. Prepared teacher trainees for the DTE exams. One group of teacher trainees sat the DTE examinations.
2. The College also engaged in community activities that created a harmonious relationship with the community around the College and brought on board relevant stake holders from the community.
3. The Performance Contract for the FY 2023/2024 was also drafted, negotiated, vetted and signed. The College implemented most of the commitments despite the financial constraints.
4. In order to raise awareness and to keep the College staff informed and updated on current issues, sensitizations and trainings were done both teaching and non-teaching staff.

Successes

1. A total of 108 Diploma in Teacher Education graduates were released to the pool of teachers within this period.
2. Capacity building was done for both teaching and non-teaching staff to ensure that the staff at Kibabii Diploma Teachers Training College was well-informed and motivated.

Challenges

1. The recurrent grant was retained at KES. 117,500,000, which was not disbursed on time therefore affecting service delivery in college
2. There was low enrolment of teacher trainees which affected fee collection and therefore the recurrent budget.

Way forward

Funds being available, we wish to do the following: complete the tuition block to ease congestion in the lecture halls, prepare field for sports and purchase one bus.

Apart from this, it is hoped that enrolment will improve. The main mandate of the College is to produce diploma teachers so we hope to improve performance in the KNEC examinations and exceed expectations in the School Based Assessments (SBA)

Prof. Simiyu Wandibba
Chairperson
Board of Management

6. Report of the Chief Principal

St. Paul's Kibabii Diploma Teachers' Training College has the main mandate to train diploma teachers for secondary schools in Kenya. Since inception in the year 2007, the College has trained and released 3828 teachers who have graduated into the teaching profession. During the Financial Year 2023/2024, the following key activities were undertaken:

1. Preparation of trainees for the DTE exams which were done in July 2023 and graduated in November 2023.
2. The College engaged in various community activities that have enhanced a harmonious co-existence with its neighbours that include the local administration. Activities done included tree planting, cleaning of Kimaeti Market and peer counsellors Community service at Nalondo Special School. Some teacher trainees were selected by the Presidential Entertainment Committee, who entertained the President in spoken word and dance during the 2024 Madaraka Day celebration that was held at Masinde Muliro Stadium –Kanduyi, Bungoma County.
3. The Performance Contract for the FY 2023/2024 was also drafted, negotiated, vetted, signed and implemented during the year. The College was able to implement most of the commitments amidst financial constraints
4. In order to raise awareness and to keep the College staff informed and updated on current issues, the College engaged in capacity building for both teaching and non-teaching staff in ICT integration in teaching and learning, business process reengineering and

Successes

1. A total of 108 graduates were released to the pool of teachers within this period.
2. Staff capacity building was done for teaching and non-teaching staff. This addressed the gaps from the Training Needs Assessment Report that informed administrative decisions made to ensure that staff at St. Paul's Kibabii Diploma Teachers Training College remain well-informed and motivated.
3. Revenue collected from hire of College facilities improved due hire of college facilities
4. Completion of the ground and first floors of the tuition block
5. Students' participated in co-curricular activities as committed in performance Contract and realized the following good performance;
   i. Ball games – position 1 hand ball
   ii. Drama – position 1 choral verse and proceeded to Gala
   Position 2 Spoken word, solo dance, stand-up comedy, feature film and mime
   iii. Music - Position 1 own composition and choral chant
   Position 2 set solo verse, African Solo Verse Speaking and Hotuba
   iv. Athletics and Scouting participated up to national levels
   v. Some students, who participated in Drama, were selected by the Presidential Entertainment Committee to entertain the President in Spoken word and Dance during the Madaraka Day Celebrations held at Masinde Muliro Kanduyi Stadium, Bungoma County.

Challenges

1. The recurrent grant was retained at KES. 117,500,000 but was not disbursed on time by the government thus affecting prompt payment to suppliers and effective service delivery to our customers.
2. Construction of the tuition block stalled due to failure by the government to release KES. 85 million for development for financial year 2023/2024. Ksh 48,750,000 million was received in the financial year 2023/2024 being part of the development fund for the financial year 2022/2023.
3. Failure to implement some Performance Contract projects due to non-disbursement of development funds by the Ministry of education for financial year 2023/2024
4. There was low enrolment of teacher trainees which affected fee collection thus impacting negatively on the recurrent budget.

Way forward

Funds being available, we wish to do the following: complete the tuition block to ease congestion in the lecture halls, prepare field for sports and purchase one bus.

Apart from this, it is hoped that enrolment will improve. The main mandate of the College is to produce diploma teachers so we hope to improve performance in the KNEC examinations and exceed expectations in the School Based Assessments (SBA)

Financial performance

The College has done relatively well in liquidity cash flow; all revenue collected and grants received were prudently used in acquisition of goods, services and works. However, the financial position has been affected by reduction and late disbursement of grants by the government leading to delays in payment of suppliers and poor service delivery within the financial year. During the financial year the College received Ksh117,500,000 as Recurrent grants and did not receive ksh.50 million as Development grant. This severely affected the College on-going project of construction of the tuition block which stalled.

Mr. Saul W. Barasa
Principal

7. Statement of Performance against Predetermined Objectives

St. Paul's Kibabii Diploma Teachers Training College has three strategic themes and five objectives within current Strategic Plan for the FY 2023- FY 2027. These strategic themes are as follows:

1. Provision of Quality Education and Training
2. Sustainable Institutional Growth and Development
3. Community Outreach

The College develops its annual work plans based on the above three themes. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The St. Paul's Kibabii Diploma Teachers Training College achieved its performance targets set for the FY 2022/22 period for its three strategic themes, as indicated in the table below:

S/N	Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
	Provision of Quality Education and Training	To provide quality education and training	Expand learning and teaching resources	Procure teaching and learning resources	dequate teaching and learning resources
			Undertake performance Appraisal of staff	Conduct staff appraisal and address gaps among staff members	Improved performance of Staff members.
			Strengthen the College Management Systems.	CCTV installation in the College	Security is enhanced
			Enhance the use of ICT in delivery of education programmes.	Integrate ICT in teaching and learning	Enhanced acquisition of 21st century skills by students.
		To establish and improve infrastructure and physical facilities for effective and efficient delivery of services to all	Create games, sports and recreational facilities	Engage students in diverse co-curricular activities	Students participated in various co-curricular competitions at Zonal and National levels.
				Purchase games	Acquired more

		stakeholders.		sports equipment	games sports equipment
			Construct adequate infrastructure	Construct Tuition block	In the process of Completing tuition block
	Sustainable Institutional Growth and Development	To expand and sustain College initiated income generating programmes and activities.	Establish income generating programmes	Establish aquaponic ponds	Produced fish
				Partner with examining bodies	Administered external examinations
				Hiring of College facilities	Hired College facilities at a fee
				Farming	Planted Sukuma wiki
				Establish and operationalize bakery	Operationalized bakery
	Community Outreach	To mobilize staff, students and the community within the proximity of the College to address health and emerging issues.	Engage students in community work	Organize workshops and seminars on HIV , common communicable diseases	Conducted workshops on HIV & AIDS, , common communicable diseases
		To develop and maintain good working relationships with other institutions and organizations and empower the communities living around the College.	Organize campaigns on environmental challenges.	Organize partnership with other institutions on environmental conservation	Planted trees within the College
			Develop and implement out-reach programmes to improve community livelihoods Sensitize the community on peace Community a round Syombe Campus was sensitized on peace during Chief's Baraza		

8. Corporate Governance Statement

The members of the Board of Management have committed themselves to the service of St. Paul's Kibabii Diploma Teachers' Training College and to uphold the tenets of good corporate governance by being innovative, transparent, accountable, persons of integrity, socially responsive, as well as promote excellence and exercise fairness in all their dealings.

The Board of Management

The Board of Management consists of fourteen members inclusive of the Chief Principal as the secretary. In the year ended 30th June 2024 the board held (4) Committee meetings. The Board of Management members and their meetings attendance are indicated in the table below;

FULL BOARD OF MANAGEMENT MEETINGS IN FINANCIAL YEAR 2023/2024

(i) Meetings held by the Full Board of Management (old) in the financial year 2023/2024

Meetings held by the Full Board of Management (new) in the financial year 2023/2024

S/N	NAME	DATES			
		08/07/2023	29/09/2023	10/02/2024	22/06/2024
1.	Prof. Simiyu Wandibba	✓	✓	✓	✓
2.	Dr. Carolyne Wakoli	✓	✓	✓	✓
3.	Rev. Fr. Chrispinus Wekhanya Butorire	x	✓	✓	✓
4.	Mr Saul Barasa W.	✓	✓	✓	✓
5.	Dr. Ibrahim Khatete	✓	✓	✓	✓
6.	Dr. Henry Wanjala	✓	✓	✓	✓
7.	Dr. Kennedy Okemwa	x	✓	✓	✓
8.	Dr. Joseph Lelan	✓	✓	✓	✓
9.	Mrs. Florence Amoit	✓	✓	✓	✓
10.	Ms. Perpetua J. Bartoo	✓	✓	✓	✓
11.	Ms. Elizabeth Shinoji	✓	✓	✓	✓
12.	Mrs. Jackline Onyango	x	✓	✓	✓
13.	Ms.Catherine Buteyo	✓	✓	✓	✓
14.	Mr.Patrick S. Khaemba	✓	✓	✓	✓

Succession Plan

According to the Basic Education Act, 2015, a Board of Management appointed under these regulations shall remain in office for a term of three years, which shall be renewable for one further term. The College Board is constituted in such a way that at its expiry, at least half of the membership remains in the next board for continuity.

Board Charter

The College Board has a charter in place which guides its activities.

Appointment and Removal of Board Members

Members of the board are appointed and removed as per the Basic Education Act 2015, Section 56. The present Board was appointed in October 2022 and inaugurated on 22nd October, 2022. During the inauguration, Professor Simiyu Wandibba was elected as the Chairperson, Mr. Saul Barasa was confirmed as the Board Secretary and the following were selected to form the Executive Committee;

1. Prof. Simiyu Wandibba
2. Mr. Patrick Sirengo Khaemba
3. Dr. Carolyine Wakoli
4. Dr. Joseph Lelan
5. Mr. Saul Barasa

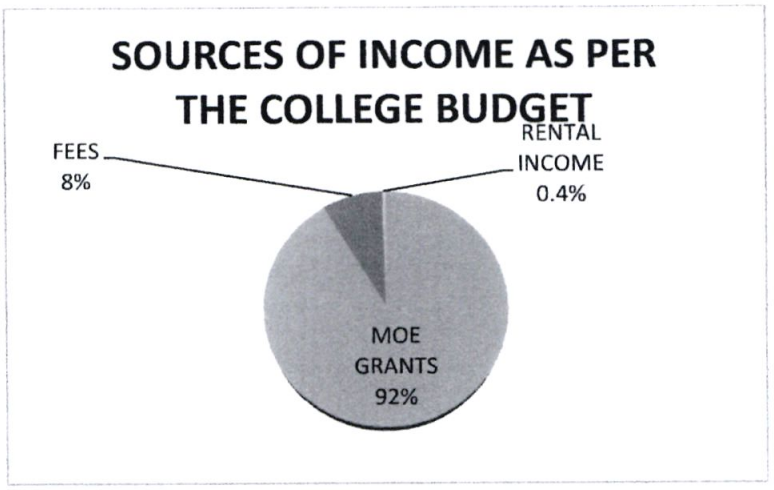
9. Management Discussion and Analysis

The college has strived to meet its financial obligations due to reduction in both development and recurrent grants, this has led to delayed completion of College development projects and failing to meet its operational and strategic plan commitments within the timeframe stipulated. Currently the College is putting up tuition block and Laboratories, the project is moving slowly due to limited funding from the Ministry of Education.

The college operates on three main sources of income;

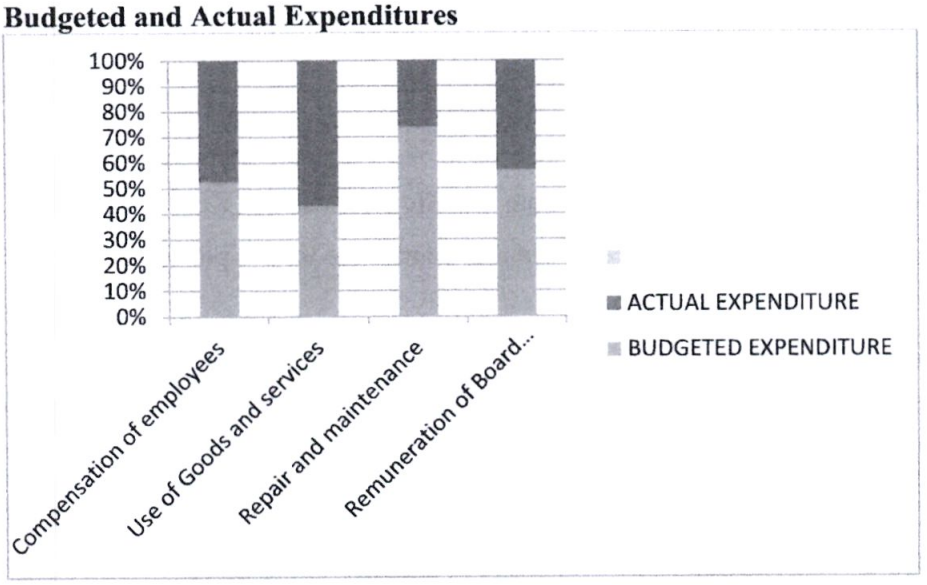
a) Grants from the Ministry of Education i.e recurrent grants and development grants
b) Fees from students
c) Hire of college facilities.

Grants from the Ministry of Education represents more than 60% of the college budget, fees from students come second and hire of college facilities come last as show in the pie chart below.

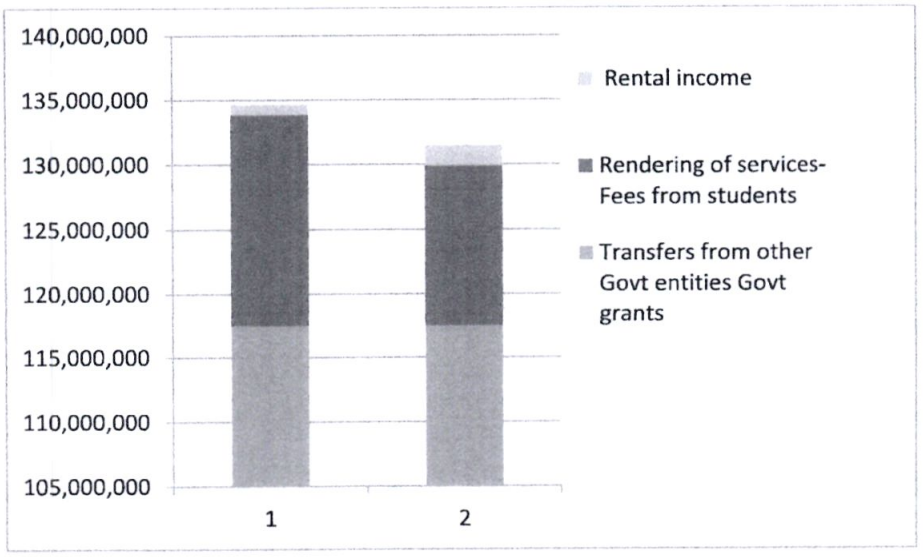


The college prepares a budget at the end of each financial year. The college activities are run in accordance with the approved budget by the BoM. In this financial year, college activities have been been severely affected due to underfunding from the MoE and low enrolment of students. The graph below shows budgeted income against actual income and budgeted expenditure against actual expenditure.

Budgeted and Actual Expenditures



Budgeted and Actual Income



Recurrent grants were also reduced drastically therefore affecting the daily operations of the College.

The pending bills have gone up as a result of reduction of recurrent grants. Currently the College pending bills is over 40 million and most suppliers and service providers are finding it more difficulty to continue supplying goods and offering of services to the College due to delayed payment.

Section A

The entity's operational and financial performance

Development Grants

The College did not receive development grant from the Government of Kenya in the FY 2023/2024 but a balance of 48,750,000 was received being the balance for the previous financial year allocation.

Financial Performance

During the year under review the incomes were KES. **159,323,650** while expenditure was KES. **232,448,795.** This resulted to a deficit of KES. **-73,125,145**

Section B

Entity's compliance with statutory requirements

In the year under review the college complied with all the statutory obligations

10. Environmental And Sustainability Reporting Statement

St. Paul's Kibabii Diploma Teachers Training College is committed to providing and promoting education and training with a view to producing dynamic , dependable and resourceful teachers .

Sustainability strategy and profile

St . Paul's Kibabii Diploma Teachers Training College has established a strategic plan to determine external and internal issues that are relevant to its purpose and its strategic direction that affects its ability to achieve the intended results.

i. Political sustainability strategy

Kenya's education system is highly influenced by political factors, which dictates the type of education system a country can have. It determines management in education.

ii. Macro-economic factors

The barriers affecting the broad trends in macroeconomic sustainability in our college are :-

- Gender disparity, high poverty level , teacher Supply and quality, inadequate financial resources

References (political)

- In our College /institutions , politically students are supported with bursaries from the political wing and government grants .The united nations conference on environment and development (UNCED- 1992) called for all countries to develop education for sustainable development .

(a) References - macro

- These includes factors like diseases e.g Covid 19 that affected the education programme in all countries .

Environmental performance

i. The KDTTC Environmental policy embraces, integrates and implements the principles of environmental management . In all aspects of the college . These principles includes :

- Improving the quality of life for all
- Changing personal attitudes and practices
- Integrating global environmental sustainability issues and practices and
- Respecting the community and conserving diversity and keeping within the earth's carrying capacity.

Biodiversity

KDTTC has succeeded to conserve its environment through the activities of the Environmental Sustainability Committee. However, shortcomings experienced include climate change and lack of funds to manage bio diversity activities in college :- Despite the shortcomings, the following efforts have been made to manage biodiversity in the college.

- Establishment of an Environmental sustainability committee
- Provision of resources for environmental conservation and
- Benchmarking with other institutions.

Tree Planting November 2023

Tree Planting November 2023 1

Employee welfare

Amani club tree planting with students at Bishop Atundo Secondary School, Kimaeti on 27/5/23

Employee welfare

(i) Recruitment policy

KDTTC has a Recruitment Policy whose main stakeholder is the Board of Management. This policy takes into account the gender ratio as per the Constitution of Kenya (2010) and the Employment Act of 2007 by:

a) Shaping the profile of potential applicants

b) Providing a fountain of valuable experience and insight knowledge into recruitment.

c) Feeling the sense of ownership over the outcome of recruitment and

d) Facilitating successful candidates.

The recruitment process can be improved by:

a) Having clear job descriptions and specification manuals.

b) Considering additional candidate sources like the College Website or reliable social media and

c) Considering internal candidates.

Efforts made in improving skills

KDTTC has made the following efforts to improve skills.

a) **Delegation**

Employees are delegated responsibilities by their supervisors. This gives the employees opportunities to gain skills and leadership experiences that ultimately benefit the College.

b) **Matching tasks to skills**

KDTTC has a clear career progression guideline for employees that entails the job descriptions and specifications

c) **Effective Communications**

Formal communication to employee is made though meetings, notices, memos, text messages and emails.

d)**Train and develop employees**

Training and development of staff is based on staff training needs assessment and skill gap analysis that is carried out in every financial year.

e) **Feedback**

Feedback concerning work performance and expectation is communicated to employees on a quarterly basis.

f) Management of Careers

Personal interest in employee career goals is achieved through regular meetings that discuss career aspiration and expectations. Employees feel valued and this increases their loyalty and productivity.

g) Training and Development of Employees

It is based on staff training needs assessment and skill gap analysis.

h) **Rotational Employee roles**

Employees are allowed to work in different but related departments to improve on their experience. This rotation helps employees to gain new skills, appreciate and understand College departments better.

Efforts to Improve and Manage Appraisal

This is done by:

Setting targets

- Targets for non- teaching staff are set to ensure responsibility to students' needs and complement of teacher professional roles and responsibilities.
- Using a similar tool during an appraisal period
- A similar appraisal is conducted at the same time to allow supervisors evaluate employees with consistency in their contribution to meet organizational goals.

Providing feedback

- Providing ongoing feedback eliminates surprises and helps supervisors focus on supporting employees as well as giving employees time to improve performance. It also reduces the chance that supervisors will evaluate employees based only on their most recent performance, whether good or bad. Feedback is provided continuously to employees. This ensures employee support.

Setting expectations for supervisors

- KDTTC is aware of the time frames for completing appraisals and the standards against which evaluations are judged on annual basis.
- Providing supervisor training/sensitization on how to carry out performance appraisals. This training includes:

  -Meaningful conversations with employees about their progress and provide feedback that an employee needs in order to be successful.

  -Monitoring and review evaluations.

  This is done by the staff appraisal committee that analyses the appraisal reports and writes a report to the management for implementation.

Efforts To Improve and Manage The Reward System

Reward management is the implementation of strategies or policies that reward members in the College in a fair and consistent way. The reward system positively influences employees' patriotism and job satisfaction by stimulating job effort and performance.

KDTTC has also ensured that employees' performance is rewarded for motivational purpose through;

ii) Reducing absenteeism

iii) Enhancing employee commitment and

(iv) Facilitating job satisfaction.

Market place practices

a. Responsible competition practice

   i. Anti corruption – the college has put in place CPC committee that deals with issues of corruption.

   - In addition he college has put in strategic places anti corruption reporting boxes and a hot line no. where members of the public can report corruption issues.

ii. Responsible political involvement – Helped to establish and pushed for funding of the college .

iii. Fair competition – By adhering to employment policy .

iv. Respect for competitors – The college adheres to sports regulations during competitions from within the institution to national level.

b. Responsible supply chain and supplier relations

- Advertises tenders to allow competition.
- Allows willing bidders to witness opening of tenders
- All bidders are informed of the tender results through award letter and regret letters.
- Allowing the successful bidders to supply without interference for the whole contract period.
- Paying suppliers on time when funds are available.

c. Responsible marketing and advertisement

i. Advertising tenders either through two newspapers of nationwide circulations, through website or through government portal .

ii. All bidders are asked to download the tender documents from college website /EMIS of the college .

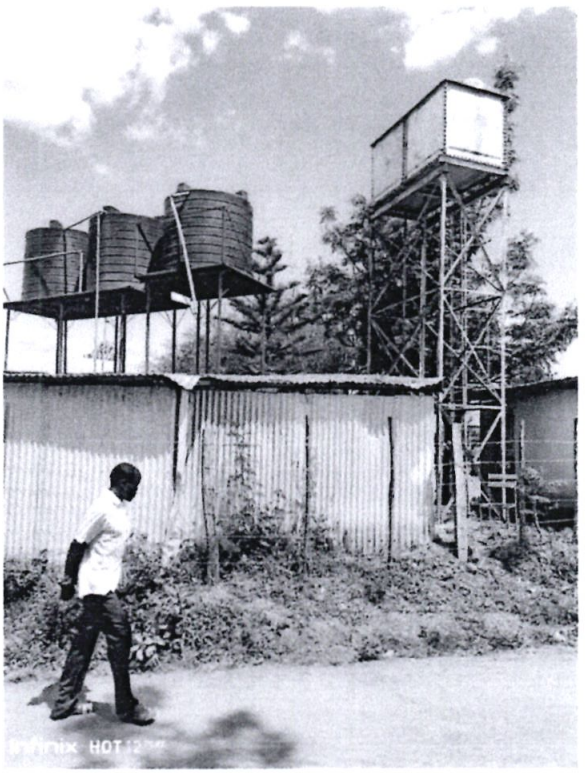
iii. Giving suppliers /service providers specification through L.P.O & L.S.O

d. Product stewardship

i. The college has put in place the inspection and acceptance committee

ii. Delivery timelines are given on L.P.O,S and L.S.O

iii. Procuring as per the user specifications

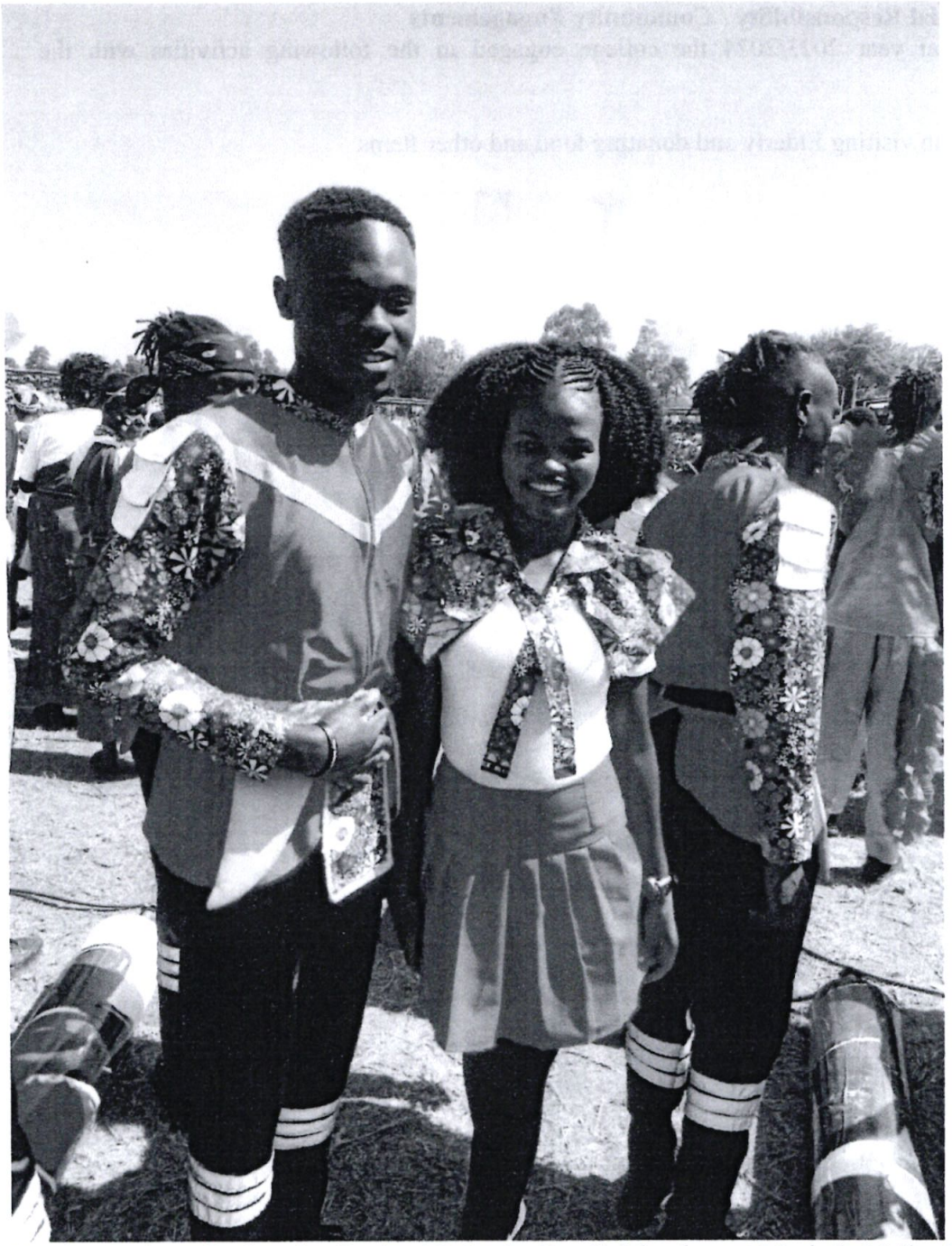


Corruption Poster 1

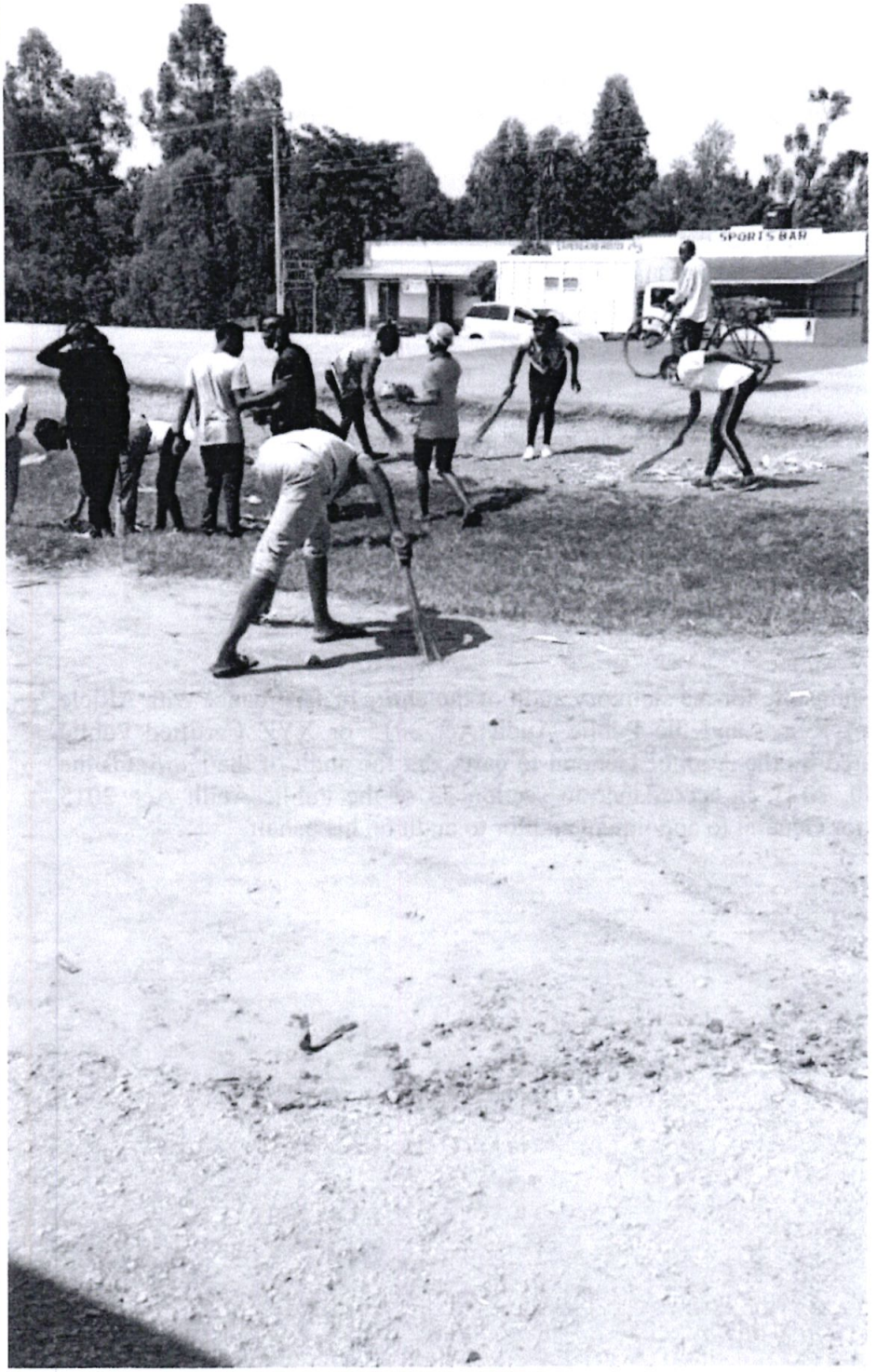
Corporate Social Responsibility / Community Engagements

In this financial year 2023/2024 the college engaged in the following activities with the community:

1. Red cross club visiting Elderly and donating food and other Items



Teacher Trainees Performing During Madaraka Day Celebrations at Masinde Muliro Stadium



Amani club Cleaning Kimaeti Market on 27/5/24

11. Report of the Board of Management

The Board members submit their report together with the audited financial statements for the year ended June 30, 2023, which show the state of the St. Paul's Kibabii Diploma Teachers Training College's affairs.

Principal activities

The principal activities of the St. Paul's Kibabii Diploma Teachers Training College is to train diploma teachers for secondary schools.

Results

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

Council/Board of Governors

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

Auditors

The Auditor General is responsible for the statutory audit of the *entity* in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of the *entity* for the year/period ended June 30, 2023, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

.....
Secretary of the Board

Nairobi

Date:

12. Statement of Board of Governors/ Council's Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, and Basic Education Act, 2013 require the council members to prepare financial statements in respect of St. Paul's Kibabii Diploma Teachers' Training College, which give a true and fair view of the state of affairs of St. Paul's Kibabii Diploma Teachers' Training College at the end of the financial year/period and the operating results of the entity for that year/period. The council members are also required to ensure that St. Paul's Kibabii Diploma Teachers' Training College keeps proper accounting records which disclose with reasonable accuracy the financial position of St. Paul's Kibabii Diploma Teachers' Training College. The council members are also responsible for safeguarding the assets of St. Paul's Kibabii Diploma Teachers' Training College.

The Board members are responsible for the preparation and presentation of St. Paul's Kibabii Diploma Teachers' Training College's financial statements, which give a true and fair view of the state of affairs of St. Paul's Kibabii Diploma Teachers' Training College for and as at the end of the financial year (period) ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of St. Paul's Kibabii Diploma Teachers' Training 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 St. Paul's Kibabii Diploma Teachers' Training College; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for St. Paul's Kibabii Diploma Teachers' Training College's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Basic Education Act, 2013. The Board members are of the opinion that St. Paul's Kibabii Diploma Teachers' Training College's financial statements give a true and fair view of the state of St. Paul's Kibabii Diploma Teachers' Training College's transactions during the financial year ended June 30, 2023, and of St. Paul's Kibabii Diploma Teachers' Training College's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for St. Paul's Kibabii Diploma Teachers' Training College, which have been relied upon in the preparation of St. Paul's Kibabii Diploma Teachers' Training 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 St. Paul's Kibabii Diploma Teachers' Training College will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The St. Paul's Kibabii Diploma Teachers' Training College's financial statements were approved by the Board on 28th September 2024 and signed on its behalf by:

Approval of the financial statements

The *entity's* financial statements were approved by the Board on 28th September,2024 and signed on its behalf by:

.....	.....
Name PROF. SIMIYU WANDIBBA.	**Name** SAUL BARASA
Chairperson of the Board	**Accounting Officer/Principal**

REPUBLIC OF KENYA

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

OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON ST. PAUL'S KIBABII DIPLOMA TEACHERS' TRAINING COLLEGE FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.

B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.

C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of St. Paul's Kibabii Diploma Teachers' Training College set out on pages 1 to 34, which comprise the statement of

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of St. Paul's Kibabii Diploma Teachers' Training College as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Incorrect Comparative Balances

The statement of financial position reflects opening balance for trade and other payables of Kshs.28,466,560. However, the previous year's audited financial statements indicate the balance as Kshs.29,621,150 resulting to an unexplained variance of Kshs.1,154,590. In addition, Note 19 to the financial statements reflects opening balance for property, plant and equipment as Kshs.859,351,613 instead of Kshs.847,274,905 as reported in the prior year's financial statements resulting in a difference of Kshs.12,076,708.

Further, the comparative amount in the statement of changes in net assets was reported as Kshs.881,917,916 instead of Kshs.842,799,365 as per the prior year's audited financial statements resulting in an unexplained variance of Kshs.39,118,551.

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

2. Unsupported Depreciation for Property, Plant and Equipment

The statement of financial performance reflects depreciation and amortization expenses amount of Kshs.20,667,415 as disclosed in Note 14 to the financial statements. However, the general ledgers indicating the calculation of the expenses were not provided for audit.

In the circumstances, the accuracy and completeness of depreciation and amortization expenses amounting to Kshs.20,667,415 could not be confirmed.

3. Material Uncertainty Related to Going Concern

The statement of financial performance reflects a deficit of Kshs.73,125,145 (2022-2023: Kshs.48,994,254 and 2021-2022: Kshs.42,298,220) which increased the retained earnings from a negative balance of Kshs.44,735,143 as at 30 June, 2023 to a negative recomputed balance of Kshs.166,854,542 as at 30 June, 2024.

Further, the College's current liabilities balance of Kshs.47,983,179 exceeded its current assets balance of Kshs.18,966,543 resulting to a negative working capital of Kshs.29,016,636 or liquidity ratio of 2:5, which means the College may not be able to meet its short-term obligations.

The Management has not disclosed with adequate details in the financial statements indicating that material uncertainty exists and measures taken to mitigate the same.

In the circumstances, this casts significant doubts on the College's ability to continue as a going concern.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects actual recomputed revenue and expenditure of Kshs.158,323,650 and Kshs.232,448,795 respectively resulting to an over-expenditure of Kshs.74,125,145 or 47% of the actual receipts. Further, the final budget for total revenue and expenditure has been erroneously stated as Kshs.159,323,650 and Kshs.237,384,421 respectively instead of Kshs.152,930,790 and Kshs.199,367,289 resulting in a variance of Kshs.6,392,860 and Kshs.38,017,132 correspondingly.

The over-expenditure means that the College is not operating within its budget and may result in increased payables which may eventually result in litigation with unpaid suppliers. In addition, the accuracy and completeness of the budget performance could not be confirmed.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

The Board of Management responsible for the other information set out on page iv to xl which comprise of Key Entity Information and Management, The Board of Management, Key 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 Board of Governors/Council's 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. I have nothing to report in this regard.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Lack of Ethnic Diversity in Staff Establishment

Review of the College staff complement for the month of June, 2024 revealed that out of the seventy-eight (78) permanent employees, seventy-two (72) or 92% were from the dominant ethnic community, and nine (9) out of fourteen (14) or 64% of Board members were from the dominant community contrary to Section 7 of the National Cohesion and Integration Act, 2008 which provides that all public establishments shall seek to represent the diversity of the people of Kenya in employment of staff and ensure that not more than one-third of its staff from the same ethnic community.

In the circumstances, the College may not be playing its role in ensuring national cohesion and integration.

2. Failure to Adhere to One-Third Basic Pay Rule

Review of the payroll for the month of June, 2024 revealed that three (3) employees' salary deductions exceed two-thirds of their basic salary law contrary to Section 19(3) of the Employment Act, 2007 which states that without prejudice to any right of recovery of any debt due and notwithstanding the provisions of any other written law, the total amount of all deductions which, under the provisions of Sub-Section (1), may be made by an employer from the wages of his employee at any one time shall not exceed two thirds of such wages or such additional or other amount as may be prescribed by the

Minister either generally or in relation to a specified employer or employee or class of employers or employees or any trade or industry.

In the circumstances, Management is in breach of the law.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAI) 4000. The Standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements 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. Lack of Risk Management Policy

During the year under review, the College did not have in place a risk management policy and did not perform risk assessment contrary to Regulation 165 (1) of the Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer shall ensure that (a) the national government entity develops risk management strategies, which include fraud prevention mechanism; and (b) the national government entity develops a system of risk management and internal control that builds robust business operations.

In the circumstances, failure to identify threats and opportunities can lead to missed opportunities or failure to meet set targets.

2. Lack of Inventory Management Policy

The statement of financial position reflects inventory balance of Kshs.6,290,111 as disclosed in Note 18 to the financial statements. However, the College has not established an inventory management policy contrary to Regulation 165(1)(b) of the Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer shall ensure that the national government entity develops a system of risk management and internal control that builds robust business operations.

In the circumstances, the effectiveness in inventory management could not be confirmed.

3. Lack of Credit Policy

The statements of financial position reflect receivables from exchange transactions balance of Kshs.2,771,565 as disclosed in Note 17 to the financial statements. However, the College did not have an approved credit policy for management of debtors.

In the circumstances, the effectiveness in management of debtors could not be confirmed since intended economic decisions have not been formalized in a policy document.

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

Responsibilities of the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as the 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 sustain services, disclosing, as applicable, matters related to sustainability of services and using applicable basis of accounting unless Management is aware of the intention to terminate the College or to cease its 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 are 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 of Supreme Audit Institutions (ISSAIs). The standards require

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

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

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

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

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

31 December, 2024

14. Statement of Financial Performance for The Year Ended 30 June 2024

	Notes	2023/2024	2021/2022
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government – grants/ gifts in kind	6	117,500,000	117,500,000
Public contributions and donations			
Total Revenue from non-exchange transactions		**117,500,000**	**117,500,000**
Revenue from exchange transactions			
Rendering of services- Fees from students	7	34,430,790	12,369,200
Sale of goods	8	172,400	171,500
Rental revenue from facilities and equipment	9	2,996,300	1,601,600
Other income	10	4,224,160	22,980
Revenue from exchange transactions		**41,823,650**	**14,165,280**
Total revenue		**159,323,650**	**131,665,280**
Expenses			
Use of goods and services	11	174,367,289	129,562,081
Employee costs	12	26,961,157	27,160,978
BOG members Allowances	13	880,000	1,506,000
Depreciation and amortization expense	14	20,667,415	20,667,415
Repairs and maintenance	15	9,572,934	1,763,060
Total expenses		**232,448,795**	**180,659,534**
Net Surplus/(deficit) for the year		**-73,125,145**	**- 48,994,254**

The Financial Statements set out on pages 1 to 32 were signed by:

.....	.....	.....
Chairman of Council/Board	**Finance Officer**	**Principal**
	ICPAK No	
Date 28/9/2024	**Date** 28/9/2024	**Date** 28/9/2024.

15. Statement of Financial Position As At 30th June 2024

	Notes	2023-2024	2022-2023
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	16	9,904,867	17,108,225
Receivables from exchange transactions	17	2,771,565	3,008,320
Inventories	18	6,290,111	4,263,435
Total Current Assets		**18,966,543**	**24,379,980**
Non-current assets			
Property, plant and equipment	19	886,559,407	847,274,905
		-	
Total Non-current Assets		**886,559,407**	**847,274,905**
Total assets		**905,525,950**	**871,654,885**
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	20	47,574,693	28,466,560
		-	
Payments received in advance	21	408,486	388,960
Total Current Liabilities		**47,983,179**	**28,855,520**
Non-current liabilities			
		-	-
Total Non-current liabilities		**-**	**-**
Total liabilities		**47,983,179**	**28,855,520**
Capital and Reserves			

Reserves		857,023,602	868,402,923
Accumulated surplus		- 117,008,335	- 93,729,397
Development Grants/Fund		117,527,504	68,125,839
Total Capital and Reserves		**857,542,771**	**842,799,365**
Total Liabilities and Capital & Reserves		**905,525,950**	**871,654,885**

The Financial Statements set out on pages 1 to 32 were signed by:

.....	.....	.....
Chairman of Council/Board	**Finance Officer**	**Principal**
	ICPAK No	
Date 28/9/2024	**Date** 28/9/2024	**Date** 28/9/2024

16. Statement of Changes in Net Asset For The Year Ended 30 June 2024

	Revaluation reserve		Retained earnings	Capital/ Development Grants/Fund	Total
Balance b/f as at July 1, 2023	**857,023,602**	**0**	**-43,883,190**	**68,777,504**	**881,917,916**
Development grants received during the year				48,750,000	**48,750,000**
Fair value adjustment on quoted investments					**0**
Total comprehensive income			-73,125,145		**-73,125,145**
Balance c/d as at June 30, 2024	**857,023,602**	**0**	**-117,008,335**	**117,527,504**	**857,542,771**

17. Statement of Cash Flows For The Year Ended 30 June 2024

		2023/2024	2022/2023
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants	6	117,500,000	117500000
Public contributions and donations			
Rendering of services- Fees from students	7	34,430,790	12,369,200
Sale of goods	8	172,400	171,500
Rental revenue from facilities and equipment	9	2,996,300	1,601,600
Other income	10	4,224,160	22,980
Total Receipts		**159,323,650**	**131665280**
Payments			
Compensation of employees	12	26,961,157	27,160,978
Use of goods and services	11	174,367,289	129,562,081
Repairs & Maintenace	15	9,572,934	1,763,060
Board expenses	13	880,000	1,506,000
Total Payments		**211,781,380**	**159,992,119**
Net cash flows from operating activities		**-52,457,730**	**-28326839**
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		-47,875,209	-8,590,707
Net cash flows used in investing activities		**-47,875,209**	**-8,590,707**
Cash flows from financing activities			
Development grant		48,750,000	16,250,000

Net cash flows used in financing activities		**48,750,000**	**16250000**
Changes in working capital			
Decrease in Receivables from Exchange Transactions		**2,771,565**	411,040
Decrease in Trade payables from Exchange Transactions		**47,574,693**	**27,836,241**
Increase in RefundableDeposits from Customers		**408,486**	1,332,432
(Decease)Increase in Inventories		**6,290,111**	484,312
Net Changes in Working Capital		**57,044,855**	**37,281,865**
Net increase/(decrease) in cash and cash equivalents		**5,461,916**	**16,614,319**
Cash and cash equivalents at 1 July 2023		17,108,225	6,684,492
Cash and cash equivalents at 30th June 2024	**16**	**9,904,867**	**17,108,225**

18. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2024

Description	Original budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	Utilization Difference
	A	B	C=A+B	D	E=C-D	F=E/C%
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other Govt entities Govt grants	117,500,000	117,500,000	117,500,000	117,500,000	0	100
Public contributions and donations		0		0		
Rendering of services- Fees from students	34,430,790	34,430,790	34,430,790	34,430,790	0	100
Sale of goods		0	172,400	172,400		
Other Income			4,224,160	4,224,160	0	100
rental income	1,000,000	1,000,000	2,996,300	1,996,300		
Total income	**152,930,790**	152,930,790	**159,323,650**	**159,323,650**		
Expenses						
Compensation of employees	30,000,000	30,000,000	26,961,157	26,961,157	3,038,843	11
Use of Goods and services	162367289	162,367,289	174,367,289	174,367,289	-12,000,000	107
Repair and maintenance	5,000,000	5,000,000	9,572,934	9,572,934	-4,572,934	148
Depreciation	0	0	20,667,415	20,667,415	0	0
Remuneration of Board members	2,000,000	2,000,000	880,000	880,000	1,120,000	70
Total expenditure	**199,367,289**	199,367,289	**237,384,421**	**237,384,421**		
Surplus for the period	**-46,436,499**	**-46,436,499**	**-73,125,145**	**-73,125,145**		

(Budget notes),

. *Rental income was over achieved because more college facilities were hired.*

1. *On compensation of employees there is a positive variance because casual employees were not hired by the college.*
2. *On use of goods, there is a negative variance because of increase in prices of goods and services due to inflation.*
3. *On repairs and maintenance, there is a negative variance because there was major repairs of college facilities that took place.*
4. *On remuneration of the board, there is a positive variance because most of the meetings were held virtually.*

19. Notes to the Financial Statements

1. General Information

St. Paul's Kibabii Diploma Teachers' Training College is established by and derives its authority and accountability from Basic Education Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is training teachers for secondary schools.

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 St. Paul's Kibabii Diploma Teachers' Training College accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the St. Paul's Kibabii Diploma Teachers' Training College. The values are rounded off to the nearest shilling.The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, Basic Education Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	***Applicable 1st January 2025*** The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	***Applicable 1st January 2025*** The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45: Property Plant and Equipment	***Applicable 1st January 2025*** The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46: Measurement	***Applicable 1st January 2025*** The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.

leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

g) Intangible assets

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

h) Research and development costs

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

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

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement
Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost
Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity
Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx.*

Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

j) Inventories

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

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

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

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

Inventories (Continued)

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Entity*.

k) Provisions

Provisions are recognized when the *Entity* has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the *Entity* expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

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

Contingent assets

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

l) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

m) Nature and purpose of reserves

The *Entity* creates and maintains reserves in terms of specific requirements. (*Entity to state the reserves maintained and appropriate policies adopted).*

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

The *Entity* provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation

p) 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.

q) 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.

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

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

6. Transfers from other National Government entities

Description	2023/2024	2022/2023
	KShs	KShs
Unconditional grants		
Operational grant-recognised in the financial perfomance	117,500,000.00	117,500,000
Conditional grants		
Development-recognised in the financial postion	48,750,000.00	16,250,000
Total Government grants and subsidies	**166,250,000**	**133,750,000**

7. Rendering of services

Description	2023/2024	2022/2023
	KShs	KShs
Tuition fees	2,159,500.00	1,148,000
MoE Bursary	15,150,000.00	-
Activity fees	432,000.00	328,000
Contigencies	580,000.00	328,000
RMI	749,750.00	492,000
Rehabilitation Fund	432,000.00	328,000
Bank clearance	108,000.00	82,000
Student council	111,000.00	37,200
Medicare	346,600.00	262,400
Local transport and travels	1,005,700.00	721,600
Postage	43,200.00	32,800
Boarding fees	9,969,040.00	6,560,000
Regstration	314,500.00	105,400
P.E Uniform	407,000.00	136,400
Hockey Stick	185,000.00	62,000
Computer course	277,500.00	93,000
Caution		12,400
EW&C	2,160,000.00	1,640,000
Total Rendering of Services	**34,430,790.00**	**12,369,200**

8. Sale of Goods

Description	2023/2024	2022/2023
	KShs	KShs
Graduation	172,400.00	
Total Sale of goods	**172,400**	-

9. Rental revenue from facilities and equipment

Description	2023/2024	2022/2023
	KShs	KShs
HIRE OF COLLEGE FACILITIES	2,703,450.00	65,000
MISC	70,300	-
Workshops		1,175,100
Rent	222,550.00	361,500
Total rentals	**2,996,300**	**1,601,600**

10. Other Income

Description	2023/2024	2022/2023
	KShs	KShs
Arrears	618,860	
KNEC Exam	3,227,800	
Trips	100,000	
KUCCPS	277,500	-
Refund		17,000
Excess Fees		5,980
Total other income	**4,224,160**	**22,980**

16. Cash and Cash Equivalents

Description	2023/2024	2022/2023
	KShs	KShs
Cash at hand	834.00	2,442
utility Account		6,050
cooperative bank-01129049980200	48,006	4,959,349
kcb bank-1106234731	9,832,711	9,728,414
kcb saings-1116946785	14,577	14,577
Infrustructure a/c-01129049980201	5,073	2,282,436
SSP Account-1174928522	3,666	114,957
Total cash and cash equivalents	**9,904,867**	**17,108,225**

17. Receivables from Exchange transactions

Description	2022-2023	2022-2023
	KShs	KShs
Current receivables		
Student debtors	2,771,565	3,008,320
Total current receivables	**2,771,565**	**3,008,320**
	=	=
Total receivables	**2,771,565**	**3,008,320**

18. Inventories

Description	2023-2024	2022-2023
	KShs	KShs
Central store	1,487,519	1,157,888
Clinic store	76,396	288,360
Boarding store	4,726,196	2,817,187
Total Inventories	**6,290,111**	**4,263,435**

19. Property, Plant and Equipment

	Land and	Motor vehicles	Furniture and fittings	Computers	Buildings	Library Books	Plant and equipment	WORK IN PROGRESS W.I.P	Total
Cost	**Shs**	**Shs**	**Shs**	**Shs**	**Shs**	**Shs**	**Shs**		**Shs**
At 1 July 2023	82,635,000	**12,150,000**	17,809,750	4,052,158	659,736,000	2,821,476	2,362,500	77,784,729	**859,351,613**
Additions								47,875,209	**0**
Disposals									**0**
Revaluation									**0**
At 30th June 2024	**82,635,000**	**12,150,000**	**17,809,750**	**4,052,158**	**659,736,000**	**2,821,476**	**2,362,500**	**125,659,938**	**859,351,613**
Depreciation and impairment									**0**
At 30th June 2024	**0**	**0**	**0**	**0**	**0**	**0**	**0**		**0**
Depreciation	0	3,037,500	2,226,220	1,349,368	13,194,720	564,295	295,312		**20,667,415**
Disposals									**0**
Impairment									**0**
Transfer/adjustment									**0**
At 30th June 2024	**0**	**3,037,500**	**2,226,220**	**1,349,368**	**13,194,720**	**564,295**	**295,312**		**20,667,415**
Net book values									**0**
At 30th June 2024	**82,635,000**	**9,112,500**	**15,583,530**	**2,702,790**	**646,541,280**	**2,257,181**	**2,067,188**	**125,659,938**	**886,559,407**

20. Trade and Other Payables

Trade and other Payables from Exchange Transactions

Description	2023-2024	2022-2023
	KShs	KShs
Trade payables	47,574,693	29,621,150
Total trade and other payables	47,574,693	29,621,150

21. Payments received in advance.

Description	2023-2024	2022-2023
	KShs	KShs
Student Fees	408486	388,960
	408,486	388,960

Notes to the Financial Statements (Continued)

22. Financial Risk Management

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

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

Notes to the Financial Statements (Continued)
Financial risk management (continued)

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

The entity has significant concentration of credit risk on amounts due from xxxx

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

Notes to the Financial Statements (Continued)
Financial risk management (continued)

(iii) Market risk

The entity has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

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

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

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

Notes to the Financial Statements (Continued)
Financial risk management (continued)

Notes to the Financial Statements (Continued)

Notes to the Financial Statements (Continued)

23. Events After The Reporting Period

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

24. Ultimate And Holding Entity

The entity is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of xxx. Its ultimate parent is the Government of Kenya.

25. Currency

The financial statements are presented in Kenya Shillings (Kshs) and the values are rounded off to the nearest shilling.

20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

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

Guidance Notes:

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

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

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

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

.....

Name
Accounting Officer
(Enter title of Head of entity)
Date

Appendix II: Projects Implemented by (*The Entity*)

Projects

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

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

Status of Projects completion

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

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

Appendix III- Inter-Entity Confirmation Letter

[Insert your Letterhead]

[Insert name of beneficiary Entity]
[Insert Address]

The *[insert SC/SAGA/Fund name here]* wishes to confirm the amounts disbursed to you as at 30th June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30th June 2023

		Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30th June 2023				Amount Received by [Beneficiary Entity] (Kshs) as at 30th June 2023	Differences (Kshs)
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Inter–Ministerial (C)	Total (D)=(A+B+C)	(E)	(F)=(D-E)
Total							

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

Head of Accountants department of beneficiary Entity:

Name ..... Sign .....Date .....