

REPUBLIC OF KENYA



*Enhancing Accountability*

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 30 APR 2025

DAY.  
WED

**REPORT**

TABLED  
BY:

Hon George Mung'ara  
MP

OF  
CLERK-AT  
THE-TABLE:

P Muiya

PARLIAMENT  
OF KENYA  
LIBRARY

**THE AUDITOR-GENERAL**

**ON**

**KAGUMO TEACHERS' TRAINING COLLEGE**

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



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**Kagumo Teachers Training College**

**Annual Report and Financial Statements**

**For the Year Ended  
30<sup>th</sup> June 2024**

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

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## **1. Acronyms and Definition of Key Terms**

### **A. Acronyms**

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
TTC	Teacher Training College
DSTE	Diploma in Secondary Teacher Education
WIBA	Workers Injury Benefit Act
OSHA	Occupational Safety and Health Act
PPDA	Public Procurement Disposal Act
PPIP	Public Procurement Information Portal
PC	Performance Contract

### **B. Definition of Key Terms**

**Fiduciary Management** - Members of Management directly entrusted with the college's financial resources.

**Comparative Year**- Means the prior period.

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

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

Kagumo Teachers' Training College was established under the Basic Education Act on 19th January 2006.

The college is domiciled in Kenya and is located in Tetu Sub-County, Nyeri County. The college is located 8.1km The college is under the Ministry of Education.

The college has 25 tuition departments and 13 non-teaching Sections.

### **(b) Principal Activities**

As an institution responsible for teacher training in the country, the college is obliged to ground its operations on certain principles and values.

*Vision:* A Transformative, Self-directing and Competent Teacher

*Mission:* To provide inclusive and market-driven teacher education and training

### **Core values**

- God guidance
- Team Work & Team Spirit
- Professionalism
- Loyalty & Patriotism
- Integrity & Accountability
- Creativity & Innovation

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

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

- Board of Management
- Accounting officer/ Principal
- Management

**(d) Fiduciary Management**

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

SN.	Designation	Name
1.	Principal	- Dr. Eustace Muthui
2.	Deputy principal Administration	- Sylvia Mutunga
3	Deputy principal Academics	- Dr. Bakari Wasilwa
4	Registrar	- Stephen Kaburi
5	Dean of students	- Susan Obimbo
6	Human Resource Officer	- Margaret Mbugua
7	Finance Officer	- CPA Caroline Githinji
8	Procurement Officer	- Stephen Ochieng'

**(e) Fiduciary Oversight Arrangements**

**(Functions of the Committees of Boards of Management of Basic Institutions – Under Sec.61 (1))**

**(i) Finance, Procurement and General Purposes Committee**

- a) To ensure that all expenditures are in line with the approved budget of the institution.
- b) To supervise preparation of the college budget.
- c) To monitor from time to time how funds are utilized in the college.
- d) To monitor closely all procurement and due process is followed.
- e) To ensure that all suppliers strictly follow their quotation prices without varying the prices.
- f) To ensure that all books of accounts are written and are up to date.
- g) To physically check all bank slips, withdrawals against the bank statements.
- h) To handle all other matters of employment and termination of employment of all college workers.
- i) To handle all matters relating to supervising maintaining of stores records.
- j) To handle all matters relating to hiring and maintenance of the college vehicle (s).
- k) Any other case which may be delegated to them by the Board of Management.

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

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

- a. To receive and discuss all cases of admissions, transfers, suspensions, repetitions and replacements at the college level.
- b. To receive from students/Teacher Trainees or student leaders all cases relating to human rights abuse and their welfare in general.
- c. To carry out student census in the college or any other institution of basic education and submit a report to the Board of Management.

**(iii) Academic Standards Quality and Environment Committee**

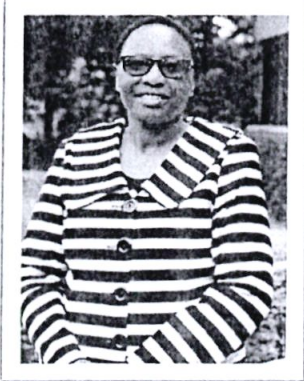


- a. To handle all academic matters in the college.
- b. To device ways and means of improving academic standards.
- c. To analyse national examination results against the FACE exams
- d. To ensure that all text books purchased through the government grants are received in the college and given to each deserving student.
- e. To ensure that each child has enough textbooks and other learning materials.
- f. To ensure that all students and pupils are learning in safe class rooms, the toilets are safe, the eating place is clean and safe and the water in the college is clean and safe.
- g. To ensure that all college buildings are safe and secure.
- h. To ensure that the college compound is safe to carry out any other assignment which may be delegated to them by the Board of Management.

**(iv) Audit Committee**

- a. To examine in depth all payment vouchers and receipts and report to the board any disparity.
- b. To examine all used receipt books, cheque books delivery notes, invoices and payment vouchers.
- c. To examine in depth all enrolment registers for the previous year.
- d. To examine all movable and immovable assets for the previous year.
- e. To examine all cheque book counterfoils for the previous year.
- f. To examine all tender records for the previous year.
- g. To examine all procurement records for the previous year.
- h. To verify all projects records for the previous year.
- i. To verify the audit and inspection reports for the previous year.
- j. To respond to audit queries after scrutinizing the report on audited accounts.


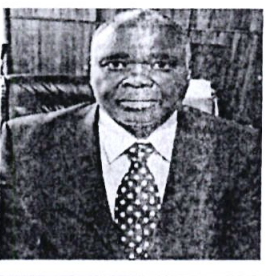


- (f) **College Headquarters**  
Kagumo Teachers' Training College,  
P.O. Box 18-10100,  
Nyeri Mukurweini road  
Nyeri, Kenya
- (g) **College Contacts**  
Telephone: (254) 701 972 912(calls only)  
                  : (254) 796 632 055  
E-mail: info@kagumocollege.ac.ke  
Website: www.kagumocollege.ac.ke
- (h) **College Bankers**  
1. Kenya commercial bank  
    Nyeri Branch  
  
2. Equity Bank Limited  
    Nyeri Branch
- (i) **Independent Auditors**  
Auditor-General  
Office of Auditor General  
Anniversary Towers, Institute Way  
P.O. Box 30084  
GPO 00100  
Nairobi, Kenya
- (j) **Principal Legal Adviser**  
The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya

3. The Board of Management





S/No.	Member	Details
1.	 Prof. Beatrice Warue	Date of birth: 1962  Doctor of Philosophy in Business Administration and Management, Banking and Finance, Kenya Methodist University.  ➤ Chairman Board of Management
2.	 Eng. Ndirangu Wangai	Date of birth: 1973  Master of Science in Water Engineering, Moi University.  ➤ Vice- Chairman Board of Management ➤ Executive Member ➤ Chairman Finance, Procurement & General Purposes Subcommittee
3.	 Dr. Christine Waithira Njiru	Date of birth: 1966  Doctor of Philosophy in Environmental Planning and Management, Kenyatta University.  ➤ Member: Human Rights and Student Welfare Committee

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4.	 Henry G. Kinyua	Date of birth: 1973  Master of Science in Management United States International University.  ➤ Chairman: Audit Subcommittee
5.	 Adv. Samuel Gathiga Mwangi	Date of birth: 1961  Bachelor of Law, LL.B University of Nairobi.  ➤ Executive Member ➤ Member: Finance, Procurement & General Purposes Subcommittee
6.	 Dr. Patricia Gathia	Date of birth: 1966  Doctor of Philosophy in Applied Mathematics, Egerton University.  ➤ Executive Member ➤ Member: Academics Subcommittee
7.	 Joseph Kagunda Mwangi	Date of birth: 1995  Master of Science in Project Planning & Management.  ➤ Member: Audit Subcommittee

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<p>8.</p>	 <p>Robert Muma Olweny</p>	<p>Date of birth: 1980</p> <p>Master in Project Planning and Management, University of Nairobi.</p> <ul style="list-style-type: none"> <li>➤ Member: Finance, Procurement &amp; General Purposes Subcommittee</li> </ul>
<p>9.</p>	 <p>Ven. Joseph Gitonga Njakai</p>	<p>Date of birth: 1964</p> <p>Master of Arts in Community Pastoral Care and HIV/AIDS, University of Wales Lampete.</p> <ul style="list-style-type: none"> <li>➤ Member: Audit Subcommittee</li> </ul>
<p>10.</p>	 <p>Prof. Richard M. S. Mulwa</p>	<p>Date of birth: 1967</p> <p>Doctor of Philosophy in Horticulture and Bio technology, University of Illinois.</p> <ul style="list-style-type: none"> <li>➤ Chairman: Academics Subcommittee</li> </ul>
<p>11.</p>	 <p>Jaqueline Onyango</p>	<p>Date of birth: 1968</p> <p>Doctor of Philosophy in Curriculum Development, Moi University.</p> <ul style="list-style-type: none"> <li>➤ Member: Academics Subcommittee</li> </ul>

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**Annual Report and Financial Statements for the year ended 30th June 2024**

12.	 Arch. Thomas Mundia	Date of birth: 1964  Master of Construction Project Management, Jomo Kenyatta University of Agriculture and Technology.  ➤ Member: Finance, Procurement & General Purposes Subcommittee
13.	 Rev. Fr. Paul Kimani	Date of birth: 1983  Bachelor of Sacred Theology, Bachelor of Arts Philosophy, Christ the King Major Seminary.  ➤ Executive Member ➤ Chairman: : Academics Subcommittee
14.	 Dr. Njuguna Paul Samuel	Date of birth:  Master of Medicine in Obstetrics and Gynaecology, Makerere University.  ➤ Member: Academics Subcommittee
15.	 Mohamud Sheik Ibrahim	Date of birth: 1957  Bachelor of Education (Science), Kenyatta University College (UoN).  ➤ Member: Academics Subcommittee





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<p>16.</p>	 <p>Dr. E.M Muthui (PhD).</p>	<p>Date of birth: 1964</p> <p>Doctor of Philosophy in Educational Management, Chuka University.</p> <ul style="list-style-type: none"> <li>➤ Chief Principal</li> <li>➤ Executive Member</li> </ul>
<p>17.</p>	 <p>Brett Marvin</p>	<p>Date of birth: 1989</p> <p>Chairman: Student Representative Council (July 2023)</p>
<p>18.</p>	 <p>Bonface Ayinga</p>	<p>Date of birth: 1994</p> <p>Chairman: Student Representative Council (25<sup>th</sup> June 2024)</p>

4. Key Management Team

SN.	Member	Details
1.	 Dr. E.M. Muthui (PhD). Chief Principal	Doctor of Philosophy in Educational Management, Chuka University.
2.	 Sylvia Kiko Mutunga	Deputy Principal Administration Master of Arts in Linguistics, University of Nairobi.
3.	 Dr. Juma Bakari Wasilwa	Deputy Principal Academics Doctor of Philosophy in Economics and Management of Education Kibabii University
4.	 Stephen Kaburi	Registrar Bachelor of Education ( Science), Kenyatta University.

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5.	 Susan Obimbo	Dean of students Masters of Education in Educational Administration, University of Nairobi.
6.	 Margaret Njeri	Human Resource Officer Bachelor of Commerce, Human Resource Management, KCA University.
7.	 Caroline Githinji	Finance officer Bachelor of Commerce, Finance CPA (K), Kenyatta University
8.	 Steven Ochieng'	Procurement Officer Bachelor of Business Management, Purchase and Supplies option, University of Kabianga.

## **5. Chairman's Statement**

### **5.1 Introduction**

Kagumo Teachers' Training College is mandated to train teachers in Diploma in Secondary Teacher Education. The College whose vision is a transformative, self-directing and competent teacher has positively contributed to the growth of the education sector in the country. Having grown from a primary school in 1933 to a teacher training College in 1944, the College as envisaged in its mission continues to provide inclusive and market-driven teacher education and training.

The Institution is managed as per the provisions of the Basic Education Act (2013) in relation to registration, governance and management. The Board of management of the Institution is committed to overseeing the provision of quality education and training.

### **5.2 Key activities**

#### **a) College Strategic Plan 2023-2028**

Within the FY 2023/2024, the College developed and launched its Strategic Plan 2023 -2028 that will guide its activities for the next five years. The strategic Plan leverages on four key priority areas: (i) Academics

- (ii) Co-curriculum activities
- (iii) Learning, living and working environment
- (iv) Institutional capacity development.

#### **b) Competency Based Curriculum**

The College is currently offering the Competency Based Curriculum and is keen to produce teachers who are equipped with the necessary skills, knowledge, values and competencies to meet the needs of the 21<sup>st</sup> Century. Within the FY 2023/2024 the College admitted the second cohort of 431 CBC teacher trainees.

The College held its 39<sup>th</sup> graduation ceremony on 23<sup>rd</sup> February 2024. The Chief guest during the ceremony was Dr. Beatrice Inyangala, Principal Secretary, the State Department for Higher Education and Research.

#### **c) Co-curriculum activities**

In co-curriculum activities, the College participated in music, drama, ball games and athletics up to national level.

#### **d) Performance Contracting**

The College was involved in the writing and implementation of the FY 2023/2024 Performance Contract. Implementation of the Performance Contract has enabled the Institution to achieve planned activities to a remarkable extend amid financial limitations.

#### **e) Infrastructural development**

in the FY 2023/2024, the College undertook the following projects:

- (i) Construction of 250m of perimeter wall bringing to 1.939 km out of 3.16 km of total perimeter wall constructed. The construction is aimed at reinforcing the security of the Institution and securing the College land.

## **Kagumo Teachers Training College**

### **Annual Report and Financial Statements for the year ended 30th June 2024**

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- (ii) Renovation of four hostels for male teacher trainees.
- (iii) Upgrade of the College kitchen
- (iv) improvement of 1.5km of the College internal roads by tarmacking done by KERRA.
- (v) Start of construction of 5 classrooms which is part of stalled Multipurpose Hall Phase II.

#### **5.3 Challenges**

In spite of the progress the College has made, the Institution faces the following main challenges:

- (a) Inadequate finances: The College mainly relies on government funding and fees payment from students which is inadequate. There is need to strengthen existing Income generating activities.
- (b) Inadequate infrastructure and facilities: The infrastructure in the College is not only old and dilapidated but also inadequate. The introduction of new CBC learning areas demands relevant infrastructure and equipment for effective and efficient implementation. There is therefore the need for financial support to fast-track the implementation of the College physical infrastructure master plan.
- (c) Inadequate water: The College experiences water shortage due to inadequate water supply. There is need for additional water supply and storage to ease the problem.
- d) Few co-curriculum activities – The College requires finances to upgrade existing co-curriculum facilities and establish new ones in order to enhance variety in sports and clubs.

#### **5.4 Future Outlook**

As part of her future outlook, the College wishes to:

- a) Leverage on technology in education by integrating technology in curriculum implementation and assessment.
- b) Promote income generating projects and adopt modern agricultural practices to increase productivity.
- c) Improve on the condition of staff houses and students' hostels.
- d) Complete the construction of stalled Multipurpose Hall phase II and stalled Burundi hostel in addition to constructing additional new hostels.
- e) Development of human capital in terms of competency, skills and talents through education and training.
- f) Ease internal operations through procurement and use of Enterprise Resource Planning (ERP) system.

#### **5.5 Conclusion**

The success of the FY 2023/2024 is attributed to team work and cooperation among the various players and stakeholders and we look forward to even a more successful FY 2024/2025.

  
.....  
**Prof. Beatrice Warue**

 **Chairman**

**Board of Management**

## **6. Report of the Chief Principal**

### **6.1 Introduction**

Kagumo Teachers' Training College is one among the three Colleges in the country that offers Diploma in Secondary Teacher Education (DSTE). The College aspirations are geared towards producing a transformative, self-directing and competent teacher by providing inclusive and market driven teacher education and training. The College is committed to championing the following core values: God's guidance, integrity, professionalism, innovation & creativity and team work.

### **6.2 Key activities**

In the FY 2023/ 2024 the College was able to achieve the following:

#### **a) Increased student enrollment**

Within the FY 2023/2024, the College had increased enrollment from 872 students in the previous financial year to 1110. In terms of gender, there were 557 males and 553 females.

#### **b) Academics**

The Institution academic performance was good with the College achieving a mean score of 5.28 which was an improvement of 0.21 from the previous financial year in which the mean score was 5.49.

#### **c) 39<sup>th</sup> Graduation ceremony**

The College held its 39<sup>th</sup> graduation ceremony successfully on 23<sup>rd</sup> February 2024 releasing 289 graduates to the job market. The Chief guest during the ceremony was Dr. Beatrice Muganda Inyangala, Principal Secretary, the State Department for Higher Education and Research.

#### **d) Co-curriculum activities**

The College participated in co-curriculum activities namely music, drama, ball games and athletics up to national level. The athletics and ball games nationals which were held in June 2024 in Machakos TTC were the first intercollegiate Olympics format games.

#### **e) Performance Contracting**

The College implemented the FY 2023/2024 Performance Contract with very good performance in many of the indicators. The evaluation of the PC shall be held within the current financial year.

#### **f) ISO Recertification**

The College is in the process of re-certification with ISO 9001:2015 standard by Kenya Bureau of Standards (KEBS)

#### **g) College projects**

In the FY 2023/2024, the College was able to undertake the following projects:

- (i) Construction of 0.25km of College perimeter wall bringing to a total of 1.939 km of perimeter wall constructed in four phases.
- (ii) Renovation of four hostels for male teacher trainees.
- (iii) Upgrade of the College kitchen including installation of one new jiko and renovation of existing ones.
- (iv) Tarmacking of 1.5km of the College internal roads done by KERRA.
- (v) Partial construction of 5 classrooms as part of reviving of stalled Multipurpose Hall Phase II which stalled in 2013.
- (vi) Purchase of a new water pump in the College to ease water shortage.

### **6.3 Challenges**

The College faces the following challenges:

**(a) Financial Constraints:** The College has faced a challenge of inadequate funds stemming from decreased and delayed government funding posing a challenge in the day to day running of the Institution.

**(b) Inadequate infrastructure and equipment:** The infrastructural facilities in the College are inadequate due to increased teacher trainee enrollment. In addition, the buildings are old requiring a lot of finances for renovation. Additionally, the introduction of new CBC learning areas such as Mechatronics require relevant infrastructure and equipment which are quite costly.

**(c) Inadequate staff:** With the introduction of new learning areas in CBC curriculum, the College faces a staffing shortage in some of the learning areas. This is in addition to exit of staff due to retirement and chance of employer.

**(d) Incomplete projects:** The College has two stalled projects: Multipurpose hall whose second phase stalled in 2013 after the government contractor withdrew. The completion rate is approximately 20 percent. The second phase of Burundi hostel also stalled and requires approximately 65 million to have it completed. In addition, the College has been in the process of constructing its 3.16 km long perimeter wall since 2020. Four phases of construction have resulted to 1.939 km being constructed with a deficit of 1.221 km to completion.

**(e) Inadequate co-curriculum facilities:** The co-curriculum facilities in the Institution are inadequate due to students increased enrollment and diverse interests. In addition, the existing ones require renovation to ensure they are of the required standards.

### **6.4 Future Prospects**

As part of future prospects, the College wishes to:

- a) Ensure diversification of learning areas in line with the curriculum requirements such as introduction of Aviation Technology and Power Mechanics based on availability of infrastructure and equipment.
- b) Promote income generation in the College through revamping and diversification of income generating activities
- c) Have increased enrollment through increased College brand image.
- d) Improve the condition of existing staff houses and students' hostels through renovation.

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- e) Complete the construction of stalled Multipurpose Hall phase II and stalled Burundi hostel in addition to constructing additional new hostels.
- f) Capacity building of Human Resource in the College through training, workshops and seminars.
- g) Employ technology in learning and in internal operations in the Institution.

**6.5 Conclusion**

The FY 2023/2024 was successful having achieved many planned activities in the Institution.



.....  
Mrs. Irene Mwangi

Chief Principal/Secretary Board of Management



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**7. Statement of Performance against Predetermined Objectives**

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the Chief Principal to include in the financial statement, a statement of the performance of the College against predetermined objectives.

Kagumo college has 4 strategic pillars and objectives within current Strategic Plan for the FY 2023- FY 2028. These strategic pillars are as follows:

- Pillar 1: Academics
- Pillar 2: Co Curriculum
- Pillar 3: Learning, Living and working environment
- Pillar 4: Institutional capacity development

Kagumo college develops its annual work plans based on the above 4 pillars. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The college achieved its performance targets set for the FY 2023/2024 period for its 4 strategic pillars, as indicated in the diagram below:

<b>Strategic Pillar</b>	<b>Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>													
Pillar 1: Academics	To train a competent diploma secondary school teacher to meet the 21 <sup>st</sup> century demands	Preparation of professional documents <ul style="list-style-type: none"> <li>- Schemes of work</li> <li>- Course outline</li> <li>- Timetable</li> <li>- Record of work</li> </ul>	Preparation and submission of professional documents	Professional documents were prepared and submitted: Schemes of work, Course outlines, Timetables and Records of work covered													
		Weekly work covered records	Content delivery using pedagogical skills	Record of work books were checked on weekly basis by the Deputy Principal Academics													
		Exams set, administered and marked	Setting, administering and marking of exams	May – August 2023 Exams <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Year</th> <th>exam</th> <th>Dates</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>CBA 1</td> <td>26/7/23-2/8/23</td> </tr> <tr> <td>2</td> <td>CAT6</td> <td>18/6/23-21/6/23</td> </tr> <tr> <td></td> <td>ET 6</td> <td>28/7/23-2/8/23</td> </tr> <tr> <td>3</td> <td>TP</td> <td>4/5/23 -</td> </tr> </tbody> </table>	Year	exam	Dates	1	CBA 1	26/7/23-2/8/23	2	CAT6	18/6/23-21/6/23		ET 6	28/7/23-2/8/23	3
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Kagumo Teachers Training College

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2	CBA 2	16/2/24- 21/6/23																				
	ET 5	25/3/24- 27/3/24																				
3	DTE	11/03/24- 5/4/24																				
		Number of students undertaking Teaching practice	Offer Teaching practice	$\frac{371}{376} * 100 = 98.67\%$ 371 students successfully completed their TP after placement of 376 students																		
		Percentage completion rate	Ensure successful completion of the diploma course	$\frac{289}{296} * 100 = 97\%$ 289 students successfully completed their Diploma course after placement of 296 students																		
Pillar 2: Co Curriculum	To enhance co-curriculum activities to produce an all rounded	Scheduled maintenance of fields	Maintenance of playing fields and facilities	Maintenance of playing fields was carried out as scheduled as part of management duty																		
		Talent show	Organize and award talent	Talent/Cultural event was held on 16 <sup>th</sup> February 2024.																		

**Kagumo Teachers Training College**

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	secondary school teacher	Participation in co-curricular activities	Students participated up to national levels	College participated in national co-curricular activities: a) Music – August 2023 at Dedan Kimathi University, Nyeri County. b) Intercollegiate Olympic games (athletics & Ball games) - 3 <sup>rd</sup> to 13 <sup>th</sup> June 2024 at Machakos Teachers College, Machakos County. c) Drama – 7 <sup>th</sup> to 18 <sup>th</sup> April 2024 at Embu University, Embu County.
Pillar 3: Learning, Living and working environment	To maintain, develop, and expand physical infrastructure for improved service delivery	Complete the ongoing MPH	Constructed a slab to accommodate 5 lecture rooms and a washroom	The College constructed a slab to accommodate 5 lecture rooms and a washroom in MPH Phase II. The construction of the building is incomplete.
		Renovate students hostels	Renovated 3 men hostels	The College renovated 3 men hostels: Ethiopia 14, Tanzania 1 and Tanzania 2
		Re-carpet roads and widen pavements	Re-carpeted 1.8km internal roads through KERRA	Construction was carried through KERRA under the Contract No. KeRRA/08/39/22/2020 - 2021. Total of 1.8 km was done with access road of 1.5 km and parking area of 0.3 km. Project tender sum was ksh.26,960,028.06.
		Carry out environmental audit	Environmental audit conducted	Annual environmental audit done and Annual Environmental Audit Report 2023 received on 5 <sup>th</sup> December 2023.
Pillar 4: Institutional capacity development	To enrich human capacity and competences for improved productivity	Develop HR policies and procedures manual	HR Policy and Procedure manual development initiated	Management initiated development of HR Policy which shall be completed in the FY 2024/2025.

**Kagumo Teachers Training College**

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	To enhance leadership competences for effective management	Training and capacity building of staff in leadership positions	-Staff capacity building to enhance leadership was carried out	-ERP training for College Accountant on 25 <sup>th</sup> to 23 October 2023 and ICT Officer on 20 <sup>th</sup> to 21 <sup>st</sup> June 2024 -HR Professional Training for HRO on 21 <sup>st</sup> to 24 <sup>th</sup> November 2023 - Strategic Leadership Development Training for Deputy Principal Administration at KSG Nairobi in December 2023 - Procurement Training on End of year closing procedures For Chief Principal and Procurement Officer on 3 <sup>rd</sup> to 7 <sup>th</sup> June 2024 in KSG Embu -Productivity Mainstreaming Training for 5 Performance Contract Officers at Kamwenja TTC in November 2023. -ICPAK Training for Finance Officer held in Mombasa in November 2023
	To ensure financial sustainability and timeliness in service delivery	Increased income/Revenue	Revenue generation from income generating Activities	-Income was generated from hire o facilities amounting to ksh. 3,582.124.00

**8. Corporate Governance Statement**

**Roles and functions of the Board**

The College Board of Management functions through 4 subcommittees: -

- (i) Finance, procurement and General purposes
- (ii) Academic Standards Quality and Environment Committee
- (iii) Discipline, Ethics and Integrity Committee
- (iv) Audit subcommittee

Functions of the above-mentioned subcommittees are as indicated on page iii.

**Process of appointment and removal of Board members**

The College Board of Management members are appointed/removed from the Board as guided by the Basic Education Act, 2013.

In FY2023/2024 there was no new appointment or removal of a Board member.

**Board remuneration**

Members of the Board reviewed the Board allowances from Kshs8,000 to Kshs12,000

**Board meetings**

In FY2023/2024 the Board of Management held 3 meeting. There was also a Board training on 23<sup>rd</sup> and 24<sup>th</sup> March 2024.

S/No.	Name	Date of meetings			No. attended out of 3
		10.11.2023	16.02.2024	28.06.2024	
1	Prof. Beatrice Warue	√	√	√	3
2	Eng. Wangai Ndirangu	√	√	√	3
3	Dr. E.M. Muthui	√	√	√	3
4	Fr. Paul Kimani	√	√	√	3
5	Ven. Joseph Njakai	√		√	2
6	Dr. Paul S. Njuguna	√		√	2
7	Mohamud S. Ibrahim	√		√	2
8	Joseph Kagunda Mwangi	√	√	√	3
9	Dr. Christine Njiru	√	√	√	3
10	Gathiga Mwangi	√	√	√	3
11	Robert Olweny	√	√		2
12	Thomas Mundia	√	√		2

**Kagumo Teachers Training College**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

13	Jacqueline Onyango		√		1
14	Patricia Gathia		√		1
15	Henry Kinyua				Nil
16	Prof. Richard Mulwa				Nil
17	Student Representative – Brett Marvin/Bonface Aginga	√	√	√	3

**Kagumo Teachers Training College**  
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**9. Management Discussion and Analysis**

The college has developed an asset register that is in the prescribed format. The college is also in liaison with the Ministry of Lands for valuation of the college assets.

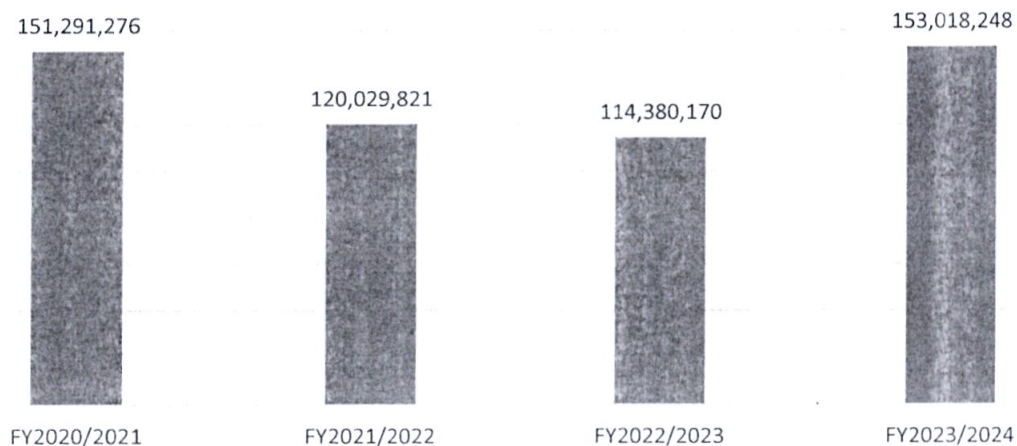
In the FY2023/2024 the college invested in short term investments that earned the college interest income.

Ministry of Education reviewed the college fees payable by students as below

Academic Year	Fees payable	
	Previously (Ksh)	After revision (Ksh)
First year	58,850	67,584
Second year	36,500	52,750
Third year	35,000	47,450
<b>Total</b>	<b>130,350</b>	<b>167,784</b>

**Budget estimates for the last 4 financial years**

The college was implementing the highest budget in FY2023/2024 in the last four years

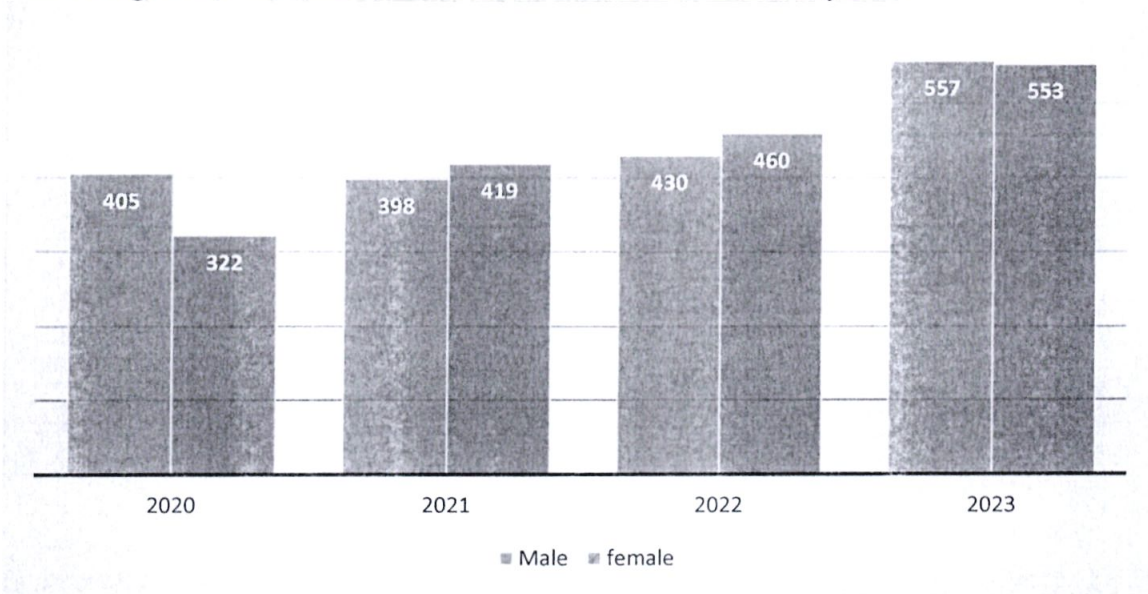


**Kagumo Teachers Training College**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

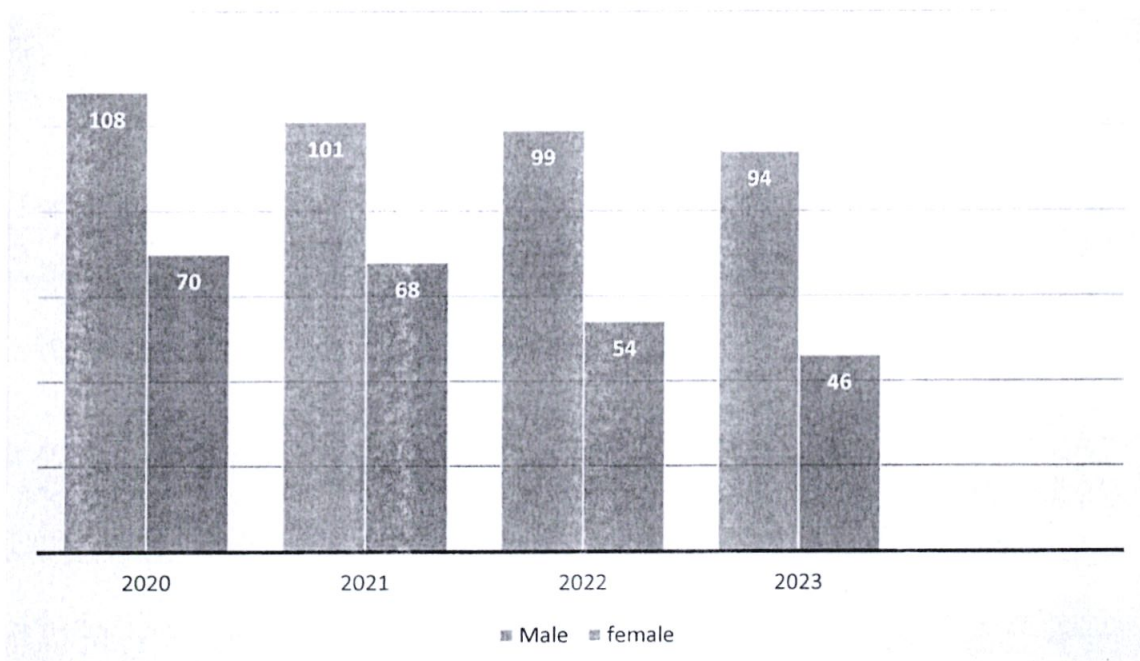
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**Student enrolment for the last 4 years**

The college enrolment has been on the increase in the last four years.



**Number Teaching and non-teaching staff**



### **College major risks**

The college major risks are: -

#### **1. Operational Risks**

**Infrastructure Failure:** the college has old and inadequate buildings, hostels and tuition rooms. This results to the college not admitting as many students as per the demand.

**Supply Chain Disruptions:** from time to time the college has experienced delays or failures in the delivery of essential materials, such as textbooks, technology, or food supplies.

#### **2. Financial Risks**

**Inadequate Funding:** the college has experienced insufficient financial resources to cover all its operational costs and infrastructure development.

**Budget Cuts:** in the financial year the college experienced reduction in government funding that led to cost-cutting measures, potentially affecting the quality of education.

#### **3. Security Risks**

**Physical Security Threats:** the college has a porous fence that exposes the college to risks from theft and vandalism.

#### **4. Strategic Risks**

**Policy Changes:** Sudden or unfavorable changes in government policies, education standards, or regulatory requirements that affect how schools operate.

#### **5. Legal and Regulatory Risks**

**Litigation:** the college has ongoing lawsuits arising from grievances from the college internal and external community

### **College key projects**

In FY 2023/2024 the College undertook 6 main projects. All the projects were done to 100% as planned.

- (i) Construction of 0.25km of college perimeter wall
- (ii) Renovation of four hostels for male teacher trainees.
- (iii) Upgrade of the College kitchen and firewood store
- (iv) Tarmacking of 1.5km of the College internal roads done by KERRA.
- (v) Partial construction of 5 classrooms of stalled Multipurpose Hall Phase II
- (vi) Purchase of a new water pump in the College to ease water shortage.

### **Kagumo TTC's compliance with statutory requirements**

In FY 2023/2024 the College complied with all the legal and statutory requirements.

## **10. Environmental and Sustainability Reporting Statement**

### **Sustainability strategy and profile**

The college has put in place environmental, social and governance practices that enhance sustainability strategies and profile.

The college:

- embraces tree planting every year to replace the trees felled for fuel in the kitchen
- uses the manure produced in the dairy section for soil enrichment in other enterprises; coffee, vegetable farming
- uses more of the borehole water as compared to pumping water from the Kagumo river. This ensures enough supply of water down stream
- maintains the already installed solar lights to reduce on use of electricity
- encourages staff members to save in SACCOs to enhance livelihoods
- ensures that it is working within the set legal and regulatory frameworks as they are set
- ensures public participation in implementing decisions that affect its community

### **Environmental performance**

#### **Disposal of Wastes**

The College strives to promote and maintain a healthy environment by ensuring that all waste materials known to have negative impact on the environment are properly segregated and disposed.

#### **Environmental Policy**

The college commits itself to and endorses the need to protect the environment.

The college acknowledges and accepts its responsibility to conduct its business in compliance with applicable environmental laws and regulations.

#### **Environmental Statement**

The college has a vital interest in ensuring a clean and healthy environment.

The college also relies on a healthy environment so that you, the customer, can enjoy the standard of living and healthy lifestyle that mean so much to us today.

#### **Shortcomings of waste management**

- Soil Contamination. Ideally, we would like our plastic, glass, metal and paper waste to end up at a recycling facility.
- Water Contamination.
- Extreme Weather Caused by Climate Change.
- Air Contamination.
- Harm towards animal and marine life.
- Human Damage.

### **Successes of waste management**

- Reduces the amount of waste sent to landfills and incinerators.
- Conserves natural resources such as timber, water and minerals.
- Increases economic security by tapping a domestic source of materials.
- Prevents pollution by reducing the need to collect new raw materials.
- Saves energy.

### **Employee welfare**

#### **Recruitment Guiding Principles**

- a) Recruitment is done against approved establishment. Recruitment and selection on all arising vacancies are filled competitively. The Board is responsible for recruitment of staff in all positions. Consideration for appointment is based on relevant qualifications, experience, merit, competency and attitude desired to perform in the roles effectively;
- b) The Board provides Job Descriptions and person specifications on which the recruitment is done.
- c) All potential employees are interviewed by relevant organs.
- d) Recruitment of staff is guided by the approved staff projection.

#### **Selection Guiding Principles**

#### **Initial Appointment**

The Board appoints all employees of the College. Potential employees are expected to accept/reject an offer within the period stipulated in the offer.

#### **Other guidelines on:**

- i. Acting Appointment
- ii. Power to Make an Appointment
- iii. Probationary Period
- iv. Confirmation on Appointment
- v. Employment of Ex-employees
- vi. Transfer or Deployment within the college
- vii. Employment Records

#### **Employee Reward and Recognition**

#### **Policy Objectives**

- a. Reward work beyond the call of duty
- b. Improve employee morale
- c. To reward long Service
- d. To encourage and motivate employees to strive for higher level of productivity
- e. Promote integrity within the College
- f. Encourage problem solving behaviour
- g. Reward agreed targets.

**Occupational Health, Safety and Environment**

**Philosophy of the College on Safety Issues**

- a. The College recognizes its corporate responsibility under the Constitution of Kenya, Occupational Safety and Health Act of 2007 (OSHA 2007), Employment Act of 2007 and the Work Injury Benefits Act of 2007 (WIBA) and related legal notices.
- b. In fulfilling this responsibility, the College undertook Ksh 20,000 to observe Occupational Safety, Health and Environment standards well beyond the minimum statutory requirement. The management shall adopt all reasonable and proactive measures to:
  - i. Create a safe working environment
  - ii. Uphold environmentally friendly practices
  - iii. Provide appropriate training and awareness to its employees
  - iv. Take responsibility for Occupational Safety, Health and Environment of the work place
  - v. Continuously monitor Occupational Safety, Health and Environment through regular inspection and Audits.

**Market place practices-**

- a) Responsible competition practice; how the organization ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors
  - i. Anti-corruption  
The college has also an anti-corruption committee in its Performance Contracting structure that ensures fairness, declaration of interest and receiving complains of corruption and solving the disputes arising, continued sensitization of staff and even students on matters anti-corruption to create more awareness and how to handle such in case any arises.
  - ii. Political involvement  
The college encourages democracy and free elections for student representative body. Non-teaching staff welfare as well as teaching staff held SRC election in September 2023.  
This results in fairness as people elected are through an open campaign and secret ballot, thus promoting responsible competition resulting in peaceful co-existence and unity for both students, staff and non-teaching staff and the administration.
  - iii. Fair competition and respect for competitors
    - a) Suppliers - The College Procurement process is guided by the PPDA Act of 2015, During the year the college implemented the following in bid to ensure fair competition and respect for competition.
      1. Advertise through the college website and Public Procurement Information Portal (PPIP) to create a pool of suppliers to enhance competition.
      2. Ensure all open tenders are done on the college website and PPIP where all interested suppliers access similar information for fair competition.

3. Maintaining a least level possible for the pending bills for long supplier relationship and general market sustainability.
  - b) Responsible supply chain and supplier relations; how the organization maintains good business practices, treats its own suppliers responsibly by honoring contracts and respecting payment practices.

**Good business practices**

The organization believes in acquiring genuine goods from authentic suppliers who are duly registered to obtain quality products that are at acceptable market rates.

The college engages in genuine business with legally allowed documents for purchase and contracts thus resulting in lasting supplier relationships as this contributes to nice reputation for the college hence attracting more suppliers willing to engage in business with the college.

The college convenes a supplier / stakeholder meeting every beginning of the financial year to brief them on what to expect from the college as well as what the college expects from them. (FY 2023-2024, On 28<sup>th</sup> June 2023)

**Corporate Social Responsibility / Community Engagements**

The college donated geometrical sets and pencils to Kiambuiri primary school candidates while sitting for the Kenya Certificate of primary education.

The college offered its playing fields to Kiamuiru unit to hold both ball games and athletics at no cost.

## **11. Report of the Board of Management**

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

### **Principal activities**

The principal activity of the college is to train secondary school diploma teachers.

### **Results**

The results of the college for the year ended June 30 are set out on page 1-5

### **Board of Management**

The members of the Board who served during the year are shown on page vii-xi. During the year 2023/2024 there was no retirement/ resignation/appointment of any Board member

### **Auditors**

The Auditor General is responsible for the statutory audit of the college in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or to carry out the audit of the college for the year ended June 30, 2024, 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

Kagumo TTC

Date: 27-1-25



## **12. Statement of Board of Management Responsibilities**

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

The Board members are responsible for the preparation and presentation of the college's financial statements, which give a true and fair view of the state of affairs of the college for and as at the end of the financial year (period) ended on June 30, 2024.

This responsibility includes:

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

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

In preparing the financial statements, the Principal has assessed the college's ability to continue as a going concern.


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


**Kagumo Teachers Training College**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

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**Approval of the financial statements**

The college's financial statements were approved by the Board on 27<sup>th</sup> September, 2024 and signed on its behalf by:

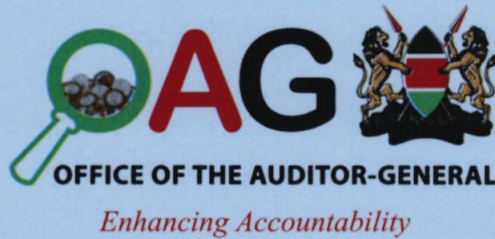
  
.....  
Name **BEATRICE WARUE**  
Chairman of the Board

  
.....  
Name **IRENE MWANGI**  
Accounting Officer/Principal



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NAIROBI

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

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### **PREAMBLE**

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

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

An Adverse Opinion is issued when the Auditor-General determines that the financial statements are materially misstated and are not fairly presented in accordance with the applicable financial reporting framework. The Report on the 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**

#### **Adverse Opinion**

I have audited the accompanying financial statements of Kagumo Teachers' Training College set out on pages 1 to 22, which comprise of the statement of financial position as

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

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, in all material respects, the financial position of Kagumo 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 do not comply with comply with the Public Finance Management Act, 2012.

## **Basis for Adverse Opinion**

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

Audit comparison of the revised audited financial statement and trial balance for the year ended 30 June, 2024 against the initial audited financial statement balances revealed unreconciled and unexplained variances which were not supported with adjusting journal entries, ledgers, and support documentation as shown below,

#### **(i) Statement of Financial Performance**

<b>Components</b>	<b>Amount as per Revised Audited Financial Statement (Kshs)</b>	<b>Amount as per Initial Audited Financial Statement (Kshs)</b>	<b>Variances (Kshs)</b>
Transfers from other National Government Entities	88,033,333	80,949,999	(7,083,334)
Rendering of Services- fees from Students	55,610,162	85,780,473	30,170,311
Sale of Goods	4,926,499	3,119,689	(1,806,810)
Rental Revenue from Facilities and Equipment	2,170,066	3,058,458	888,392
Miscellaneous Income	1,746,500	19,357	(1,727,143)
Finance Income	1,026,977	619,068	(407,909)
Total Revenue from Exchange Transactions	65,480,204	92,597,045	27,116,841
Total Revenue	153,513,537	173,547,044	20,033,507
Use of Goods and Services	110,838,715	124,952,172	14,113,457
Employee costs	30,131,763	31,880,174	1,748,411
Board /Council Expenses	1,657,594	-	(1,657,594)

Repairs and Maintenance	6,701,884	-	(6,701,884)
Capital Expenditure	17,070,320	-	(17,070,320)
Depreciation	23,049,516		(23,049,516)
Total Expenses	189,449,792	156,832,346	(32,617,446)
Net Surplus/(deficit) for the Year	(35,936,255)	16,714,698	52,650,953

**(ii) Statement of Financial Position**

Component	Amount as per Revised Audited Financial Statement (Kshs)	Amount as per Initial Audited Financial Statement (Kshs)	Variations (Kshs)
Cash and Cash Equivalents	(668,257)	15,906,085	16,574,342
Receivables from Exchange transactions	10,284,107	10,278,041	(6,066)
Investments in Financial Assets	9,891,772	8,568,000	(1,323,772)
Total Current Assets	19,507,622	34,752,126	15,244,504
Property, Plant and Equipment	1,130,528,540		(1,130,528,540)
Intangible Assets	5,532,000		(5,532,000)
Biological Assets	5,161,558		(5,161,558)
Total non-current Assets	1,141,222,098	-	(1,141,222,098)
Total net Assets and Liabilities	1,160,729,720	34,752,126	(1,125,977,594)
Social Benefit Liability	43,619		43,619
Trade and Other Payables from Exchange Transactions	11,455,557	13,805,401	(2,349,844)
Fees Received in Advance	5,215,450	-	(5,215,450)
Refundable Deposits from Customers	11,479	4,093,368	(4,081,889)
Total Current Liabilities	16,726,105	17,898,769	(1,172,664)
Total Liabilities	16,726,105	17,898,769	(1,172,664)
Net Assets	1,144,003,615	16,853,357	(1,124,804,930)
Accumulated Surplus	2,781,517	34,752,127	31,970,610
Capital Fund	1,141,222,098		(1,141,222,098)
Total Net Assets	1,144,003,615	34,752,127	(1,109,251,488)

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

**2. Inaccuracies in the Statement of Cash Flows**

Review of the statement of cash flows revealed the following anomalies.

- (i) The statement reflects receipts of Kshs.174,694,098 as cash flows from operating activities. However, the amount includes Kshs.4,855,969 as cash inflow from social benefit liability and Kshs.43,300 as cash inflow from trade and other payables which ordinarily is a cash outflow and non-cash receipt. In addition, the receipts include Kshs.11,255,422 described as prepayment inflow which has not specified the classification source of receipts.
- (ii) The statement reflects payments of Kshs.198,776,712 as cash out flows from operating activities. Included in the amount is Kshs.2,074,553 in respect of trade and other payables which relates to non-cash items and are included in the reported payments under use of goods and services.
- (iii) The statement of cashflows omits the corresponding explanatory notes for all items of receipts and payments.
- (iv) The receipts of Kshs.17,512,189 under cash flow from financing activities includes reserves amount Kshs.12,189 which is a non-cash item.
- (v) The statement reflects cash and cash equivalent balances at the end of the year of Kshs.(812,727) which differs with the reported balance of Kshs.(668,257) in the statement of financial position resulting to unexplained and unreconciled variance of Kshs.144,470.

The statement reflects an amount of Kshs.18,716,398 under capital expenditures whereas the statement of comparison of budget and actual amounts reflects a Nil balance.

In the circumstances, the accuracy and completeness of the respective statement of cash flow component amounts could not be confirmed.

### **3. Unsupported Non-Current Assets**

#### **3.1 Property, Plant and Equipment**

The statement of financial position reflects a balance of Kshs.1,130,528,540 in respect of property, plant and equipment as disclosed in Note 21 to the financial statements, which includes; land, building, motor vehicles, furniture and fittings, computers and plant and office equipment. However, the explanatory Note 21 reflects a cost balance of Kshs.1,152,699,602 resulting to unexplained and unreconciled variance of Kshs.22,171,062. The amount also differs with the amount of Kshs.23,049,516 reported in the statement of financial performance as the depreciation amount. In addition, the amount relating to depreciation and net book value including the depreciation policy for each class of asset has not been disclosed in the property, plant and equipment Schedule.

### **3.2 Intangible Assets**

The statement of financial position reflects cost balance of Kshs.5,532,000 in respect of intangible assets as disclosed in Note 22 to the financial statement. However, according to contract between the College and the software installer dated 2 November, 2021 for the supply, installation, configuration, testing and commissioning of an integrated enterprise resource planning solution, the cost value was Kshs.5,472,000 resulting to an unexplained and unreconciled variance of Kshs.60,000. Further, the amount has been disclosed at cost value instead of net book value. In addition, the amortization policy, the corresponding amortization values and net book value has not been disclosed in the financial statement

### **3.3 Biological Assets**

The statement of financial position reflects an amount of Kshs.5,161,558 as disclosed in Note 23 in the financial statement in respect of the cost of biological assets. However, the amount was not supported with valuation reports. A physical verification of farm activities during audit in the month of January, 2025 revealed that the College has biological assets which includes; livestock, mature trees, coffee, banana, vegetable and maize plantation. In addition, the physical verification revealed that the College has other biological assets which includes mature trees whose numbers and corresponding values has not been disclosed in the financial statement.

### **3.4 Lack of Valuation Report and Land Ownership Documents**

The statement of financial position reflects a balance of Kshs.1,130,528,540 for property, plant and equipment as disclosed in Note 21 to the financial statements. The balance includes a cost amount of Kshs.559,700,000 in respect of land. Verification of documents provided for the land indicated that the College has four (4) parcels of land. However, no valuation report was provided for audit. In addition, Management provided land certificates for two (2) parcels of land which are in the name of a bank, one (1) green card document in the name of Chief Secretary (Incorporation) and one (1) green card document in the name of a limited company nominee. It was not clear, under what circumstances the parcels of land are in the name of nominees.

Further, according to a Gazette Notice issued in March, 2019, the Chief Land Registrar was directed to effect changes on the land and amend the green card and all land records to reflect ownership in name of the College. However, as at the time of audit the said land title had not been transferred to the name of Kagumo Teachers Training College.

In the circumstances, the accuracy, completeness and ownership of the Kshs.1,130,528,540 amount for property, plant and equipment could not be confirmed.

## **4. Unsupported Revenue**

The statement of financial performance reflects a balance of Kshs.153,513,537 in respect of total revenue out of which, Kshs.88,033,333 is in respect of revenue from non-

exchange transactions and Kshs.65,480,204 is in respect of revenue from exchange transactions. The following anomalies were noted.

#### **4.1 Unsupported Rental Revenue from Facilities and Equipment**

The financial statements reflects an amount Kshs.4,926,499 in respect of rental revenue from facilities and equipment as disclosed in Note 8 to the financial statements. The balance includes rental income amounting to Kshs.1,344,375. The College has rental facilities composed of twenty-eight (28) teaching staff houses, thirty-five (35) non-teaching staff houses and four (4) business units. Based on the rates charged per unit, the total collectable rent during the year is Kshs.1,794,600 which differs with the reported amount resulting to under collection of rent by Kshs.450,225. Further, Management did not provide the board committee minutes that outlined the rent rates to be charged for each rental unit and a monthly movement schedule showing how rent was collected. Further, the amount disclosed as receivable for rent in the schedules was Kshs.173,498 which differs with uncollected rent balance of Kshs.450,225 leading to unaccounted for amount of Kshs.276,727.

#### **4.2 Unaccounted Revenue from Sale of Goods**

The financial statement and as disclosed Note 9 reflect revenue reflects an amount Kshs.2,170,066 in respect of sale of goods. The revenue for sale of goods includes dairy income of Kshs.1,855,437, banana income of Kshs.1,500, pig Income of Kshs.127,014 and vegetables Income of Kshs.186,115. Review of accounting for revenue processes revealed the following;

- i. The dairy production records provided for audit reflects the total production was 19,913.70 litres that were billed to the kitchen department of the College at the rate Kshs.100 per litre. However, the amount reported as dairy income was Kshs.1,855,437 resulting into an unexplained and unreconciled variance of Kshs.135,933. The College did not provide records of the dairy production for three (3) months.
- ii. The banana, pig and vegetable income had no records to confirm the goods available for sale and therefore the reported income could not be confirmed.
- iii. Additionally, the College did not have an approved selling price list for farm produce.

In the circumstances, accuracy, validity and completeness of Kshs.4,926,499 amount of rental revenue from facilities and equipment could not be confirmed.

#### **5. Anomalies in the Use of Goods and Services**

The statement of financial performance reflects expenses of Kshs.110,838,715 in respect of use of goods and services as disclosed in Note 12 to the financial statements. Audit review of documents provided revealed the following anomalies.

## 5.1 Irregular Payment of Allowances

Review of payment vouchers and supporting documents revealed the following unsatisfactory observations;

- i. A payment of Kshs.60,000 for the facilitation while inspecting the MPH Phase II & boundary wall site visit meeting included a double payment of Kshs.8,000 made to Central Regional Works Officer while inspecting the Multi-Purpose Hall (MPH) Phase II on 25 April and 15 May, 2024 for a government employee undertaking normal work duties. In addition, payment amounting to Kshs.16,000 to four (4) institution staff for facilitating site meeting for boundary wall amounted to double payment as per the Salaries and Remuneration Commission circular Ref.No.SRC.ADM/11(156).
- ii. A payment of Kshs.90,500 for conducting various official activities included payments amounting to Kshs.8,000 made to the Central Region Regional Works Officer while inspecting the MPH Phase II on 23 November, 2023 and Kshs.4,000 paid to for the Quantity Surveyor for the preparation of Bill of Quantities was double payment since they were Government employees undertaking normal work duties. In addition, a payment of Kshs.12,000 was paid to the Procurement Officer for site visit of MPH Phase II project yet he was not part of the board. Further, payments of Kshs.12,000 to the Principal and Kshs.8,000 for tree planting was not supported by receipts and schedule.
- iii. A payment of Kshs.148,000 for the facilitation of site survey meeting, document presentation, finance procurement and general purpose included the payment of Kshs.16,000 to two (2) staff officers while attending site survey and document presentation meeting in the month of July, 2023. In addition, payment amounting to Kshs.24,000 was to three (3) staff members for site meeting for construction of perimeter wall held in the College in the month of July, 2023 while payment amounting to Kshs.32,000 was to four (4) staff members for attending finance, procurement and general-purpose committee meeting for construction of washrooms held in the month of July, 2023.
- iv. A payment of Kshs.132,000 for site visit for the wall construction and for the washroom's anomaly included payments of Kshs.48,000 paid to three (3) staff members for two (2) site meetings for construction of perimeter wall held in the month of June, 2023.
- v. A payment of Kshs.76,000 - for travelling and subsistence allowance to the BoM members and staff while meeting in the College included a payment amounting to Kshs.16,000 to (4) staff members for site meeting for construction of perimeter wall held in the college on 26 June, 2023.

In the circumstances, the validity and accuracy of the Kshs.110,838,715 amount for use of goods could not be confirmed.

## **5.2 Unsupported Development Grant Refund**

The statement of financial performance reflects an amount of Kshs.17,070,320 in respect of capital expenditure as disclosed in Note 16 of the financial statement. It was noted from the schedules provided for development grants expenses that, an amount of Kshs.12,500,000 was paid back to the State Department of Education as evidenced by bank in the month of March, 2024. However, documents supporting the receipts and recall of funds from the State Department of Education to the College were not provided.

In addition, the capital expenditure should be accounted and disclosed in the statement of financial position under non-current assets.

In the circumstances, the accuracy, validity and completeness of general expenses balances of Kshs.17,070,320 could not be confirmed.

## **5.3 Unsupported Use of Goods and Services Expenses**

The statement of financial position reflects an amount of Kshs.110,838,715 in respect to use of goods and services as disclosed in Note 12 to the financial statement. However, the amount includes payments vouchers amounting to Kshs.4,304,765 for procurement of goods that were not supported with goods received notes and inspection and acceptance certificates as required by the Public Procurement and Disposal Act, 2015 and Regulations, 2020.

In the circumstances, the accuracy, validity and completeness of use of goods and services balance of Kshs.4,304,765 in the financial statement could not be confirmed.

## **5.0 Unsupported and Understated Cash and Cash Equivalent**

### **5.1 Unsupported Cash and Cash Balances**

The statement of financial position reflects a balance of Kshs.(668,257) in respect of cash and cash equivalents. However, to the amount differs with the balance of Kshs.9,223,515 disclosed in Note 18 in the financial statement by an unexplained and unreconciled variance of Kshs.9,891,772. In addition, the balance was not supported by board of survey report for all the bank accounts including Mpesa holding account. Also, cashbooks balances as at 30 June, 2024 were not counter signed to authenticate the balances. In addition, the cashbook, bank reconciliations, bank statements of a fixed deposit account with a balance of Kshs.9,891,772 disclosed in Note 20 to the financial statement were not provided for audit verification. Further, the bank reconciliations for the financial year under review were not dated and signed. This is contrary to Regulation 90(1) of Public Finance Management which requires bank reconciliation statements to completed every month for each Bank account held and to be submitted to The National Treasury with a copy to Auditor-General by 10th of subsequent month.

## **5.2 Overdrawn Bank Account**

The cash and cash equivalents balance of Kshs.9,223,515 disclosed in Note 18 to the financial statement includes negative balances of Kshs.1,594,991, Kshs.81,167, Kshs.863,919, Kshs.12,357, Kshs.105,148 and Kshs.28,552 in the six (6) bank accounts which understated the reported cash and cash equivalents balances.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.(668,257) could not be confirmed.

## **6.0 Unsupported Trade Receivables**

The financial statements and as disclosed Note 19 to the financial statements reflects receivables from exchange transactions amounting to Kshs.10,284,107 and includes student debtors of Kshs.10,110,609 and sundry debtors amounting to Kshs.173,498. However, the amount of Kshs.173,498 relate to outstanding rent but did not include the period under which the debts were incurred. Further, ageing analysis of the outstanding receivables was not provided.

In the circumstances, the accuracy of the disclosures for the receivables from exchange transactions of Kshs.10,284,107 could not be confirmed.

## **7.0 Variances in Trade and Other Payables**

### **7.1 Variances Between Balances in the Financial Statement, Ledger and the Aging Analysis**

The statement of financial position reflects an amount of Kshs.11,455,557 in respect of trade and other payables from exchange transactions as disclosed in the Notes 24 to the financial statements. However, the reported balances differ with the schedule provided of Kshs.9,014,267 and the aging analysis balance of Kshs.11,351,980. The differences between the financial statement balance, the schedule balance and the aging analysis balance was not reconciled nor explained.

### **7.2 Unsupported Deposit**

The trade and other payable balance of Kshs.11,455,557 includes retention fees of 10% and Retention fees of 5% amounting to Kshs.1,631,347 and Kshs.52,180 respectively. The deposit bank statement was however not provided for audit hence we could not confirm the existence of the retention monies.

In the circumstances, the accuracy and completeness of the trade and other payable amount of Kshs.11,455,557 could not be confirmed.

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

### **Key Audit Matters**

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

### **Other Information**

#### **Conclusion**

The Management are responsible for the Other Information set out on page iii to xxv which comprise of Key Entity Information and Management, Board of Management Profiles, Key Management Team profiles, Chairman's Statement, Report of the Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Board of Management and Statement of Board of Management Responsibilities.

The Other Information does not include the financial statements and my audit report thereon.

#### **Basis for conclusion**

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

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

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

#### **Conclusion**

As required by Article 229(6) of the Constitution and based on the audit procedures performed because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Lawfulness and Effectiveness in The Use of Public Resources, I confirm that public resources have not been applied lawfully and in an effective way.

## **Basis for Conclusion**

### **1. Irregular Award of Contracts**

The financial statements reflects capital expenditure of Kshs.17,070,320 as disclosed in Note 16 for various project during year under review. However, several anomalies were noted on the review of the procurement process of identifying the contractors as follows:

- i. A local company was issued with a tender for the proposed dining and kitchen roof renovation works. A letter of notification of quotation award was issued on 29 November, 2023 for the tender of Kshs.1,656,503 inclusive of VAT, with the contract signed on 18 December, 2023. The first payment was made on 11 January, 2024 amounting to Kshs.612,906.18 with the second on 7 February, 2024 amounting to Kshs.1,043,597.02. However, the following observations were made
  - a. No copy of advertisement of the tender was provided for audit perusal.
  - b. As per the letter of notification of quotation and award, the tender offer was subject to provision of a performance bond of 5% of the quoted amount from a reputable insurance company or bank. However, no performance bond was provided for audit perusal and therefore the legality of award of contract could not be confirmed.
  - c. In addition, as per the letter of notification of quotation award, the tender offer was subject to provision of contractors all risk insurance cover from a reputable insurance company. No copy of all risk insurance cover was provided for audit perusal therefore legality of award of contract could not be confirmed.
- ii. A local company were issued with a tender for the proposed 250m masonry boundary wall works phase IV. A letter of notification of quotation award was issued on 15 April, 2024 for tender of Kshs.4,628,330.40 inclusive VAT with the contract signed on 09 May, 2024. The first payment was made on 12 June, 2024 amounting to Kshs.1,950,000 with the second payment on 27 June, 2024 amounting to Kshs.1,451,955.20. However, the following observations were made;
  - a. No copy of advertisement of the tender was provided for audit perusal.
  - b. As per the letter of notification of quotation award, the tender offer was subject to provision of a performance bond of 5% of the quoted amount from a reputable insurance company or bank. However, no performance bond was provided for audit perusal and therefore the legality of award of contract could not be confirmed.
  - c. In addition, as per the letter of notification of quotation award, the tender offer was subject to provision of contractors all risk insurance cover from a reputable insurance company. However, no copy of all risk insurance cover was provided for audit perusal therefore the legality of award of the contract could not be confirmed.
- iii. A local company were issued with tender for proposed storey classrooms, staircase and washrooms with the letter of notification of quotation award issued on

22 February, 2024 for the tender at Kshs.8,566,675 inclusive VAT. The contract was signed on 12 March, 2024. The first payment was made on 14 May, 2024 amounting to Kshs.2,500,00 with the second on 27 June, 2024 amounting to Kshs.6,064,274. However, the following observations were made

- a. No copy of advertisement of the tender was provided for audit perusal.
- b. As per the letter of notification of quotation award, the tender offer was subject to provision of a performance bond of 5% of the quoted amount from a reputable insurance company or bank. However, no performance bond was provided for audit perusal therefore the legality of award of contract would not be confirmed.
- c. Additionally, as per the letter of notification of quotation award, the tender offer was subject to provision of contractors all risk insurance cover from a reputable insurance company. However, no copy of all risk insurance cover was provided for audit perusal therefore legality of award of contract could not be confirmed.

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

## **2. Stalled projects**

It was noted that the College undertook projects which have since remained stalled as follows.

### **2.1 Anomalies in Implementation of Multi-Purpose Hall Complex Phase 2 (MPH Phase II)**

Audit review of contract award and implementation revealed the following anomalies ;

- i. The request for implementation of phase II hall designed to consist of sixteen (16) classrooms, four (4) computer laboratories, one (1) lecture hall, one (1) theatre, two (2) stores, ablution facilities, stand by generators was made to the Ministry of Education on 4 October, 2007.
- ii. The contract sum for proposed completion works at the College was set at Kshs.70,300,000 for a contract period of seventy-two (72) weeks. The contractor was paid Kshs.31,975,162 on 30 May, 2014 representing 18% of contract for works certified.
- iii. A letter from the Principal Secretary issued on 4 October, 2017 highlighted that as per the site visit that there were no materials on site, no labour on site, no ongoing works and only 26% of work done against 105.5 % of the contract period expired.
- iv. A report on the visit to the Ministry of Transport, Infrastructure, Housing and Urban Development in March, 2017 highlighted the status of the project and requested for legal matters on the project to be sorted out to enable awarding of contract to another contractor so that works can be jump started and completed.

- v. A letter of revival of The MPH Phase II project was done to Ministry of Lands, Public Works, Housing and Urban Development on 22 November, 2023 by the Principal of Kagumo Teachers Training College.
- vi. Additionally, the supply of 150KVA generator was made by a local company on 24 January, 2014 at a cost of Kshs.3,097,480. The 150KVA generator has not been installed or put into use by the College as the supplier did not hand over the start keys 11 years ago.
- vii. During the year under review, the College engaged a contractor for the tender for proposed storey classrooms, staircase and washrooms. A letter of notification of quotation award was issued on 22 February, 2024 for tender of Kshs.8,566,675 inclusive of VAT. The contract was signed on 12 March, 2024. The payments were made on 14 May, 2024 amounting to Kshs.2,500,00 and 27 June, 2024 amounting to Kshs.6,064,274.
- viii. Physical verification of the project carried out 10 January, 2025, revealed that the project is still incomplete and far from completion despite re-commencement of project in February, 2024 after stalling for over thirteen (13) years. Only exterior walls and shutters have been constructed, on one side of the project.
- ix. Total expenditure of Kshs.40,541,837 and Kshs.3,097,480 had been spent on the project and on the unutilised generator.

In the circumstances, the public may not realise value for money so far spent on the project and generator.

## **2.2 Burundi Hostel Wing II**

The total estimated cost for the proposed Burundi Hostel Block was set by the regional State Department for Public Works department at Kshs.65,218,883 inclusive of VAT. However, costs of works amounting to Kshs.57,184,792 were implemented by various contractors in three (3) phases over the years with Kshs.49,300,000 to be financed by the Ministry of Education and Kshs.7,884,792.00 by the College. However, physical project verification on 13 January, 2025 revealed only one section of the hostel was complete and the other part of the hostel was still on the slab level since year 2020.

In the circumstances, value for money of the amount of Kshs.57,184,792.40 so far utilised may not be realised by the public.

## **2.3 Ablution Blocks**

The asset register revealed three (3) construction of Ablution Blocks pending since the year 2023. A physical verification in the month of January, 2025 confirmed that the projects were still ongoing but cracks on the walls had started to emerge and the project had been discontinued for more than one (1) year.

In the circumstances, the value for money for the projects undertaken may not be realized.

### **3. Lack of an Approved Salary Structure**

The statement of financial performance reflects Kshs.30,131,763 in respect of employee costs as disclosed in the Note 13 to the financial statements. The audit of employee's costs revealed the salary structure used by the College to pay the salaries was based on structure from the Ministry of Public Service, Youth and Gender Affairs. However, the College does not have its own salary structure that has been approved by the Salary and Remuneration Commission hence there is no basis for the payment of Kshs.30,131,763 for employee costs.

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

### **4. Non-Compliance of the National Cohesion and Integration Act on Ethnicity**

Examination and analysis of personnel records of the College provided for audit review revealed that the Institution has sixty-eight (68) staff members out of which fifty-eight (58) or 85% of the staff members are from the dominant ethnic community. This is contrary to Section 7(2) of the National Cohesion and Integration Act, 2008 which states that which states that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff, (2) No public establishment shall have more than one third of its staff from the same ethnic community.

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

### **5. Staff Over Establishment**

The College is operating way above its optimal staffing level. As at 30 June, 2024, the College had sixty-five (65) staff, exceeding by twenty-three (23) employees the stipulated forty-two (42) permanent employees required by the Ministry of Education State Department for Early Learning and Basic Education through Circular Number PTTC/GEN. 3/1/VOL/1 (4) dated 27 October, 2021 on the standard establishment required for training colleges.

In the circumstances, the non-adherence to staffing level requirements may compromise the teaching service at the College.

### **6. Employee Salary Deduction Below One-Third Rule**

Twenty-three (23) staff members with basic salary totalling to Kshs.474,450 earned less than a third (1/3) of their basic salary after deduction in the year under review. This is 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 the deductions which under the provisions of subsection (1), may be made by the employer from the wages of his employee at any one time shall not exceed two thirds of such wages or such additional or any other amount as may be prescribed by the Minister either generally or in relation to specified employer or employee or class of employers or employees or any trade or industry.

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

## **7. Unbalanced Budget**

The statement of comparison of budget and actual amount reflects final budgeted receipts of Kshs.151,726,008 against budgeted expenses of Kshs.160,611,322 resulting to unbalanced budget of Kshs.8,885,314. This is contrary to Regulation 33(c) of the Public Finance Management (National Government) Regulations, 2015 which states that 'unless provided otherwise in the Act, these Regulations or any other guidelines developed in furtherance of the Act or these Regulations, that at all times during budget formulation and approval it must be ensured that the budget shall be balanced.

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

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

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, I confirm that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

#### **1. Imprest Management and Control**

The statement of financial position reflects an amount of Kshs.19,126,789 in respect of general expenses as disclosed in Note 12 of the financial statements. Included in the amount is performance contract expenses amounting to Kshs.370,632 out of which, per diem allowance amounting to Kshs.235,200 were paid to five (5) officers for productivity mainstreaming development workshop without using the Imprest system. The travelling destination was not indicated, work tickets or travel tickets to destination and back to work station not attached.

Further, in the schedule attached, one (1) officer was indicated to have received Kshs.56,000 but did not sign the payment schedule therefore it could not be confirmed whether he received the allowance indicated. Management was therefore in breach of

Regulation 93(4)(c) of the Public Finance Management (National Government) Regulations, 2015 which provides that the imprest applicant should be recorded in the imprest register including the amount applied for.

In the circumstances, the effectiveness of College's internal controls on imprest management could not be confirmed.

## **2. Lack of Updated Asset Register and Asset Tagging**

Review of the College's asset register revealed that the register lacks appropriate details of the asset such serial number, tag number, make & model, date of delivery/installation, purchase amount, depreciation rate, annual depreciation, accumulated depreciation and net book values. Further, the College's assets which include furniture & fittings, computers and other equipment were not tagged for proper identification and reconciliation to the asset register.

In the circumstances, the effectiveness on the asset management system in place could not be confirmed.

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

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

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

In preparing the financial statements, Management is responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

The Board of Management 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 for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP 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**


**29 January, 2025**

**Kagumo Teachers Training College**  
**Annual Report and Financial Statements for the year ended 30th June 2024**


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

	Note	2023/2024	2022/2023
		KES	KES
<b>Revenue from Non exchange transactions</b>			
Transfer from the National Government-grants	6	88,033,333	80,949,999
<b>Total Revenue from Non exchange transactions</b>		<b>88,033,333</b>	<b>80,949,999</b>
<b>Revenue from exchange transactions</b>			
Rendering of services	7	55,610,162	85,590,473
Rental revenue from facilities and equipment	8	4,926,499	3,058,459
Sale of Goods	9	2,170,066	3,119,690
Miscellaneous Income	10	1,746,500	209,357
<b>Total Revenue from exchange transactions</b>		<b>64,453,227</b>	<b>91,977,979</b>
<b>FINANCE INCOME</b>			
Finance income	11	1,026,977	619,068
<b>Total FINANCE INCOME</b>		<b>1,026,977</b>	<b>619,068</b>
<b>Total Revenue</b>		<b>153,513,537</b>	<b>173,547,046</b>
<b>Expenses</b>			
Use of Goods and Services	12	110,838,715	100,476,278
Employee Costs	13	30,131,763	43,386,449
Board expenses	14	1,657,594	1,024,656
Repairs and maintenance	15	6,701,884	3,975,159
Capital Expenditure	16	17,070,320	7,921,184
Depreciation	17	23,049,516	
<b>Total Expenses</b>		<b>189,449,792</b>	<b>156,783,726</b>
<b>Other Gains/(Loss)</b>		<b>0</b>	<b>0</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>-35,936,255</b>	<b>16,763,320</b>

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

  
 .....  
 Chairman of Board

Date 27.01.2025

  
 .....  
 Principal

Date 27.01.2025

  
 .....  
 Finance Officer

ICPAK No. 30948

Date . 27.01.2025


CHIEF PRINCIPAL  
 KAGUMO TEACHER'S TRAINING COLLEGE  
 P. O. Box 18 - 10100, NYERI  
 CELI : 0701972942  
 info@kagumocollege.ac.ke  
 DATE:.....SIGN:.....

**Kagumo Teachers Training College**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

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

	Note	2023/2024	2022/2023
		KES	KES
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash Equivalents	18	-668,257	15,906,086
Receivables from exchange transactions	19	10,284,107	10,278,042
Investments in financial assets	20	9,891,772	8,568,000
<b>Total Current Assets</b>		<b>19,507,622</b>	<b>34,752,128</b>
<b>Non-Current Assets</b>			
Property, Plant and equipment	21	1,130,528,540	1,152,214,532
Intangible Assets	22	5,532,000	5,532,000
Biological Assets	23	5,161,558	5,161,558
<b>1</b>			
<b>Total Non-Current Assets</b>		<b>1,141,222,098</b>	<b>1,162,908,090</b>
<b>Total Assets</b>		<b>1,160,729,720</b>	<b>1,197,660,217</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Social benefit liability		43,619	0
Trade and other payables from exchange transactions	24	11,455,557	13,805,401
Fees received in advance	25	5,215,450	4,091,496
Refundable deposits from customers	26	11,479	1,873
<b>Total Current Liabilities</b>		<b>16,726,105</b>	<b>17,898,769</b>
<b>Total Liabilities</b>		<b>16,726,105</b>	<b>17,898,769</b>
<b>Net Assets</b>		<b>2,781,517</b>	<b>16,853,358</b>
Capital fund		1,141,222,098	
<b>Total Net Assets</b>		<b>1,144,003,615</b>	<b>16,853,358</b>
<b>Total net assets and liabilities</b>		<b>1,160,729,720</b>	<b>34,752,128</b>

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

  
 .....  
**Chairman of Board**

  
 .....  
**Principal**

  
 .....  
**Finance Officer**

Date 27.01.2025

Date 27.01.2025

ICPAK No. 30948  
 Date 27.01.2025

CHIEF PRINCIPAL  
 KAGUMO TEACHER'S TRAINING COLLEGE  
 P O Box 18 - 10100, NYERI  
 GELI - 0701972942  
 info@kagumocollege.ac.ke  
 DATE:.....SIGN:.....

## 16. Statement of Changes in Net Asset for the Year Ended 30 June 2024

	Accumulated Fund	Capital Fund	Revenue Reserves	Total
Balance at July, 01 2022	51,066,903	-	-55,466,291	-4,399,388
Additions in the year	-51,066,903	-	-55,556,329	-4,489,426
Surplus for the year	-	-	-16,763,320	-16,763,320
<b>Balance at June, 30 2023</b>	-	-	<b>-16,853,358</b>	<b>-16,853,358</b>
Balance at July, 01 2023	-	-	-16,853,358	-16,853,358
Additions in the year	-	-	-21,864,412	-21,864,412
Surplus for the year	-	-	-35,936,255	-35,936,255
<b>Balance at June, 30 2024</b>	-	-	<b>- 2,781,517</b>	<b>-2,781,517</b>

17. Statement of Cash Flows for the Year Ended 30 June 2024

	2023/2024	2022/2023
	KES	KES
<b>Cash and Cash Equivalents at Beginning of the Year</b>	<b>24,474,086</b>	<b>23,745,135</b>
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Social benefit liability	4,855,969	5,574,417
Trade and other payables from exchange transactions	43,300	0
Employee Costs	21,470,608	-98,354
Transfer from the National Government	70,533,333	72,200,000
Rendering of services	57,201,669	59,885,384
Rental revenue from facilities and equipment	5,091,166	2,609,534
Sale of Goods	2,173,566	2,718,328
Miscellaneous Income	1,746,822	219,600
Finance income	322,243	0
Prepayment Inflow	11,255,422	12,512,360
	<b>174,694,098</b>	<b>164,371,268</b>
<b>Payments</b>		
Trade and other payables from exchange transactions	2,074,553	415,159
Employee Costs	61,133,450	41,018,292
Rendering of services	20,583,023	13,920,600
Use of Goods and Services	107,091,691	107,889,147
Board expenses	1,657,594	1,024,656
Repairs and maintenance	6,236,401	4,259,970
Prepayment Outflow	0	2,500
	<b>198,776,712</b>	<b>170,009,911</b>
<b>Cash flows from operating activities</b>	<b>-25,299,012</b>	<b>-5,638,643</b>
<b>Cash flows from financing activities</b>		
Reserves	12,189	728
	17,500,000	8,750,000
<b>Payments</b>	<b>17,512,189</b>	<b>8,750,728</b>
Capital Expenditure	18,716,398	1,479,587
<b>Net cash flows from financing activities</b>	<b>-1,204,209</b>	<b>8,602,041</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>-25,286,823</b>	<b>-5,637,915</b>
<b>Cash and Cash Equivalents at End of the Year</b>	<b>-812,737</b>	<b>18,107,221</b>

## 18. Statement of Comparison of Budget &amp; Actual amounts for Year Ended 30 June 2024

	ORIGINAL BUDGET	ADJUSTMENTS	FINAL BUDGET	ACTUAL ON COMPARISON BASIS	VARIANCE
	KES	KES	KES	KES	KES
<b>INCOME</b>					
<b>Revenue from Non exchange transactions</b>					
Transfer from the National Government	80,950,000	8,750,000	89,700,000	88,033,333	-1,666,667
<b>Total Revenue from Non exchange transactions</b>	<b>80,950,000</b>	<b>8,750,000</b>	<b>89,700,000</b>	<b>88,033,333</b>	<b>-1,666,667</b>
<b>Revenue from exchange transactions</b>					
Rendering of services	45,183,500	6,926,108	52,109,608	55,610,162	3,500,554
Rental revenue from facilities and equipment	2,916,400	0	2,916,400	4,926,499	2,010,099
Sale of Goods	2,000,000	0	2,000,000	2,170,066	170,066
Miscellaneous Income	5,000,000	0	5,000,000	1,746,500	-3,253,500
<b>Total Revenue from exchange transactions</b>	<b>55,099,900</b>	<b>6,926,108</b>	<b>62,026,008</b>	<b>64,453,227</b>	<b>2,427,219</b>
<b>FINANCE INCOME</b>					
Finance income	0	0	0	1,026,977	1,026,977
<b>Total FINANCE INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,026,977</b>	<b>1,026,977</b>
<b>TOTAL INCOME</b>	<b>136,049,900</b>	<b>15,676,108</b>	<b>151,726,008</b>	<b>153,513,537</b>	<b>1,787,529</b>
<b>EXPENSES</b>					
<b>Expenses</b>					
Employee Costs	36,207,158	0	36,207,158	30,131,763	6,075,395
Use of Goods and Services	81,183,056	6,375,108	87,558,164	110,838,715	-23,280,551
Board expenses	800,000	0	800,000	1,657,594	-857,594
Repairs and maintenance	9,245,000	551,000	9,796,000	6,701,884	3,094,116
Capital Expenditure	0	8,750,000	8,750,000	17,070,320	-8,320,320
<b>Total Expenses</b>	<b>127,435,214</b>	<b>15,676,108</b>	<b>143,111,322</b>	<b>166,400,275</b>	<b>-23,288,953</b>

## Annual Report and Financial Statements for the year ended 30th June 2024

<b>Capital Expenditure</b>					
Capital Expenditure	17,500,000	0	17,500,000	0	17,500,000
Total Capital Expenditure	17,500,000	0	17,500,000	0	17,500,000
<b>TOTAL EXPENSES</b>	<b>144,935,214</b>	<b>15,676,108</b>	<b>160,611,322</b>	<b>166,400,275</b>	<b>-5,788,953</b>
	-8,885,314	0	-8,885,314	-12,886,738	4,001,424

**Budget notes)**

1. The college received Ksh17,500,000 as development grant from the budgeted amount of Ksh8,750,000  
- The Ministry of Education revised the fees payable by students from Ksh58,850 to Ksh67,584. This affected the revenue received from first year students. Additionally, the college had budgeted with 350 students but ended up admitting 425 first year students.
2. The college utilized the surplus realised in FY2022/2023 in meeting the FY2023/2024 expenses categorized as use of goods and services.

## **19. Notes to the Financial Statements**

### **1. General Information**

The college is established by and derives its authority and accountability from The Basic Education Act. The college is wholly owned by the Government of Kenya and is domiciled in Kenya. The college's principal activity is to train Secondary School Diploma teacher

### **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 actuarial 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 judgment in the process of applying the college's accounting policies. The areas involving a higher degree of judgment 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 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 Basic Education Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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

- i.* **New and amended standards and interpretations in issue effective in the year ended 30 June 2024.**

There are no new standards in the year ended 30th June 2024 that affected the reporting of the college.

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the college and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realized in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

**ii) Revenue from exchange transactions**

**Rendering of services**

The college recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

**Sale of goods**

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

**Interest income**

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

**Rental income**

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

**b) Budget information**

The original budget for FY 2023/2024 was approved by the Board on 23<sup>rd</sup> June 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the college upon receiving the respective approvals to conclude the final budget. Accordingly, the college recorded additional appropriations of Ksh15,676,108 on the FY 2023/2024 budget following the Board's approval. The college's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actual as per the statement of financial performance has been presented on page 5 of these financial statements.

**c) Taxes**

**Current income tax**

The college is exempt from paying taxes as per first schedule Part I (10) of the Income Tax Act.

**d) Changes in accounting policies and estimates**

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

**e) Employee benefits**

**Retirement benefit plans**

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

**f) Related parties**

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

**g) Cash and cash equivalents**

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

**h) Comparative figures**

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

**i) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2024.

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

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

**Estimates and assumptions.**

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

**Useful lives and residual values**

**Kagumo Teachers Training College**

**Annual Report and Financial Statements for the year ended 30th June 2024**

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

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

**Kagumo Teachers Training College**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

**6. Transfers from other National Government entities**

	FY2023/2024	FY2021/2022
	KES	KES
Recurrent Grant	70,533,333	72,199,999
Development Grant	17,500,000	8,750,000
<b>Total Revenue from non-exchange transactions</b>	<b>88,033,333</b>	<b>80,949,999</b>

**7. Rendering of Services**

	FY2023/2024	FY2021/2022
	KES	KES
Students Registration	87,350	133,200
Student Council	258,600	381,600
Co-Curricular Activities	1,377,100	1,950,600
Medical Fund	968,920	993,883
Teaching Practice Administration	3,534,000	2,567,640
Boarding Equipment & Stores	18,434,899	37,414,224
Tuition, Equipment & Stores	5,519,355	6,574,750
Repair, Maintenance & Improvememnts	2,692,650	2,726,410
Electricity, water & Conservancy	5,152,122	6,614,182
Local Transport And Travel	5,188,270	4,481,421
Administration Cost	2,663,066	11,465,367
KNEC	7,269,730	7,876,000
KUCCPS	646,500	943,500
PE Kits	1,379,200	1,383,800
Computer Courses / ICT	303,400	0
Performance Contracting	135,000	0
	<b>55,610,162</b>	<b>85,506,577</b>

**8. Rental revenue from facilities and equipment**

	FY2023/2024	FY2021/2022
	KES	KES
Rent Income	1,135,843	1,755,545
Hire of Facilities	3,582,124	1,302,914
Staff Rent Income	208,532	0
	<b>4,926,499</b>	<b>3,058,459</b>

**9. Sale of Goods**

Description	2023/2024	2022/2023
	Kshs	Kshs
Bee Income	0	13,600
Coffee Income	0	350,568
Dairy Income	1,855,437	2,250,386
Banana Income	1,500	15,000
Pig Income	127,014	285,400
Vegetables Income	186,115	204,737
	<b>2,170,066</b>	<b>3,119,690</b>

Kagumo Teachers Training College  
 Annual Report and Financial Statements for the year ended 30th June 2024

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**10. Miscellaneous Income**

Description	2023/2024	2022/2023
	Kshs	Kshs
Disposal	1,668,500	19,357
staff trip	75,000	190,000
PE Non-Teaching Staff	0	70,896
Tender Levy	3,000	0
<b>Total Other Income</b>	<b>1,746,500</b>	<b>280,253</b>

**11. Finance Income**

Description	2023/2024	2022/2023
	Kshs	Kshs
Interest on Fixed Deposit	1,026,977	619,068
<b>Total Finance income</b>	<b>1,026,977</b>	<b>619,068</b>

**Kagumo Teachers Training College**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

**12. Use of Goods and Services**

	FY 2023/2024	FY 2021/2022
	KES	KES
Bank Charges Expense	15,897	95,493
Facility Hire Expense	183,200	659,260
Withholding Tax	391,485	59,102
Christian Union Expense	6,000	20,000
Farm Expenses	5,500	0
Administration Cost (Farm)	0	255,170
Banana (Farm)	54,800	3,100
Bee (Farm)	0	1,180
Coffee (Farm)	229,125	186,141
Dairy (Farm)	2,174,015	2,134,511
Maize (Farm)	138,430	65,450
Pig (Farm)	72,900	17,600
PE NTS (Farm)	0	458,385
Sweet Potatoes (Farm)	2,000	0
Vegetables (Farm)	302,132	111,580
Staff Water Charges	112,693	8,137
GRANT IN AID	28,626,560	0
STAFF TRIP EXPENSE	265,000	0
Disposal Expenses	40,000	0
COMPUTER STUDIES/ICT EXPENSE	282,000	0
Activity Expenses	4,161,140	1,973,167
BES	33,128,928	34,401,628
Administration costs	8,593,583	20,605,890
Local Transport and Travel Expense	6,336,272	5,889,266
Medicare	1,132,890	1,217,880
PE Uniform	1,134,750	0
Electricity Water & Conservancy Expense	5,989,879	5,225,131
Teaching Practice Administration Expense	3,968,702	12,157,370
TES Expense	4,059,442	6,399,463
KUCCPS Expense	634,500	393,000
KNEC EXPENSES	6,223,350	3,792,800
CO Curricular Activities Expense	265,013	1,487,350
Students Representative Council Expense	1,816,247	444,606
Performance Contract Expenses	370,632	2,252,095
Retention Fee Expenses	0	161,523
Rent Expenses	121,650	0
	<b>110,838,715</b>	<b>100,476,278</b>

**13. Employee Costs**

Description	2023/2024	2022/2023
	Kshs	Kshs
Personal Emoluments	0	10,284,116
Basic Salary	19,569,273	21,173,413
Commuter Allowance	2,883,000	3,395,000
House Allowance	2,920,490	3,138,025
Extraneous Allowance	840,000	1,000,000
Medical Allowance	512,775	596,775

**Kagumo Teachers Training College**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

Risk allowance	138,600	157,850
Employer NSSF	1,131,791	902,516
NITA Levy	73,150	0
Leave Allowance	296,000	328,000
Salary Arrears	834,060	1,188,595
Housing Levy Expense	422,428	0
Service Gratuity Expenses	294,384	4,550,436
WIBA Expense	215,812	0
<b>Total Employee Costs</b>	<b>30,131,763</b>	<b>46,714,726</b>

**14. Board Expenses**

	FY2023/2024	FY2022/2023
	KES	KES
Board Allowances	1,657,594	1,024,656
<b>Total Board Expense</b>	<b>1,657,594</b>	<b>1,024,656</b>

**15. Repairs and Maintenance**

	FY2023/2024	FY2022/2023
	KES	KES
RMI Expense	6,701,884	3,975,159
	<b>6,701,884</b>	

**16. Capital Expenditure**

	FY2023/2024	FY2022/2023
	KES	KES
Development	2,600	3,431,557
DEVELOPMENT GRANT.EXPENSE	17,067,720	4,489,627
<b>Total Capital Expenditure</b>	<b>17,070,320</b>	<b>7,921,184</b>

**17. Depreciation expense**

	FY2023/2024	FY2022/2023
	KES	KES
Property, plant and equipment	23,049,516	17,793,681
<b>Total depreciation</b>	<b>23,049,516</b>	<b>17,793,681</b>

**18. Cash and cash Equivalents**

Description	2023/2024	2022/2023
KCB Bank A/C 1101874422	1,868,542	14,276,888
KCB Fund A/c 1101874589	- 863,919	2,261,584
KCB Farm A/C 1101877960	- 81,167	168,416
Equity Bank A/c 0110297070907	-1,594,991	- 1,029,056
Undeposited Funds	0	6,600
EQUITY Bank Cash	149,333	14,686
KCB Bank Cash	- 12,357	373,680
KCB Farm Cash	- 105,148	- 167,128
KCB Fund Cash	- 28,552	415
<b>Total Cash and Cash Equivalents</b>	<b>9,223,515</b>	<b>24,474,086</b>

**19. Receivables from Exchange transactions**

Description	2023/2024	2022/2023
	Kshs	Kshs
Student Debtors	10,110,609	9,943,282
Sundry Debtors	173,498	334,760
<b>Total Receivables from exchange transactions</b>	<b>10,284,107</b>	<b>10,278,042</b>

**Ageing Analysis of Receivables from Exchange transactions**

	Kshs		Kshs	
	FY2023/2024	% of the total	FY2022/2023	% of the total
Less than 1 year	3,392,076	34	4,141,764	42
Between 1- 2 years	2,120,678	21	3,255,192	33
Between 2-3 years	2,456,287	24	2,546,325	25
Over 3 years	2,141,567	21		
	<b>10,110,608</b>		<b>9,943,281</b>	

**20. Investment in financial assets**

	FY2023/2024	FY2022/2023
	KES	KES
Equity Bank Fixed Deposit	9,891,772	8,568,000

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21. Property, Plant and Equipment

Cost	Land Kshs	Buildings Kshs	Motor vehicles Kshs	Furniture and fittings Kshs	Computers Kshs	Plant and equipment Kshs	Total Kshs
<b>At July 2021</b>	559,700,000	540,787,437	9,123,480	1,070,366	8,733,586	2,513,000	1,121,927,869
Additions	-	-	-	1,286,365	472,450	-	1,758,815
Disposals	-	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-	-
<b>At 30<sup>th</sup> June 2022</b>	<b>559,700,000</b>	<b>540,787,437</b>	<b>9,123,480</b>	<b>9,198,587</b>	<b>9,206,036</b>	<b>2,513,000</b>	<b>1,130,528,540</b>
Additions	-	-	0	1,500	477,000	-	478,500
Disposals	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	0	0	0	0	-
<b>At June 2023</b>	<b>559,700,000</b>	<b>540,787,437</b>	<b>9,123,480</b>	<b>9,200,087</b>	<b>9,683,036</b>	<b>2,513,000</b>	<b>1,131,007,040</b>
Additions	-	-	0	446,528	21,230,044	15,990	21,692,562
Disposals	-	-	0	-	-	-	-
Transfer/Adjustments	-	-	0	-	-	-	-
<b>At June 2024</b>	<b>559,700,000</b>	<b>540,787,437</b>	<b>9,123,480</b>	<b>9,646,615</b>	<b>30,913,080</b>	<b>2,528,990</b>	<b>1,152,699,602</b>
<b>At 30<sup>th</sup> June 2022</b>		10,815,749	2,280,870	1,149,823	3,065,610	502,600	17,814,652
<b>At 30<sup>th</sup> June 2023</b>		10,815,749	2,280,870	1,150,011	3,224,451	502,600	17,973,681
<b>At 30<sup>th</sup> June 2024</b>		10,815,749	228,087	1,205,827	10,294,056	505,798	23,049,516

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**22. Intangible Assets**

	FY2022/2023	FY2021/2022
	KES	KES
Cost	<b>5,532,000</b>	
At beginning of the year	XXX	XXX

**23. Biological Assets**

	2023/2024	FY 2022/2023
	Kshs	KES
Cattle	1,809,000	1,711,412
flowers	183,900	409,280
Pigs	430,500	354,413
coffee	2,025,000	1918941
Nappier	25,000	53541
Banana	728,436	690,280
Maize	260,000	23,691
<b>Total</b>	<b>5,461,836</b>	<b>5,161,558</b>

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

**Valuation**

As per National Treasury guidelines, Land and buildings were identified as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets are to be revalued in FY2024/2025. These amounts will be adopted in the financial statements.

**24. Trade and Other Payables**

	FY2023/2024	FY2021/2022
	KES	KES
Creditors	9,014,267	13,026,242
Bursary	43,619	0
WH VAT 6%	1,383	0
WH VAT 2%	300,586	0
Catholic Action	99,480	0
Retention Fee 10%	1,631,347	779,159
Withholding At 3%	356,314	0
Retention Fee 5%	52,180	0
<b>Total Trade and Other Payables From exchange transactions</b>	<b>11,499,175</b>	<b>13,805,401</b>

**25. Fees received in advance**

	FY2023/2024	FY2021/2022
	KES	KES
Fees Prepayments	5,215,450	4,091,496
<b>Total Fees received in advance</b>	<b>5,215,450</b>	<b>4,091,496</b>

**26. Refundable Deposits from Customers/Students**

Description	2023/2024	2022/2023
	Kshs	Kshs
Customer Prepayments	11,479	1,873
<b>Total Refundable deposits from customers</b>	<b>11,479</b>	<b>1,873</b>

**27. Employee Benefit Obligations**

**Retirement benefit Asset/ Liability**

The college contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The college's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. 1,080 per employee per month.

Other than NSSF the college also has a pension scheme operated by Coop Trust Pension Fund. The employer contributes 10% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

## **28. Financial Risk Management**

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

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

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

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

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

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

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

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

The Board of Management sets the college's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

### **(ii) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the college Board, who have built an appropriate liquidity risk management framework for the management of the college's short, medium and long-term funding and liquidity management requirements. The college manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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

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

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

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

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

### **29. Related Party Balances**

#### **Nature of related party relationships**

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

#### **Government of Kenya**

The Government of Kenya is the principal shareholder of the college holding 100% of the college's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

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

### **30. Events After the Reporting Period**

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

### **31. Ultimate and Holding Entity**

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

### **32. Currency**

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

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**20. Appendices**

**Appendix 1: Inter-Entity Confirmation Letter**

Name of transferring entity: Ministry of Education - State Department for Education

Name of beneficiary entity: Kagumo Teachers' Training College

<b>Confirmation of amount received by Kagumo Teachers' Training College as at 30<sup>th</sup> June 2024</b>							
		Amount Disbursed [SC/SAGA/Fund] (Kshs)as at 30 <sup>th</sup> June 2024					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)	Amount Received by[beneficiary entity](Kshs)as at 30 <sup>th</sup> June 2024 (E)	Differences (Kshs)(f)=(D-E)
0110056213	10.08.2023	6,016,667			6,016,667		
0110056240	14.09.2023	6,016,666			6,016,666		
0110056229	19.10.2023	6,016,667			6,016,667		
0110058809	23.11.2023	6,016,667			6,016,667		
0110059164	07.12.2023	6,016,667			6,016,667		
0110059767	24.01.2024	4,349,999			4,349,999		
0110060473	15.02.2024	6,016,666			6,016,666		
0110060763	12.03.2024	6,016,667			6,016,667		
0110060777	15.04.2024	6,016,667			6,016,667		
0110062732	08.05.2024	6,016,666			6,016,666		
0110063553	14.06.2024	6,016,667			6,016,667		
0110064003	28.06.2024	6,016,666			6,016,666		