

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

PARLIAMENT  
OF KENYA  
LIBRARY

**OF**

**THE AUDITOR-GENERAL**

**ON**

**ASUMBI TEACHERS TRAINING COLLEGE**

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

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	03 MAR 2025
TABLED BY:	Thurs day Hon Noms Waga, MP Deputy Majority Party Whip A. Shibuko
CLEARANCE USE TABLE:	



---

**ASUMBI TEACHERS TRAINING COLLEGE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30<sup>TH</sup> JUNE 2024**

---

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



**CONTENTS**

<b>1. Acronyms &amp; Glossary Of Terms</b> .....	ii
<b>2. Key College Information And Management</b> .....	iii
<b>3. The Board Of Management</b> .....	vi
<b>4. Management Team</b> .....	ix
<b>5. Chairperson’s Statement</b> .....	xii
<b>6. Report Of The Chief Principal</b> .....	xiii
<b>7. Statement Of Performance Against Predetermined Objectives</b> .....	xiv
<b>8. Corporate Governance Statement</b> .....	xv
<b>9. Management Discussion And Analysis</b> .....	xvii
<b>10. Environmental And Sustainability Reporting Statement’</b> .....	xix
<b>11. Report Of The Board Of Management</b> .....	xxii
<b>12. Statement Of Board Of Management Members Responsibilities</b> .....	xxiii
<b>13. Report Of The Auditor-General On Asumbi Teachers Training College</b> .....	xxiv
<b>14. Statement Of Financial Performance For The Year Ended 30 June 2024</b> .....	1
<b>15. Statement Of Financial Position As At 30 June 2024</b> .....	2
<b>16. Statement Of Changes In Net Asset For The Year Ended 30 June 2024</b> .....	3
<b>17. Statement Of Cash Flows For The Year Ended 30 June 2024</b> .....	4
<b>18. Statement Of Comparison Of Budget And Actual Amounts For The Year Ended 30 June 2024</b> 5	
<b>19. Notes To The Financial Statements</b> .....	7
<b>20 Events After The Reporting Period</b> .....	32
<b>21 Ultimate And Holding College</b> .....	32
<b>23. Appendices</b> .....	33

**1. ACRONYMS & GLOSSARY OF TERMS**

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTC	Teacher Training College

Fiduciary Management Key management personnel who have financial responsibility in the entity

**2. KEY COLLEGE INFORMATION AND MANAGEMENT****(a) Background information**

Asumbi Teachers College was formally established through the effort of Catholic Church in 1936. The college is registered under the Basic education Act 2013. The mandate of Asumbi Teachers College is to offer Diploma in Primary Teachers Education and Diploma in Early Childhood Teacher Education. It has a mandate to provide the required leadership in designing suitable plans and strategies that will contribute to high and sustainable social economic development.

**(b) Principal Activities**

The principal's activities include;

- To lead other educators and administrators in the institution
- Manage and implement College Curriculum
- Administer teaching functions in the institution including the evaluation of curriculum delivery
- Be responsible for implementation of education policy and professional practice and maintenance of teaching standard at institutional level.
- Procure goods and services within the procurement guidelines for institutional use.
- Be custodian of records of the institution.
- Be secretary to BOM and ensure execution of decision of the board.
- Ensure proper utilizations of the college resources.
- Responsible for resource mobilization, project planning, administration of human resource.
- Ensure discipline of students and staff.
- Ensure compliance to statutory requirement and other relevant laws related to employment.
- Be responsible for establishment and maintenance of safe and conducive learning environment.
- Be conversant with relevant provision in the constitution and other laws that relate to education and the professionalism.

**(c) Key Management**

- Board of Management
- Principal
- Deputy Principal
- Deans
- Head of Departments
- Head of subjects/sections

**(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:

S/n	Designation	Name
1	Principal	Sikuku Stellah P.
2	Deputy principal	Willy Muhenge
3	Dean of Curriculum	Kennedy Kaunda
4	Dean of students	Shadrack Ojal

**Asumbi Teacher Training College**

Annual Report and Financial Statements for the Year Ended 30 June 2024

S/n	Designation	Name
5	Director of Teaching Practice	Evans Mwaka
6	Head of Finance	Francis Otieno
7	Head of Education	Esther Nyanchama
8	Head of Sciences	Peter Nani
9	Head of Mathematics	George Kebwaro
10	Head of Social Science	Evans Muaka
11	Head of Guidance and Counselling	Tobias Aduke
12	Head of Assessment	George Bonga

**(e) Fiduciary Oversight Arrangements**

The primary purpose of institution audit committee is to provide oversight of financial reporting process, the audit process, the institution's system of internal controls and compliance with laws and regulations.

**Audit and Risk Committee Activities**

The following are some the activities of audit and risk committee;

- Overseeing the financial reporting and disclosure process.
- Monitoring choice of accounting policies and principles.
- Oversight hiring, performance and independence of the external auditors.
- Oversight of regulatory compliance, ethics and whistle blower hotlines.
- Discussing risk management policies and practices with management.

**Finance and Operations Committee activities**

The finance and operation committee does the following activities;

- Maintaining accurate and complete financial records of the institution.
- Preparing and presenting accurate, timely and meaningful financial statements to the board of management.
- Help the board of management and anticipating financial problems.
- Monitor adherence to the budget.
- Present all financial goals and proposals to the board of management for approval.
- Develop multi-year operating budgets that integrate strategic plan objectives and initiatives.
- Set long-range financial goals along with funding strategies to achieve them.

**(f) College Headquarters**

P.O. Box 119 - 40309

**Asumbi, Kenya**

**(g) College Contacts**

Telephone: (254) 707831679

E-mail: [asumbittc@yahoo.com](mailto:asumbittc@yahoo.com)

Website: [www.asumbittco.ac.ke](http://www.asumbittco.ac.ke)

**Asumbi Teacher Training College**  
**Annual Report and Financial Statements for the Year Ended 30 June 2024**

---

**(h) College Bankers**

ABSA Bank- Kisii Branch

P.O Box 99-40200

**Kisii, Kenya**

Kenya Commercial Bank- Homa Bay Branch

P.O Box 368-40300

**Homa Bay, Kenya**

Equity Bank-Homa Bay Branch

P.O Box 500-40300

**Homa Bay, Kenya.**

**(i) Independent Auditors**

Auditor General

Office of Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

**Nairobi, Kenya**

**(j) Principal Legal Adviser**

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

**Nairobi, Kenya**

## Asumbi Teacher Training College

Annual Report and Financial Statements for the Year Ended 30 June 2024

### 3. THE BOARD OF MANAGEMENT




SN.	Member	Details
1	 <p><b>Mr. Paul Odhiambo Kokello</b></p>	<p><b>Mr. Paul Odhiambo Kokello</b> is a retired TSC employee who served as TSC County Director in Vihiga County then he was transferred to Tharaka Nithi County where he served in the same capacity and then he later was moved to the TSC head office as Senior deputy secretary.</p> <p>He had been a BoM member at Kaimosi Technical Training institute where he served as a finance and infrastructure committee chairperson in the year 2019. He is the current chairman of the Board of Management Asumbi Teachers Training College</p>
2	 <p><b>Prof. Margaret Baraza</b></p>	<p><b>Prof. Margaret Baraza</b> is PhD holder and currently a Senior Lecturer department of language and linguistics Kisii University from the year 2018 to date. She has ten years' experience in teaching three of which is at Senior Lecturer level.</p> <p>She is a member of EL TECS/ELT, IATEFL and Trans conflict insight (global coalition of conflict transformation GCCT) professional bodies.</p> <p>She has also developed academic programmes approved by the commission for University Education. She is the current vice chairperson of the Board of Management Asumbi Teachers Training College</p>
3	 <p><b>Md. Stellah Sikuku</b></p>	<p><b>Md. Stellah Sikuku</b> is the current Chief Principal of the college and secretary to the Board of Management at Asumbi Teachers training college. She has vast experience in education sector</p>
4	 <p><b>CS Agunda Ochanda</b></p>	<p><b>CS Agunda Ochanda</b> is a member of Kenya Institute of Management, Institute of Certified Secretaries, Institute of Human Resource Management of Kenya. His work experience includes among others HR consultancies, Governance Audit and Entrepreneur. He was also a deputy director of (administration and finance) in Moi Teaching and Referral Hospital between the year 2001-2016. He is the current chairperson of Audit committee of the BoM.</p>
5		<p><b>Ms. Mercy Masese</b> holds Masters in Law from Nairobi University She is an associate Advocate/Team leader at Reuben Masese and Company. She is the current chairperson of Human recourse and Students Welfare Committee for the Boars of Management.</p>

**Asumbi Teacher Training College**


Annual Report and Financial Statements for the Year Ended 30 June 2024

SN.	Member	Details
6	 <p><b>Eng. Benard Asuna</b></p>	<p><b>Eng. Benard Asuna</b> holds BSC Degree in water and environmental engineering. He is a technical director at Titan Building Concept LTD, he also served as the head of WASH and Construction Department in World Visions International-Kenya, WASH project manager at International child support. He is currently the Chairperson Infrastructure, Income Generating activities and Development Committee at Asumbi TTC.</p>
7	 <p><b>Mr. Gilbert Aluoch</b></p>	<p><b>Mr. Gilbert Aluoch</b> is a holder of Master of Philosophy in Tropical Biology and Silviculture. He is the Principal Project Development and M&amp;E Consultant At Devimpact Institute Nairobi. He is a member of Audit Committee of the BoM.</p>
8	 <p><b>Rev. Fr. Peter Kirowo</b></p>	<p><b>Rev. Fr. Peter Kirowo</b> is a Catholic parish priest, holder of degree in theology and Philosophy. He is a member of Humam Right and Student Welfare.</p>
9	 <p><b>Mrs. Truphena Nyakeri</b></p>	<p><b>Mrs. Truphena Nyakeri</b> is a holder of Master of Science in Human Resource Management, Certified secretaries and Bachelor of Arts. She served as the Assistant Director – Human Resource Management in the County Government of Nyamira. She is the current chairperson of Discipline, Ethics, Integrity and Human Resource for the BoM.</p>
10	 <p><b>Ms. Vicky Violet Awuor</b></p>	<p><b>Ms. Vicky Violet Awuor</b> is a holder of Bachelor's degree Business Administration (Accounting and Finance). She worked as a banker at KWFT Currently she is the Chairperson Finance, Procurement and General purposes Committee of the BoM</p>
11	 <p><b>Pr. Ngore Berine Otieno</b></p>	<p><b>Pr. Ngore Berine Otieno</b> is holder of bachelor's degree in Theology from Bugema University. He is the President of Seventh Day Adventist Church He is a member of the Executive and Discipline, Ethics, Integrity and Human Resource Committees.</p>





**Asumbi Teacher Training College**  
**Annual Report and Financial Statements for the Year Ended 30 June 2024**

SN.	Member	Details
12	 <b>Mrs. Martha Achieng</b>	<p><b>Mrs. Martha Achieng</b> is PhD holder in Business Management (Strategic Management), B. Com Human Resource Management and degree in Entrepreneurship.</p> <p>She is a Lecturer at Kenya Polytechnic University College (Technical University of Kenya)</p> <p>She is a member of Academic Standards, Quality and Environment.</p>
13	 <b>Mrs. Mary Awinja Atalisa</b>	<p><b>Mrs. Mary Awinja Atalisa</b> is a retired County Director of Education. She served as Inspector of schools, Quality assurance and Standards Officer, Deputy Provincial Director of Education. She is currently a member of Finance, Procurement and General-purpose committee for the BoM.</p>
14	 <b>Mr. Joseph Ondieki</b>	<p><b>Mr. Joseph Ondieki</b> is a Lecturer at Asumbi Teachers Training College, he was the Deputy Principal at Motagara High School and the Head of Department (Humanities) at Nyakongo High School. He is a member of Academic Standards, Quality and Environment Committee for the BoM</p>

**4. MANAGEMENT TEAM**





S/n	Manager	Details
1	 <p><b>Sikuku Stella</b> Bachelor of Education (BED)</p>	Principal
2	 <p><b>Willy Muhenge</b> Master of Education (MED)</p>	Deputy Principal
3	 <p><b>Shadrack Ojal</b> Bachelor of Education (BED ARTS)</p>	Dean Of Students

**Asumbi Teacher Training College**  
**Annual Report and Financial Statements for the Year Ended 30 June 2024**

4	 <p><b>Kennedy Kaunda</b> Bachelor of Education (BED)</p>	Dean Of Curriculum
5	 <p><b>Francis Otieno</b> CPA(K), CS, BCom Accounting</p>	Finance Officer
6	 <p><b>JOSEPH ONDIEKI</b> Master of Education (MED)</p>	Head Of Education
7	 <p><b>George Kebwaro</b> Master of Education (MED)</p>	Head of Mathematics

**Asumbi Teacher Training College**

Annual Report and Financial Statements for the Year Ended 30 June 2024

8	 <p><b>George Bonga</b> Bachelor of Education (BED)</p>	Head of Assessment
9	 <p><b>Esther Nyanchama</b> Master of Education (MED)</p>	Head of Guidance & counseling
10	 <p><b>Evans Muaka</b> Bachelor of Education (BED)</p>	Director of Teaching Practice
11	 <p><b>Ruth Kerongo</b> Bachelor of Education (BED)</p>	Head of Languages

**5. CHAIRPERSON'S STATEMENT**

The Ministry of Education phased out P1 course for Competence Based Curriculum (CBC) which is a very good idea. Globally the Millennium Development Goals (MDGs) came to an end in September 2015 and World leaders gathered in New York to unveil the Sustainable Development Goals (SDGs).

The post 2015 Education Agenda shifted from "Education for All" to Education "2030" which seeks to transform Kenya into a middle-income country providing a high-quality life to all its citizen by 2030. The college has prioritised the following activities during this year for its success; - Improving the computer labs.

- Improving the dining hall.
- Improving classrooms.
- Installation of Wi-Fi.
- Improvement water harvest.
- Improving of hostels.

**Success achieved during the year:**

- Admission of Diploma Students.

**Challenges faced:**

- Insufficiency of funds to pay the service providers.

**Way forward:**

- Mobilise resources from major stakeholders of the institutions.
- To sensitize the community on importance of training as teachers.
- Improve on college income generating activities.



.....

BoM Chairman

**6. REPORT OF THE CHIEF PRINCIPAL**

Asumbi T.T.C. is a public teacher training college under the Ministry of Education, State Department of Basic Education and Early Learning. The college was established in the year 1936 by the Mill Hill Fathers. It is sponsored by the Catholic diocese of Homabay. It is registered under the Basic Education Act 2023 and is managed by a Board of Management (BoM).

Currently the college offers the following programme under the CBC after the certificate in primary education was phased out.

- a) Diploma in Primary Teacher Education – 3-year course
- b) Diploma in Early Childhood Teacher Education – 3-year Course
- c) Upgrade Diploma in Primary Teacher Education 1 year

After completion of the course, the students are awarded a certificate by Kenya National Examination Council.

The institution has fully one (41) teaching staff all employed by the Teachers Service Commission and fifty-seven (57) Non-Teaching Staff employed by the Board of Management.

The Board of management has been able to gradually improve the infrastructure to help achieve good academic results and also take care of the students' welfare. The following areas have been prioritized.

- a) Improvement of computer laboratory. Modern desktops have been bought, the room renovated and Wi-Fi installed to assist in learning.
- b) The kitchen roof which initially had asbestos which is a health hazard has been reroofed using iron sheets.
- c) The BoM has since embarked on a water harvesting system by installing gutters and buying water tanks to help mitigate the challenge of water shortages.
- d) The BoM has engaged Safaricom Fibre to install local Area Network to facilitate online learning and assessment of students.
- e) The BoM gradually improves the classrooms and hostels whose conditions have deteriorated through both painting and tiling to make them more habitable.

The major challenge faced by the BoM is shortage of funds. Most of the students are vulnerable and are therefore not able to pay their fees as expected. This results into huge debts hence suppliers and service providers are not paid in time as expected. Other developments within the institution can also not be undertaken.

Since the year 2018, just like all other colleges, the institution suffered low enrolment due to the charges that had been put in place by both the MoE and treasury since the BoM relies wholly on fees to pay for services, the less money collected resulted into large pending bills.



SIGN.....

**Chief Principal**

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

Asumbi Teachers College in Financial Year 2023/2024 strategic plan formulated eighteen strategic objectives, namely;

- To train competent and quality teachers.
- To promote teaching and learning activities for effective Curriculum Implementation.
- To enhance the capacity of the staff through continuous training and skill development.
- To improve corporate governance and image.
- To create an enabling environment for moulding, caring, respective and adaptive teachers.
- To enhance innovativeness, creativity and efficiency in teaching and learning.
- To ensure financial viability and sustainability in the College.
- To improve the existing infrastructure.
- To integrate ICT in the College operations.
- To increase the efficiency and effectiveness of the human resources.
- To promote and improve the corporate image of the College.
- To improve on HIV/AIDS Capacity building.
- To mainstream Gender Issues in the College.

<b>Strategic Pillar</b>	<b>Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
Enrolment	Admission of diploma students	Class attendance registers and admission register	Teaching and Learning	1023 students admitted
Curriculum Implementation	All lectures to embrace ICT integration in Curriculum implementation	Capacity building for lecturers	Supervision by top management Regular internal exams administered.	Improved PTE performance index Improve Awards in co-curriculum activities
Learning resource Centre	• Introduce WI-FI To update college website.	Use of Wi-Fi.	Wi-Fi installation	Active Wi- Fi
Computer Studies	• To introduce WI-FI • To update College website To add more computers	Use of Wi- Fi and more laptops	Purchases of computers	More desk tops purchased
Education for Sustainable Development	Financial viability	Tree seedlings Maize cereals	Growing seedlings	Increased maize production and more seedlings
Farm	Allocate funds to procurement better breeds	Number/kilogram of farm produce.	Cultivation of the farm.	Food security improved

## **8. CORPORATE GOVERNANCE STATEMENT**

The following are the members of Board of Management at Asumbi Teachers Training College.

1. Mr. Paul Odhiambo Kokello - BoM Chairperson
2. Prof. Margret Baraza - BoM Vice Member
3. Eng. Benard Asuna - BoM Member
4. Ms. Mercy Masese - BoM Member
5. Mrs. Mary Awinja - BoM Member
6. Mr. Gilbert Aluoch - BoM Member
7. Ms. Vicky Violet - BoM Member
8. PS. Agunda Ochanda - BoM Member
9. Rev. Fr. Peter Kirowo - BoM Member
10. Mr. Joseph Ondieki - BoM Member
11. Pst. Berine Ngore - BoM Member
12. Mrs. Martha Achieng - BoM Member
13. Mrs. Truphena Nyakeri - BoM Member
14. Md. Stellah Sikuku - C/Principal/Secretary BoM

The number of Board Meetings held in the financial year 2023/2024 were as follows;

**Full Meeting** – At least once a term

**Executive Meeting** – As frequent as the needs may arise.

The appointment of the board members is based on; - One person nominated by the county education board.

- One person representing teaching staff.
- Three representatives of the sponsors of the school.
- One person to represent special interest group in community. - One person to represent persons with special needs.
- A representative of the students' council. - Co-opted members.

### **Removal of a board member**

A board member may be removed from board due to the following grounds; -

Because of gross misconduct. - Because of conflict of interest.

The removal should be approved by the full board meeting and the replacement be done by the advice of the County Education Board.

In case of conflict of interest in various committee e.g discipline committee, ethics and integrity committee, a member may decide not to attend by walking out until the case is determined.

### **Remunerations**

The following are the rates used to remunerate the members of the Board of Management per seating;

Chairperson	- Ksh.14,000
Vice Chairperson	- Ksh.12,000
Members outside the county	- Ksh.8,000
Members within the county	- Ksh.7,000

**Roles Of The Board Members**

The following are the roles of the BoM;

- Promote the best interest of the institution and ensure its development
- Promote quality education for all students in accordance with standards set under the Act of Basic education 2013.
- Ensure the provision of proper adequate physical facilities for the institution.
- Manage the institution's affairs in accordance with the rules and regulation governing occupational safety and health.
- Advice county education board on the staffing needs of the institution.
- Determine cases of discipline and make reports to the education county boards.
- Facilitate and ensure provision of guidance and counselling to all learners.
- Promote the spirit of cohesion, integration, peace, tolerance, inclusion, elimination of hate speech and tribalism in the institution.
- Administer and manage resources of the institution.
- Receive, collect, and account any funds accruing to the institution.
- Recruit, employ and remunerate non-teaching staff as may be required by the institution within this Basic Education Act 2013.

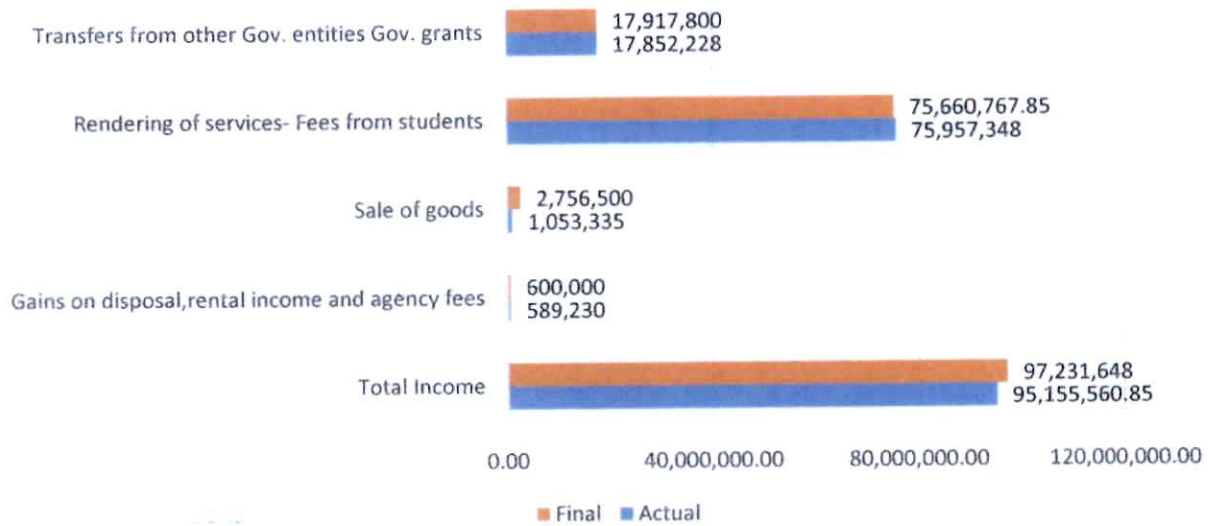
**9. MANAGEMENT DISCUSSION AND ANALYSIS**

The operation and financial performance of the institution was affected greatly by the fact that PTE course was ending in readiness for Competency Based Curriculum hence the college remained with no students. This status affected the financial flow of the institution. This was also compounded with Covid-19 pandemic that affected the College badly the financial performance and its operation.

**(a) Actual and Budgeted Revenue**

Comparison between Budgeted and Actual Revenue for FY 2023-2024 (millions)

Comparison between Budgeted and Actual Revenue for FY2023/2024



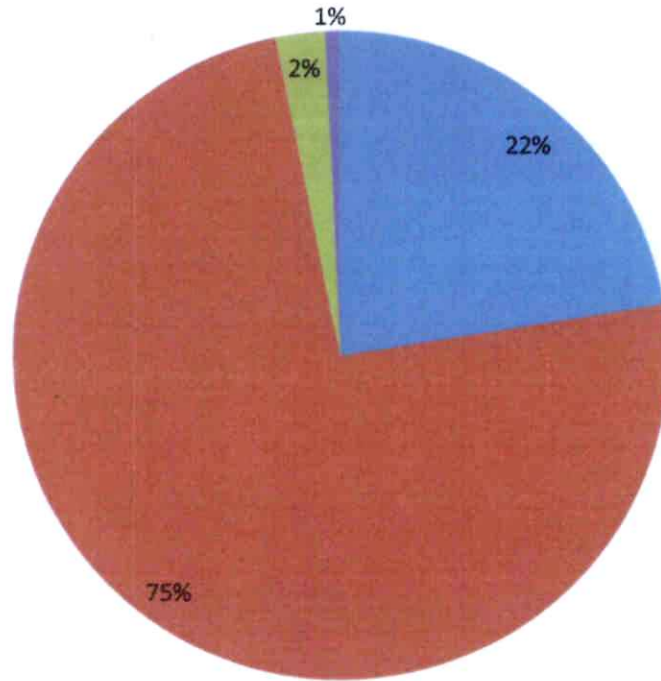
The chart above shows that the institution’s actual revenue was slightly above the target (6%) actual total revenue for the FY 2023/2024 being 106% Of the target.

**(b) Actual Expenditures**

The Board of Management incurred expenses on various line items. Analysis of different budget lines is outlined in pie chart below.

**2023-2024 F/Y Actual Expenditure by Category**

- Compensation of employees
- Use of Goods and services
- Repairs and Maintenance
- BOM Meeting Allowances



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

Established in 1936, Asumbi Teachers' College is playing a pivotal role in spearheading various green economy activities in the country in addition to the core mandate of training effective teachers for primary schools. Teachers are strategically placed to champion the process of restoring environmental normalcy, in Kenya. The fact that teachers are ever in contact with broad spectrum of the Kenya populace avails a credible chance to positively transform the environment in the country. Teachers ought to be instrumental pacemaker in addressing all the key aspects of sustainable development.

Mahatma Gandhi once said "the Earth provides enough to satisfy every man's needs, but not every man's greed". Hence, there is need to conserve the environment for a better tomorrow, our environment, our responsibility, our life and future.

### **Sustainability strategy and profile**

The college has spearheaded the development of a green economy in the following ways:

- a) By initiating the formation of the environmental/wildlife club within the college and teaching practice schools.
- b) By mobilizing students to take part in the green economy-oriented competitions at national level in collaboration with AFEW (African Fund for Endangered Wildlife) and the WCK (Wild Clubs of Kenya).
- c) By adopting the energy saving technology such as the stoves, jikos and bulbs.
- d) By switching off light when days are naturally bright.
- e) By exploring the prospects of producing green energy types such as biogas and solar energy.
- f) By adopting the use of the 45-67-seater buses to scale down on carbon emissions.

### **Environmental performance**

The college has developed a tree nursery and fish farm for the purposes of income generation. Labour is provided by the students on the basis of having serious fee payment constraints. Equal chances are availed to students who work in the two projects sites on gender basis. The tree nursery produces over 300,000 tree seedlings for commercial purposes annually. The capacity of fish pond is 1000 fish of tilapia type. A cat fish pond will be established in the future. Plans to produce fruits seedlings are also underway.

### **Employee welfare**

The College Self Help Group was started in 1996 to assist its members whenever they have financial problems. The group offers its members short-term loans which can take depending on the amount of shares that one has. These loans usually aid the members in payment of school fees, hospital bills and other emergencies.

### **Market place practices**

The College has involved multiple vendors or suppliers to submit proposals for specific tender that is publicly issued. This allows transparency, equality of opportunity and ability to demonstrate that the outcomes represent the best value.

For a vendor or supplier to be selected to fulfil the tender requirement, they must demonstrate their capability, history and readiness to execute the tender. In competitive bidding process, negotiations may be necessary before the award. Negotiations are conducted fairly and with all bidders in the competitive range.

To ensure tendering is done right the following are observed;

- The institution has a well-defined procurement process which staff are required to follow.
- All tender information and records are documented.
- The college focuses on competitive procurement to deliver best value.
- The institution has checks and balances process where a senior staff member approvals customer quotation.

To have fairness the institutions has created a Code of Conduct for vendors and suppliers, thereby involving them in responsible business practices, and holding them accountable to standards and expectations. The Code of Conduct clearly describes institution's expectations for building sustainable and reliable relationships with its vendors and suppliers.

The code covers the following areas;

- Transparent, fair, accountability and honest procurement practices.
- Compliance with applicable laws and regulations regarding fair competition.
- Corruption, fraudulent, collusive, ant-competitive or coercive practices.
- Compliance with country specific laws and regulations.
- Maintaining complete records in appropriate books of account of all financial and business transactions.
- Disclosing actual, perceived, or potential conflicts of interest.

The institution is endeavouring always fairness and respect to all bidders in the process of meeting the goals of students in the college in providing service to them.

**a) Responsible Supply chain and supplier relations**

Supplier's relationship with college forms a major part of the procurement cycle. The college maintain good business practices with suppliers through;

**i. Communication**

The institution maintains good business practices with the suppliers through effective communication, whereby the institution expresses their thought clearly and precisely. Respect of both parties is vital. The institution demonstrates integrity and appreciates the suppliers for adding value to the institution. This helps to build trust thus increase performance through innovation and problem solving.

**ii. Openness**

As an institution we are open to our suppliers. Openness where we share our challenges and results is done. This promotes willingness to work together to achieve the objectives of the management. If there is a problem in either side it must be discussed.

**iii. Fairness**

This aims at treating both parties reasonably based on the requirements of the contract and relationship.

**iv. Terms**

The institution and suppliers should be based on the provisions of the abiding principles. Thus, also forms the basis for how the relationship will be monitored and state what each party has agreed to do. Such terms include prices, delivery and qualities.

**b) Responsible marketing and advertisement**

Effort to maintain ethical marketing practices include the following:

Ethical marketing should always aim to honesty and fairness. Unethical practices will no guarantee the institution and the supplier to cut costs in long term. The following are efforts the college has put in place to maintain ethical marketing practices.

- Transparency
- Being committed to sustainably and human rights
- Respond meaningfully to suppliers' concerns
- Not making unverified claims without providing any evidence to back this up.

**c) Product stewardship.**

This is based on Consumer Protection Act, 2019 and Consumer Protection Act 2012. The Acts state the following and the College is committed strictly to adherence to these Acts;

- Making all required payment in time.
- Verifying all receipts, statement and transaction records.
- Raising complains with the suppliers in first instance.
- Retaining receipts, product manuals, maintenance/warranty documentation.
- Consumer should be treated fairly without discrimination.
- Terms of service of consumer must be respected.
- Consumer should receive high level of quality service as stated in the service agreement as provided by service provider.

Finally, Asumbi Teachers College has undergone tremendous growth and continues to play a pivotal role in Teacher Education and Training. In carrying our duties as a college effort has been put towards contributing effective and efficiently to the achievement of the national development agenda as espoused in the Kenya Vision 2030. In promoting Education, the college passing Primary Teacher Examinations (PTE) is a prerequisite for TSC registration. The College Management has embarked on a number of strategies to prepare these young people for their future life. Among them include mentoring programs which are meant to empower learners with life skills necessary for sound character formation, appropriate life choices, decision making and inculcate positive attitudes necessary for hard work and academic success. The College also aim at supporting students with spiritual nourishment which prepares young people to inculcate virtues necessary for life after college.

Furthermore, the college continually equip our students with skills in Creative Arts, Sports, Drama, Music and Art. The College is a Powerhouse in Sporting activities, Drama and Music. In the year 2017 our Drama Students Performed up to East Africa Film Festival in Zanzibar. In recognition of these efforts our former Drama Patron was recognized with a commendation letter by TSC who are his employer.

In addition, as social responsibility we equip our students with skills in tree planting and income generating activities (IGA) through Education for Sustainable Development. We do this with stakeholders and partner primary schools where our students undertake teaching practice.

**d) Corporate Social Responsibility / Community Engagements**

The College has taken into considerable philanthropic responsibility to the community around. The activities varies from economic to social such philanthropic activities to the society include;

- When tender is advertised the locals get a higher percentage of 40%
- The students going to for teaching practice always plant at least fifty seedlings in their teaching practice schools.
- Religious groups such as Young Christian Union (CU) and seventh Day Adventist (SDA) often offer charitable activities in the community.
- The College do offer the college buses to the community at a subsidised cost. Schools around the college normally use our tuition areas during contest and symposium.
- The sports clubs within the locality use the College fields for games freely.
- The locals at times allowed selling some commodities to students, staff and non-teaching staff.
- The schools around and other interested group normally make educational trips to College farm and weather station.
- Large percentage of non-teaching staff hails from the locality.

**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.

**Principle activities**

The principle activities of the College is to manage and implement College Curriculum

**Results**

The results of the college for the year ended June 30 are set out on page 1 to 37

**Board of Management**

The members of the Board of Management who served during the year are shown on pages vii to ix

**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.

By Order of the Board



---

BoM Secretary

Asumbi Teachers Training College

Date: ...28/09/2024...

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

Section 81 of the Public Finance Management Act, 2012 and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 require the council members to prepare financial statements in respect of that 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 council 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 council members are also responsible for safeguarding the assets of the college.

The Board members are responsible for the preparation and presentation of the Asumbi Teachers Training 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; and (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 judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act. The council 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 council members further confirm the completeness of the accounting records maintained for the college, which have been relied upon in the preparation of the college's financial statements as well as the adequacy of the systems of internal financial control.

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

**Approval of the financial statements**

The College's financial statements were approved by the Board on 28<sup>th</sup> September 2023 and signed on its behalf by:

Name :Paul Odhiambo Kokello

Name Sikuku Stella



Signature

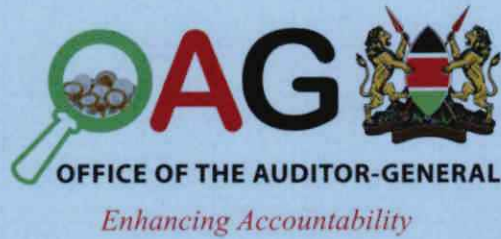
Signature.....

**Chairperson of the Board**

**Accounting Officer/Principal**

# REPUBLIC OF KENYA

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



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

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

---

### **PREAMBLE**

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

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

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

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

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

#### **Qualified Opinion**

I have audited the accompanying financial statements of the Asumbi Teachers Training College set out on pages 1 to 37, which comprise of the statement of financial position

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

In my opinion, except for the effect of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Asumbi 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 Public sector Accounting Standards (Accrual Basis) and comply with Public Finance Management Act, 2012, County Governments Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Long Term Receivable from Exchange Transaction**

The statement of financial position as disclosed in Note 16(b) to the financial statements reflects long term receivables from exchange transaction balance of Kshs.105,033,385 being student debtors which has been outstanding for a period of over one (1) year.

In circumstance, the recoverability of the long outstanding students' debtors of Kshs.105,033,385 could not be confirmed.

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

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.97,231,648 and Kshs.95,155,561 respectively resulting to a short fall of Kshs.2,076,087 or (2%) of the budget. Similarly, the College approved expenditure was Kshs.95,003,848 while the actual expenditure was Kshs.74,433,307.35 resulting to under expenditure of Kshs.20,570,540.65 or (22%) of the budget.

The under-expenditure affected the planned activities and may have impacted negatively on service delivery to the college.

My opinion is not modified in respect of these matters.

## **Key Audit Matters**

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

## **Other Matter**

### **Unresolved Prior Year Matters**

In the report of the Auditor-General for the financial year 2022/2023, several issues were raised under the Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. Management has indicated that almost all the prior year audit issues as resolved in the Progress on Follow Up on Prior Year Auditor's Recommendations section of the financial statements.

## **Other Information**

The Management is responsible for the other information, which comprises the Chairperson's statement, Report of The Chief Principal, statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting Statement, report of the Board of Management and Statement of Board of Management Responsibilities. The other information does not include the financial statements and my auditor's report thereon.

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Failure to comply with the Law on Ethnic diversity**

During the year under review, an analysis of the Asumbi Teachers Training Collage staff bio data for the year ended 30 June, 2024 revealed that Total employees were fifty-six (56) from various ethnic communities. However, one ethnic community occupied 52 positions or 93% of all the jobs in the college while the remaining 7% of the jobs were shared among the other ethnic communities. This was contrary to the provisions of

Section 7(1) and (2) of the National Cohesion and Integration Act, 2008, Article 27(8) of the Constitution of Kenya, 2010.

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

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

#### **1. Weak controls on stores management**

The statement of financial position reflects stock of Kshs.1,864,209. However, audit inspection of kitchen stores revealed that there was no grain moisture meter to measure moisture of grains before they are received into the store and the store is constructed of iron sheets which is prone to theft.

In circumstances, it was not possible to determine the safety of foods in the store.

#### **2. Weakness in Management of Fixed Assets**

Audit of summary of fixed assets and asset register revealed that assets were not properly tagged and asset register was not maintained in prescribed format. This was contrary to Regulation 136 (1) of the Public Finance Management (County Government) Regulations, 2015 which provides that The Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

In the circumstances, the effectiveness of internal controls over the management of fixed assets could not be confirmed.

#### **3. Use of Asbestos Roofing on the Buildings**

Audit inspection of the College's buildings revealed that a number of buildings had asbestos roofing. This is contrary to the provisions of Chapter 3 of the Environmental Management and Coordination (Waste Management) to mitigate the risks in view of their adverse health effects.

In the circumstances, Management is exposing the surrounding air to risk of inhaling fibres which may lead to serious chronic health problems.

#### **4. Lack of Information System Disaster Plan, Business Continuity Plan and Approved IT Security policy**

Review of the College's information technology systems revealed there was no Information System Disaster Recovery Plan and a Business Continuity Plan and an approved IT Security Policy. In addition, there is no ICT steering committee in place to assist in the development of ICT policy framework to enable the college to realize long-term ICT strategic goals.

In the circumstances, the security and confidentiality of the College's Information System Disaster Plan, business Continuity ICT resources could not be confirmed.

#### **5. Lack of an Approved Risk Management Policy**

As previously reported, the College did not have an approved Risk Management Policy and Framework including strategies and procedures put in place to assess, identify, measure, prioritize and mitigate risks in the College. As a result, Management lacked a mechanism to help in detection and mitigation of any possible risk to the institution.

In the circumstances, the effectiveness of risk management systems 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 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 those Charged with Governance**

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

In preparing the financial statements, Management is responsible for assessing the College's ability to continue to sustain its services, disclosing as applicable, matters related to sustainability of services 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 complies with the authorities which govern them, and that public resources are applied in an effective way.

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

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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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**

**December 24, 2024**

**14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024**

	Notes	2023/2024	2022/2023
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the National Government	6	17,852,228	18,048,537
		<b>17,852,228</b>	<b>18,048,537</b>
<b>Revenue from exchange transactions</b>			
Rendering of services- fees from students	7	75,660,767.85	30,131,785
Sale of goods	8	1,053,335	1,775,471
Rental revenue from facilities and equipment	9	589,230	669,450
<b>Revenue from exchange transactions</b>		<b>77,303,332.85</b>	<b>32,576,706</b>
<b>Total revenue</b>		<b>95,155,560.85</b>	<b>50,625,243</b>
<b>Expenses</b>			
Use of goods and services	10	55,413,156.95	30,747,216
Employee costs	11	16,690,794.40	17,184,685
Remuneration of directors	12	515,000	397,500
Repairs and maintenance	13	1,814,356	1,102,792
Depreciation	14	14,951,112.84	17,268,516
<b>Total expenses</b>		<b>89,384,420.19</b>	<b>66,700,709</b>
<b>Surplus/(Deficit) for the year</b>		<b>5,771,140.66</b>	<b>(16,075,466)</b>



Chairperson BoM

DATE 28/09/2024



Finance Officer  
ICPAK No. 20939  
28/09/2024



Chief Principal

28/09/2024

**15. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024**

	Note	2023/2024	2022/2023
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	15	18,844,061.93	9,498,126
Current receivables from exchange transactions	16(a)	5,910,359	2,241,823
Stock	17	789,921	1,074,288
<b>Total current assets</b>		<b>25,544,341.93</b>	<b>12,814,237</b>
<b>Non-current assets</b>			
Property, plant and equipment	18	296,434,433	311,385,547
Biological Assets	19	14,498,000	
Long term receivables from exchange transactions	16(b)	105,033,385	106,076,973
<b>Total non-current asset</b>		<b>415,965,818</b>	<b>417,462,520</b>
<b>Total assets</b>		<b>441,510,160</b>	<b>430,276,757</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	20(a)	594,428	610,334
Deferred income	21	2,009,504	785,172
<b>Total current liabilities</b>		<b>2,603,932</b>	<b>1,395,506</b>
<b>Non-current liabilities</b>			
Long term trade and other payables	20(b)	3,121,146	13,080,942
<b>Total non-current liabilities</b>		<b>3,121,146</b>	<b>13,080,942</b>
<b>Total liabilities</b>		<b>5,725,078</b>	<b>14,476,448</b>
<b>Net assets</b>			
Revaluation reserves		326,103,330	326,103,330
Accumulated surplus		93,252,487.66	87,481,347
Capital fund		16,429,264	2,215,632
<b>Total net assets</b>		<b>435,785,082</b>	<b>415,800,309</b>
<b>Total net assets and liabilities</b>		<b>441,510,160</b>	<b>430,276,757</b>

The financial statements set on pages 1 -37 were signed on behalf of the Board of Management by:



Chairperson Bom

28/09/2024



Finance Officer  
ICPAK No. 20939

28/09/2024



Chief Principal

28/09/2024

**16. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2024**

	Revaluation reserve	Accumulated Surplus	Capital/ Development Grants/Fund	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 1 July, 2022</b>	<b>326,103,330</b>	<b>103,556,813</b>	<b>2,500,000</b>	<b>432,160,143</b>
Surplus/Deficit	-	16,075,466	-	16,075,466
Adjustment for unauthorized capital grant	-	-	284,368	284,368
<b>At 30 June, 2023</b>	<b>326,103,330</b>	<b>87,481,347</b>	<b>2,215,632</b>	<b>415,800,309</b>
<b>At 1 July, 2023</b>	<b>326,103,330</b>	<b>87,481,347</b>	<b>2,215,632</b>	<b>415,800,309</b>
Surplus/(Deficit) for the year	-	5,771,140.66	-	5,771,140.66
Adjustment for unauthorized capital grant	-	-	284,368	284,368
Capital Grant			14,498,000	14,498,000
<b>At 30 June, 2024</b>	<b>326,103,330</b>	<b>93,252,487.66</b>	<b>16,429,264</b>	<b>435,785,081.66</b>

**17. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024**

	Note	2023/2024	2022/2023
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other Government entities/Govt. grants	6	17,852,228	18,048,537
Rendering of services- Fees from students	7	69,943,708.85	27,967,687
Sale of goods	8	1,053,335	1,775,471
Rental revenue from facilities and equipment	9	395,930	591,725
Receipts from receivables	16	3,285,411	2,849,054
Prepayments		1,224,332	
<b>Total Receipts</b>		<b>93,754,944.85</b>	<b>51,232,474</b>
<b>Payments</b>			
Use of goods and services	10	54,818,728.95	31,211,170
Compensation of employees	11	16,690,794.40	17,184,685
Board Expenses	12	515,000	397,500
Repairs & Maintenance	13	1,814,356	1,102,792
Trade payables - payments	20(a)	610,334	802,295
Long term trade payables - payments	19(b)	9,959,796	2,890,037
Deferred income	21		1,927,511
<b>Total Payments</b>		<b>84,409,009.35</b>	<b>55,515,990</b>
<b>Net cash flows from operating activities</b>		<b>9,345,935.50</b>	<b>(4,283,516)</b>
<b>Adjustments For:-</b>			
Decrease in rent debtors			
Decrease in receivables			
Increase in non-current receivables			
Decrease in receivables from non-exchange			
Decrease in trade payables			
Increase in deferred income			
Decrease in long term trade payables			
Decrease in employee benefit obligation			
<b>Total Adjustments</b>			
<b>Net Cash flow from Operating Activities</b>		<b>9,345,935.50</b>	<b>(4,283,516)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets			
<b>Net Cash flows used in investing activities</b>			
<b>Cash flows from financing activities</b>			
Repayment of borrowings			
Development grants received during the year			
<b>Net cash flows used in financing activities</b>			
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>9,345,935.50</b>	<b>(4,283,516)</b>
Cash and cash equivalents at 1 July, 2023		9,498,126.43	13,781,642
<b>Cash and cash equivalents at 30 June, 2024</b>	<b>15</b>	<b>18,844,061.93</b>	<b>9,498,126</b>

**18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2024**

	Original budget	Adjustments	Final budget	Actual comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
<b>Revenue</b>						
Transfers from other Gov. entities Gov. grants	17,917,800	-	17,917,800	17,852,228	65,572	100%
Rendering of services- Fees from students	75,957,348	-	75,957,348	75,660,767.85	296,580.15	100%
Sale of goods	2,756,500	-	2,756,500	1,053,335	1,703,165	38%
Gains on disposal, rental income and agency fees	600,000	-	600,000	589,230	10,770	98%
<b>Total income</b>	<b>97,231,648</b>		<b>97,231,648</b>	<b>95,155,560.85</b>	<b>2,076,087.15</b>	<b>98%</b>
<b>Expenses</b>						
Compensation of employees	17,917,800	-	17,917,800	16,690,794.40	1,227,005.6	93%
Use of Goods and services	72,217,048	-	72,217,048	55,413,156.95	16,803,891.05	77%
Repairs and Maintenance	3,069,000	-	3,069,000	1,814,356	1,254,644	59%
BOM Meeting Allowances	1,800,000	-	1,800,000	515,000	315,650	29%
<b>Total expenditure</b>	<b>95,003,848</b>		<b>95,003,848</b>	<b>74,433,307.35</b>	<b>19,601,190.65</b>	<b>78%</b>
<b>Surplus for the period</b>			<b>1,113,900</b>	<b>20,722,253.50</b>		
<b>Capital Expenditure</b>	-	-	-	-	-	

**Budget Notes**

(a) *Rendering services;*

These are the fees received from the students in the F/Y 2023/2024.

(b) *Sale of goods;*

This comprises produce from farm, tree nursery and seminar .

The prevailing weather conditions at the time were not favourable for the targeted output.

(c) *Compensation of Employees;*

Due to increased number of students from 330 in 2022/2023 to 1023 in 2023/2024, the College did manage to pay employees as predicted.

(d) *Total Expenditure reconciliation:*

Expenditure as per the statement of comparison of budget	= 74,433,307.35
Add depreciation expense for the year	+ 14,951,112.84
Expenditure as per the statement of financial performance=	<u>89,384,420.19</u>

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

### **1. General Information**

Asumbi TTC 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 provision of teacher Education.

### **2. Statement Of Compliance and Basis of Preparation**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the college'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 19

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

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

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

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

Standard	Impact
Other Improvements to IPSAS	<p><b>Applicable: 1<sup>st</sup> January 2023:</b></p> <p>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks.</p> <p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment.</p> <p>Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved.</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets.</p> <p>Amendments to ensure consistency of impairment guidance to account for re-valued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs).</p> <p>Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.</p>

**ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.**

Standard	Effective date and impact:
<p><b>IPSAS 41:</b> Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2023:</b> The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of a college's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>•Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;</li> <li>•Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>•Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between a college's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul>
<p><b>Standard</b></p>	<p><b>Effective date and impact:</b></p>
<p><b>IPSAS 42:</b> Social Benefits</p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b> The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting college provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the college; (b) The key features of the operation of those social benefit schemes; and (c)The impact of such social benefits provided on the college's financial performance, financial position and cash flows. (State the impact of the standard to the college if relevant)</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2023:</b></p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>

**iii. Early adoption of standards**

The college did not early – adopt any new or amended standards in year 2024.

**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. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realized in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

**ii) Revenue from exchange transactions**

**Rendering of services**

The 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.

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

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 college.

**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 of Management on 8th 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 in order to conclude the final budget. Accordingly, the college recorded additional appropriations of 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 a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and

reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 2 of these financial statements.

**c) Taxes**

The college is exempt from paying taxes

**d) Investment property**

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

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

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

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

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

**e) Property, plant and equipment**

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

**f) Depreciation Policy**

Depreciation is charged annually on a reducing balance basis on the balance at year end. The depreciation rates for the non-Current assets are outlined below:

Category	Estimated Useful Life	Depreciation rate
Buildings and other Civil works	40 years	2.5%
Plant, Machinery & Equipment	5 years	20%
Office Equipment	5 years	12.5%
Motor Vehicles	4 years	25%
Computer and related equipment	3 years	33.3%
Furniture and Fittings	8 years	12.5%

**g) Leases**

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

**Notes to Financial Statements (Continued)**

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

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

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

**h) Intangible assets**

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

**i) Research and development costs**

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

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

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

**j) Financial instruments**

**Financial assets**

**Initial recognition and measurement**

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

**Loans and receivables**

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

**Summary of Significant Accounting Policies (Continued)****Held-to-maturity**

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

**Impairment of financial assets**

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

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

**Financial liabilities Initial recognition and measurement**

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

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

**Loans and borrowing**

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

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

**k) Inventories**

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

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

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

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

## **Asumbi Teachers Training College**

Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024

---

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

### **l) Provisions**

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

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

### **Contingent liabilities**

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

### **Contingent assets**

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

### **m) Nature and purpose of reserves**

The College creates and maintains reserves in terms of specific requirements.

### **n) 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.

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

### **o) Employee benefits**

#### **Retirement benefit plans**

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

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

**p) Foreign currency transactions**

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

**q) Borrowing costs**

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

**r) Related parties**

The College regards a related party as a person or a college 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 directors, the CEO/principal and senior managers.

**s) Service concession arrangements**

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

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

**t) 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.

**u) Comparative figures**

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

**v) 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 College. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

**Useful lives and residual values**

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

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

**Notes to Financial Statements (Continued)**

**Significant Judgments And Sources Of Estimation Uncertainty**

**Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note xxx.

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

**6. Transfers from National Government Ministries**

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>Unconditional grants</b>		
Operational grant	17,852,228	18,048,537
Grants in Arrears		
<b>Conditional grants</b>		
Development grants		
<b>Total government grants and subsidies</b>	<b>17,852,228</b>	<b>18,048,537</b>

**6 (a) Transfers from Ministries, Departments and Agencies**

Name of the MDA/Donor Transferring funds	Amount recognized to Statement of Comprehensive Income Kshs	Amount deferred under deferred income Kshs	Amount recognized in capital fund.	Total grant income during the year	2023/2024
			Kshs	Kshs	Kshs
Education Ministry/State Department	17,852,228	-	-	17,852,228	17,852,228
<b>Total</b>	<b>17,852,228</b>	<b>-</b>	<b>-</b>	<b>17,852,228</b>	<b>17,852,228</b>

**6 (b) Detailed Analysis of Transfer from National Government/Ministry Of Education**

Vote Head	2023/2024	2022/2023
	Kshs	Kshs
Tuition	2,544,900.78	2,314,514
Local Transport and Travel	1,439,748	1,330,950
Activity	1,483,180.46	1,925,251
Repair and Maintenance	398,937	228,372
Administration costs	2,985,971	3,000,203
Personal Emoluments subsidy	8,999,490.76	9,249,247
<b>Total</b>	<b>17,852,228</b>	<b>18,048,537</b>

**Asumbi Teachers Training College**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024**7. Rendering of Services**

Description	2023/2024	2022/2023
	Kshs	Kshs
Activity fees	2,031,512	653,448
Examination fees	1,119,225	3,315,375
Library Books		97,300
Personal emoluments	7,694,509	2,769,899
BES	29,934,203.85	12,220,037
Teaching / learning materials	2,105,384	749,748
RMI	2,962,999	984,162
EWC	3,992,847	1,279,470
LT&T	3,993,077	1,275,085
Administration costs	2,365,472	807,002
Bus Hire	25,000	
Practicum	2,017,900	458,183
VRM	6,036,055	1,934,764
Medical	990,682	324,742
Student council	489,301	109,900
Computer	3,801,481	1,341,520
Practicum Assessment books		214,800
Disposal	124,120	0
Graduation	357,500	97,500
KUCCPS	371,000	145,500
Student ID	248,700	54,000
Hockey sticks	2,375,800	523,400
Track suit	1,995,100	437,500
Set Books		24,000
Bank Charges		24,250
Clubs & Environmental	502,500	107,400
Student Guide books		4,800
Tenders	126,400	78,000
<b>Total</b>	<b>75,660,767.85</b>	<b>30,131,785</b>

**8. Sale of Goods**

Description	2023/2024	2022/2023
	Kshs	Kshs
Sale of farm produce	508,285	489,237
Seminars	380,050	86,100
Tree Nursery	165,000	165,574
Bakery	0	1,034,560
<b>Total</b>	<b>1,053,335</b>	<b>1,775,471</b>

**Asumbi Teachers Training College**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024**9. Rental Revenue from Facilities and Equipment**

Description	2023/2024	2022/2023
	Kshs	Kshs
Rental income	395,930	591,725
Accrued rental income	193,300	77,725
<b>Total</b>	<b>589,230</b>	<b>669,450</b>

**10. Use of Goods and Services**

Description	2023/2024	2022/2023
	Kshs	Kshs
Examination fees	908,400	4,374,940
Administration cost	3,045,350.35	2,108,578
Electricity water & conservancy	3,256,903	2,714,192
Boarding Equipment and stores	26,823,875	13,636,621
Teaching / learning materials	2,235,948	743,338
Local transport and travels	3,978,471	1,713,580
Farm	485,169	566,080
Tree Nursery	39,000	50,500
Computer/ Internet	2,186,122	593,730
Student Council	72,550	57,495
Vehicle Repair and Maintenance Fund	4,158,502.60	1,360,790
Practicum	384,900	0
Medical	555,150	175,160
Activity	2,125,428	1,177,822
KUCCPS	1,122,000	
Hospital bill	8,910	
Hockey stick	2,273,377	
Library books		79,976
Student ID	209,000	48,100
Track suit	1,114,000	306,900
Bank charges	56,214	43,788.45
Student guide book		3,600
Tenders	7,500	20,000
Bakery		913,376
Graduation	366,387	58,650
<b>Total</b>	<b>55,413,156.95</b>	<b>30,747,216</b>

**Asumbi Teachers Training College**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024**11. Employee Costs**

Description	2023/2024	2022/2023
	Kshs	Kshs
Salaries and wages	11,671,717.40	10,190,406
Employee related costs-contributions to pensions and medical aids	1,479,199	1,669,344
Travel ,motorcar, accommodation, subsistence and other allowances	1,245,570	2,116,000
Housing benefits and allowances	2,102,500	2,896,667
Responsibility allowances	191,808	312,268
<b>Total</b>	<b>16,690,794.40</b>	<b>17,184,685</b>

**12. Remuneration of Directors**

Description	2023/2024	2022/2023
	Kshs	Kshs
Chairman's honoraria	0	0
Directors emoluments	515,000	397,500
<b>Total</b>	<b>515,000</b>	<b>397,500</b>

**13. Repairs and Maintenance**

Description	2023/2024	2022/2023
	Kshs	Kshs
Vehicles		0
Other-RMI /Rehabilitation	1,814,356	1,102,792
<b>Total repairs and maintenance</b>	<b>1,814,356</b>	<b>1,102,792</b>

**14. Depreciation Expense**

Description	2023/2024	2022/2023
	Kshs	Kshs
Property, plant and equipment	14,951,112.84	17,268,516
<b>Total depreciation and amortization</b>	<b>14,951,112.84</b>	<b>17,268,516</b>

**15. Cash and Cash Equivalents**

Description	2023/2024	2022/2023
	Kshs	Kshs
Current accounts	18,715,362.46	9,378,037
Others (specify)Cash	9,334.47	724
Savings Account	119,365	119,365
<b>Total cash and cash equivalents</b>	<b>18,844,061.93</b>	<b>9,498,126</b>

**15 (a). Detailed Analysis of Cash and Cash Equivalents**

Financial institution	Account number	2023/2024	2022/2023
		Kshs	Kshs
<b>a) Current account</b>			
ABSA Bank Kisii Branch	0081014574	20,733.85	(171,414)
ABSA Bank Kisii Branch	0081014558	11,314,244.95	6,687,219
KCB H/Bay	1160244286	7,380,383.66	2,862,232
<b>Sub – total</b>		<b>18,715,362.46</b>	<b>9,378,037</b>
<b>b) Others</b>			
Cash in hand Main Account		2,662.72	313
cash in hand Fund Account		6,671.75	411
- EQUITY	980268534868	119,365	119,365
<b>Sub- total</b>			<b>119,365</b>
<b>Grand total</b>		<b>18,844,061.93</b>	<b>9,498,126</b>

**16.Receivables From Exchange Transactions**

**(a). Current Receivables from Exchange Transactions**

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>Current receivables</b>		
Student debtors	5,717,059	2,164,098
Rent debtors	193,300	77,725
<b>Total current receivables</b>	<b>5,910,359</b>	<b>2,241,823</b>

**16 (b). Long- term Receivables from Exchange Transactions**

Description	2023/2024	2022/2023
	Kshs	Kshs
Student Debtors	105,033,385	106,076,973
<b>Total receivables</b>	<b>105,033,385</b>	<b>106,076,973</b>

**Asumbi Teachers Training College**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024**16 (c). Short- term Receivables**

Description	2023/2024	2022/2023
	Kshs	Kshs
At the Beginning of the year	2,241,823	1,359,801
<b>Transferred to long –term</b>	<b>(2,241,823)</b>	<b>(1,359,801)</b>
<b>At the end of the year</b>	<b>0</b>	<b>0</b>

**16(d) Long Term Receivables**

Description	2023/2024	2022/2023
	Kshs	Kshs
At the beginning of the year	106,076,973.47	107,566,226
Transferred from short term – fee debtors	2,164,098	796,322
Transferred from short term - Rent	77,725	564,479
Recovered during the year	(3,285,411)	(2,849,054)
<b>At the end of the year</b>	<b>105,033,385.47</b>	<b>106,076,973.47</b>

**16 (e).Aging analysis of Receivables**

	2023/2024
	Kshs
Within the year	5,910,359
Beyond one year	105,033,385
<b>Total</b>	<b>110,943,744</b>

**17. Stock Account**

	Kshs
Medical items	33,720
Boarding Equipment & Stores	506,204
Stationeries	249,997
<b>Total</b>	<b>789,921</b>

**Asumbi Teachers Training College**

Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**18. Property, Plant and Equipment**

	Land	Building	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Cost</b>								
<b>At 1 July 2022</b>	9,000,000	251,660,000	20,606,770	38,000,000	1,431,000	2,994,000	4,962,292	328,654,062
Additions		0	0	0	0	0	0	0
Disposals		0	0	0	0	0	0	0
Revaluation Gain/Loss		0	0	0	0	0	0	0
<b>30<sup>th</sup> June 2023</b>	9,000,000	251,660,000	20,606,770	38,000,000	1,431,000	2,994,000	4,962,292	328,654,062
Additions	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0
Transfer/Adjustments	0	0	0	0	0	0	0	0
<b>At 30<sup>th</sup> June 2024</b>	9,000,000	251,660,000	20,606,770	38,000,000	1,431,000	2,994,000	4,962,292	343,152,062
<b>Depreciation and impairment</b>								
<b>At 1<sup>st</sup> July 2022</b>	0	0	0	0	0	0	0	0
Depreciation	0	0	0	0	0	0	0	0
Disposal	0	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0	0
<b>At 30 June 2023</b>	0	0	0	0	0	0	0	0
Depreciation	0	6,291,500	5,151,693	4,750,000	476,523	598,800	0	17,268,516
Disposal	0	0	0	0	0	0	0	0

**Asumbi Teachers Training College**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024

Impairment	0	0	0	0	0	0	0	0
Transfer/Adjustments	0	0	0	0	0	0	0	0
<b>At 30<sup>th</sup> June 2024</b>								
Depreciation	<b>0</b>	<b>6,134,212.50</b>	<b>3,863,769.5</b>	<b>4,156,250</b>	<b>317,840.84</b>	<b>479,040</b>	<b>0</b>	<b>14,951,112.84</b>
Disposal	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Impairment	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Transfer/Adjustments	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Book Values</b>								
<b>At 30<sup>th</sup> June 2023</b>	<b>9,000,000</b>	<b>245,368,500</b>	<b>15,455,077.5</b>	<b>33,250,000</b>	<b>954,477</b>	<b>2,395,200</b>	<b>4,962,292</b>	<b>311,385,546.5</b>
<b>At 30<sup>th</sup> June 2024</b>	<b>9,000,000</b>	<b>239,234,287.5</b>	<b>11,591,308</b>	<b>29,093,750</b>	<b>636,636.16</b>	<b>1,916,160</b>	<b>4,962,292</b>	<b>296,434,433.66</b>

**19. Biological Assets**

	Livestock	Forestry Plantation	Tree Nursery	Total
	Kshs	Kshs	Kshs	Kshs
<b>Cost</b>				
<b>At 30/6/ 2024</b>	<b>308,000</b>	<b>14,075,000</b>	<b>115,000</b>	<b>14,498,000</b>
Additions		0	0	0
Disposals		0	0	0
Revaluation Gain/Loss		0	0	0
<b>30<sup>th</sup> June 2023</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Additions	0	0	0	0
Disposals	0	0	0	0
Transfer/Adjustments	0	0	0	0
<b>At 30<sup>th</sup> June 2024</b>	<b>308,000</b>	<b>14,075,000</b>	<b>115,000</b>	<b>14,498,000</b>
<b>At 30 June 2024</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Depreciation	0	0	0	0
Disposal	0	0	0	0
Impairment	0	0	0	0
Transfer/Adjustments	0	0	0	0
<b>At 30<sup>th</sup> June 2024</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Book Values</b>				
<b>At 30<sup>th</sup> June 2023</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>At 30<sup>th</sup> June 2024</b>	<b>308,000</b>	<b>14,075,000</b>	<b>115,000</b>	<b>14,498,000</b>

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

**20. Trade and Other Payables From Exchange Transactions**

Description	2023/2024	2022/2023
	Kshs	Kshs
Trade payables	594,428	610,334
<b>Total trade and other payables</b>	<b>594,428</b>	<b>610,334</b>

**20 (b) Long Term Trade and Other Payables from Exchange Transactions**

Description	2023/2024	2022/2023
	Kshs	Kshs
At the beginning of the year	13,080,942	15,970,979
Transfers from short term	610,334	802,295
Trade payables paid during the year	(610,334)	(802,295)

**Asumbi Teachers Training College**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024

Long term payables paid during the year	(9,959,796)	(2,890,037)
<b>At the end of the year</b>	<b>3,121,146</b>	<b>13,080,942</b>

**20 (c) Aging Analysis of payables**

	<b>Kshs</b>
Within the year	594,428
Beyond one year	3,121,146
<b>Total</b>	<b>3,715,574</b>

**21. Deferred Income**

<b>Description</b>	<b>2023/2024</b>	<b>2022/2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Opening Prepaid	500,804	
Prepaid Fees during the year	1,635,758	500,804
MoE Dev. Fund Un utilized	284,368	284,368
Less Payment	(411,426)	
<b>Total deferred income</b>	<b>2,009,504</b>	<b>785,172</b>

**21(a). Deferred income reconciliation**

<b>Description</b>	<b>2023/2024</b>	<b>2022/2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Prepaid Fees	1,635,758	500,804
MoE Dev. Fund Un utilized	284,368	284,368
Practicum Fund Spent	0	(1,762,927)
Prepaid fees transferred to students' fees	(411,426)	(665,388)
MoE Dev. Fund brought forward	(284,368)	(284,368)
<b>Total deferred income – Cash flow</b>	<b>1,224,332</b>	<b>(1,927,511)</b>

**22. Cash Generated from Operations**

<b>Description</b>	<b>2023/2024</b>	<b>2022/2023</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Surplus/(Deficit) for the year</b>	<b>5,771,140.66</b>	<b>(16,075,466)</b>
<b>Adjusted for:</b>		
Depreciation	14,951,112.84	17,268,516
Unauthorized capital grant	(284,368)	(284,368)

<b>Working Capital Adjustments</b>		
Increase/decrease in stock	284,368	(1,074,288)
Increase/(Decrease) in Receivables from Exchange Transactions-Current	(3,668,536)	(882,022)
Increase/(Decrease) in Receivables from Non-exchange Transactions-Current	0	0
Increase in Receivables-Non current	1,043,588	1,489,253
Increase in Deferred Income	1,224,332	(1,643,143)
Employee Benefit Obligation	0	0
Decrease in Payables-Current	(15,906)	(191,961)
Decrease in Payables-Non-current	(9,959,796)	(2,890,037)
<b>Net Cash Flow from Operating Activities</b>	<b>9,345,935.50</b>	<b>(4,283,516)</b>

### **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 company'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 company does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The 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 counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

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

	<b>Total amount Kshs</b>	<b>Fully performing Kshs</b>	<b>Past due Kshs</b>	<b>Impaired Kshs</b>
<b>At 30 June 2024</b>				
Receivables from exchange transactions				
(Receivables from non-exchange transactions)				
Bank balances				
<b>Total</b>				
<b>At 30 June 2024</b>				

**Asumbi Teachers Training College**

**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024**

Receivables from exchange transactions				
Receivables from non-exchange transactions				
Bank balances				
<b>Total</b>				

**(i) Credit risk (continued)**

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

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's directors, 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. The table below represents cash flows payable by the company under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	<b>Less than 1 month</b>	<b>Between 13 months</b>	<b>Over 5 months</b>	<b>Total</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>At 30 June 2023</b>				
Trade payables			14,977,252	-
Current portion of borrowings			-	-
<b>Total</b>			<b>14,977,252</b>	<b>-</b>
<b>At 30 June 2024</b>				
Trade payables			3,715,574	-
Advance fees received			1,725,136	-
Deferred income			2,009,504	-
<b>Total</b>			<b>7,450,214</b>	<b>-</b>

**(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 on-going 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 optimizing 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.

**(iv) Interest rate risk**

Interest rate risk is the risk that the college's financial condition may be adversely affected as a result of changes in interest rate levels. The company's interest rate risk arises from bank deposits. This exposes the company to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the company's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavored to bank with institutions that offer favorable interest rates.

(iii) Market risk (Continued)

b) Interest rate risk(continued)

Sensitivity analysis

The college analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs 0 (2021: KShs0). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of KShs0 (2020 – KShs0)

**iv) Capital Risk Management**

The objective of the college's capital risk management is to safeguard the college's ability to continue as a going concern. The college capital structure comprises of the following funds:

	2024	2023
	kshs	Kshs
Revaluation reserve	326,103,330	326,103,330
Retained earnings	94,326,775.66	87,481,347
Capital reserve	16,429,264	2,215,632

## Asumbi Teachers Training College

Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024

<b>Total funds</b>	436,859,369.66	415,800,309
Total borrowings	7,450,214	14,977,252
Less: cash and bank balances	(18,844,061.93)	(9,498,126.43)
Net debt/(excess cash and cash equivalents)	(11,393,847.93)	5,479,125.57
<b>Gearing</b>	12%	6.2%

### 23 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 college, both domestic and external. Other related parties include:

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

The transactions and balances with related parties during the year are as

	2024	2023
	kshs	Kshs
<b>Transactions with related parties</b>		
<b>a) Sales to related parties</b>		
Sales of electricity to Government agencies		
Rent Income from govt. agencies		
Water sales to Govt. agencies		
Others (Specify)		
<b>Total</b>		
<b>b) Grants /Transfers from the Government</b>		
Grants from National Government	17,852,228	18,048,537.2
<b>Total</b>	<b>17,852,228</b>	<b>18,048,537.2</b>
<b>c) Expenses incurred on behalf of related party</b>		
Payments of salaries and wages for BoM employees	16,690,794.40	17,184,685
Payments for goods and services	57,227,512.95	32,924,296.45
<b>Total</b>	<b>73,918,307.35</b>	<b>50,108,981.45</b>
<b>d) Key management compensation</b>		
Directors' emoluments	515,000	397,500
<b>Total</b>	<b>74,433,307.35</b>	<b>50,506,481.45</b>

**20 EVENTS AFTER THE REPORTING PERIOD**

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

**21 ULTIMATE AND HOLDING COLLEGE**

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.

**22 CURRENCY**

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

**23. APPENDICES**

**Appendix I: Implementation status of auditor General recommendations**

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

Reference No. on the external auditReport	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
1	<p><b>Unsupported Valuation of Property, Plant and Equipment</b></p> <p>The statement of financial position and Note 18 to the financial statements reflects property, plant and equipment balance of Kshs.328,654,062. Review of records revealed that the institution's total assets were revalued at Kshs,323,691,770, resulting in a revaluation loss of Kshs.7,617,562. However, the revaluation loss has not been recognized as an expense in line with IAS 16.40 which requires that a decrease arising as a result of a revaluation should be recognized as an expense in the statement of financial performance to the extent that it exceeds any amount previously credited to the revaluation surplus relating to the same asset. In addition, even though Management appreciates that depreciation is expected to be charged annually, the assets were not depreciated contrary to the requirements of IAS 16.55 which provides that depreciation begins when the asset is available for use and continues until the asset is derecognized, even if it is idle.</p> <p>In the circumstances, the accuracy, completeness and fair presentation of property, plant and equipment balance of Kshs.328,654,062 could not be confirmed.</p>	Assets Depreciated	Resolved	Resolved
2	<p><b>Undisclosed Biological Assets</b></p> <p>The statement of financial position reflects total non-current assets balance of Kshs.436,220,288 which includes a balance of Kshs.328,654,062 in respect of property, plant and equipment and Kshs.107,566,226 in respect of long-term receivables from exchange transactions. However, field verification exercise of the College's assets undertaken on 14 March,2023 revealed existence of biological assets including livestock (cows, sheep, pigs) and tree</p>	Value Engaged	Valuation completed	Resolved

**Asumbi Teachers Training College**

Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
	<p>plantations, of undetermined value, which were not disclosed in the statement of financial position.</p> <p>In the circumstances, the accuracy and completeness of the total non-current assets balance of Kshs.436,361,731 could not be confirmed.</p>			
3	<p><b>Unsupported Long-Term Receivables from Exchange Transactions Balance</b></p> <p>The statement of financial position and Note 16(b) to the financial statements reflects long term receivables from exchange transactions balance of Kshs.107,566,226 which relates were outstanding for over ninety (90) days. However, a detailed ledger showing the support of the balance, was not provided for audit. The debt recovery policy in place was also not provided. In addition, Management did not provide for audit fees balance statements for students who completed school but still had fee arrears, list of students who may have deferred and those who have terminated their studies due to financial difficulties or any other reason. In the circumstances, the accuracy, completeness and recoverability of the long-term receivables from exchange transactions balance of Kshs.107,566,226 could not be confirmed.</p>	List of Receivable analysis provided	List available	
4	<p><b>Lack of Ethnic Diversity in Staff Composition</b></p> <p>Review of employees' records revealed that out of the College's sixty-two (62) to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states in the employment of staff and 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.</p>	The current staff are on permanent terms Upon retirement, the BoM will recruit new staff in compliance with the law	A newly recruited staff comes from non dominant community	
5	<p><b>Failure to Report Long-Term Trade and Other Payables</b></p> <p>The statement of financial position and Note 23 reflects long term trade and other</p>	Outstanding amount reduced significantly	Kshs 3,715,574	1 year

**Asumbi Teachers Training College**

**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
	<p>payables balance of Kshs.15,970,979. However, review of aging analysis and other records revealed that the College has been unable to meet its creditor obligations for a long period of time with a balance having remained unsettled for more than one (1) year as at the closure of the financial year under review and Management has not made a report contrary to the provisions of Regulation 55 of the Public Finance Management (National Government) Regulations, 2015 which requires an Accounting Officer of a national government entity shall not later than the 10th day of each month submit a monthly financial and non-financial budgetary report in the format to be issued by the Cabinet Secretary relating to the activities of his or her national government entity for the preceding month to the National Treasury with copies to the Controller of Budget and the Auditor General which shall include pending payments with an age of over ninety days.</p> <p>In the circumstances, Management was in breach of the law.</p>	<p>from kshs. 13,691,276 to kshs. 3,715,574 currently</p>		
6	<p><b>Lack of Approved Staff Establishment</b></p> <p>As previously reported, review of human resource records revealed that the College had systems, procedures, structures, skilled and competent staff are in place at the optimal level to deliver its mandate to the students and other stakeholders.</p> <p>In the circumstances, the optimal number required for effective operations could not be confirmed.</p>	<p>Available</p>		
7	<p><b>Lack of an Internal Audit Unit and Audit Committee</b></p> <p>As previously reported, Management had not established an internal audit unit to provide assurance on the state of risks, its management and controls in the College. Further, the College did not have an audit committee to monitor the its governance process,</p>	<p>BoM audit committee in place, MoE Internal audit to carry out internal audit services</p>		

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
	<p>accountability process and control systems and to offer objective advice on issues concerning risk, control, regulatory requirements and governance.</p> <p>In the circumstances, the effectiveness of the systems of internal controls and governance could not be confirmed.</p>			
8	<p><b>Lack of Risk Management Policy and Strategy</b></p> <p>As previously reported, the College did not have an approved Risk Management Policy and Framework including strategies and procedures put in place to assess, identify, measure, prioritize and mitigate risks in the College. As a result, Management lacked a mechanism to help in detection and mitigation of any possible risk to the institution. In the circumstances, the effectiveness of risk management systems could not be confirmed.</p>	Available		
9	<p><b>Lack of Approved Information Technology Security Policy</b></p> <p>Review of the College's information technology systems revealed that it did not have an approved IT policy for governance and management of its ICT resources. In addition, there is no ICT steering committee in place to assist in the development of ICT policy framework to enable the college to realize long-term ICT strategic goals. Lack of an approved IT policy may result in an unclear direction regarding maintenance of information security across the organization and safeguarding the College's ICT assets. Further, without a sound and approved framework, users do not have any rules and procedures to follow in order to minimize risk of errors, fraud and the loss of data confidentiality, integrity and availability.</p> <p>In the circumstances, the security and confidentiality of the College's ICT resources could not be confirmed.</p>	Available		

**Asumbi Teachers Training College**

Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
10	<p><b>Lack of an Updated Assets Register and Management Policy</b></p> <p>Review of records revealed that the college did not maintain an up-to-date register of fixed assets, indicating assets cost, category, depreciation rates, and locations. In addition, the assets of the College could not be tracked as they were not tagged or coded. Further, the assets, including defining the depreciation methods, rates and controls on movement and tracking of assets.</p> <p>In the circumstances, the effectiveness of internal controls in the management of fixed assets could not be confirmed.</p>	Assts register in place	Resolved	Resolved
11	<p><b>Use of Asbestos Roofing on the College's Buildings</b></p> <p>Audit inspection of the College's buildings revealed that a number of them had asbestos and replacement. This contrary to the provisions of Chapter 3 of the Environmental Management and Coordination (Waste Management) Regulations, 2006 on safe management and disposal of asbestos, which highlights precautionary measures to be undertaken by owners/management of facilities with asbestos to mitigate the risks in view of their adverse health effects.</p> <p>In the circumstances, Management is exposing the surrounding air to risk of inhaling fibres which may lead to serious chronic health problems.</p>	<p>The college seeks for Financial support to remove asbestos from the roofs.</p> <p>Safaricom Foundation assisted the College to replace the asbestos roof on the Learning Resource Centre.</p>		

Accounting Officer  
Name Sikuku Stellah P.

Chief Principal

Signature



Date.28/09/2024