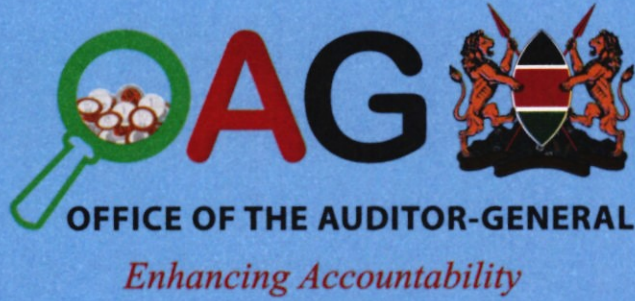


REPUBLIC OF KENYA



REPORT

PARLIAMENT
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OF

THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 05 JUN 2024 DAY: WEDNESDAY

TABLED BY: HON. WILANJIKO MUTIA MP

CLERK AT THE TABLE: M. MADO

CHESTA TEACHERS TRAINING COLLEGE

FOR THE YEAR ENDED
30 JUNE, 2023



CHESTA TEACHERS TRAINING COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30TH JUNE 2023**

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

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1. Acronyms & Glossary of Terms

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

2. Key Entity Information and Management

(a) Background Information

Chesta Teachers Training College is a Public Diploma Primary Teacher Training College situated in the lowlands of Pokot Central Sub-County about 103kilometres East of Kapenguria. Her name “Chesta” is derived from the Pokot language word meaning “Star”.

The college was founded as a private entity by a group of ELCK missionaries who set up a mission centre in the area in 1979. By 2013 the college was deemed not viable leading to its closure. It was re-established and registered by the Ministry of Education on 4th April2014. The college runs Teacher Training Regular Programme, School Based Programme and ECDE Diploma and Certificate Courses.

(b) Principal Activities

The Mandate of Chesta Teachers Training College as per Basic Education Act 2013 is to prepare teacher trainees for DPTE, DECTE and SBA examinations, expose them to practical teaching practices, equip them with the right knowledge, skills, attitudes for the 21st century teacher and enhance their methodological approaches in various learning areas.

i. Vision Statement

To be a National Centre of Excellence in Teacher Training

ii. Mission Statement

To Produce Disciplined and Competent Teachers through Holistic Training

iii. Strategic Objectives

1. To institutionalize an efficient management system in the college to enhance quality service delivery.
2. To ensure that all teacher trainees are adequately prepared to teach competently and effectively in primary schools in Kenya and beyond.
3. To create an enabling environment for moulding caring, responsible and adaptive teachers.
4. To design and implement programs that will enable student teachers to discover and develop their talents.
5. To provide and maintain adequate facilities for optimal use in teaching and learning.
6. To enhance teaching and non-teaching staff for better performance.
7. To initiate and sustain income generating projects to supplement the college budget.
8. To develop programs and strategies that address emerging issues in education and training.

Chesta Teachers Training College
Annual Report and Financial Statements for the year ended 30th June 2023

Key Entity Information and Management (Continued)

(c) Key Management

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

Board of Management

Chief Principal

Deputy Principal

Dean of Curriculum

Dean of Students

Finance Officer

(d) Fiduciary Management

The key management personnel who held office during the period ended 30th June, 2023 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Principal	Mr. Duncan Okwaro
2.	Deputy Principal	Mr. Motondi Gerard Oroo
4	Dean of Curriculum	Mr. J.M. Gitau
5	Dean of students	Mrs IreenChumo
6	Head of Finance	Mr. Milton Tuei

(e) Fiduciary Oversight Arrangements

The Chesta Teachers' College Fiduciary oversight is mainly done by the Board of Management through its committees which report to the full Board of Management.

The oversight committees are;

1. Finance, Procurement and General-Purpose Committee
2. Audit Committee

External oversight authorities include the County Schools Auditor, and the Public Procurement Regulatory Authority (PPRA)

3. Discipline, Ethics and Integrity Committee
4. Human Rights and Students' Welfare Committee
5. Academic Standards, Quality and Environment Committee

Key Entity Information and Management (Continued)

(f) Chesta Teachers' Training College Postal Address

P.O. Box 5-30603

Wei-Wei

KENYA

(g) Chesta Teachers' Training College Contacts

Telephone: (+254) 0722272884

E-mail: info@chestattc.ac.ke

Website: <http://www.chestattc.ac.ke>

(h) Chesta Teachers' Training College Banker

Equity Bank of Kenya

Kapenguria Branch

P.O. Box 75104-00200

Nairobi, Kenya

(i) Independent Auditors

Auditor General

Office of Auditor General

Anniversary Towers, Institute Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(j) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200





Nairobi, Kenya

3. THE BOARD OF MANAGEMENT

S/NO.	NAME /PASSPORT	MEMBER'S DETAILS
1.	 Mr. Jackson K. Pengat	Date of birth: 1977 Academic Qualification: MA, BA Work experience: Financial Management Responsibility: Board Chairman
2.	 Mrs. Selina Mayodi	Date of birth: 1978 Academic Qualification: MA, BA Work experience: Community Development Responsibility: Deputy Chairperson
3.	 Mr. Duncan Okwaro	Date of birth: 1968 Academic Qualification: BA Work experience: Senior Principal Responsibility: Board Secretary
4.	 Rev. Andrew Ngeiywa	Date of birth: 1975 Academic Qualification: MA, BA Work experience: Theologian Responsibility: Chairman Human Rights and Students' Welfare Committee
5.	 Mrs. Hellen Koringura	Date of birth: 1970 Academic Qualification: MA, BA Work experience: Teacher Responsibility: Member Finance, Procurement and General-Purpose Committee



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6.	 Dr. Robert W. Oduori	Date of birth: 1968 Academic Qualification: PhD, MA, BA Work experience: Lecturer Moi University Responsibility: Chairman Academic Standards, Quality and Environment Committee
7.	 Mr. Stephen P. Nalelia	Date of birth: 1956 Academic Qualification: BA Work experience: Responsibility: Chairman Discipline, Ethics and Integrity Committee
8.	Ms. Juliana Cheyech	Date of birth: 1983 Academic Qualification: Diploma Work experience: Nurse Responsibility: Member Audit Committee
9.	 Mr. James Loporna	Date of birth: 1976 Academic Qualification: BA Work experience: Human Resource Officer Responsibility: Member Discipline, Ethics and Integrity Committee
10.	 Mr. Salim Matala	Date of birth: 1975 Academic Qualification: Masters Work experience: Medical Lab Officer Responsibility: Chairman Finance, Procurement and General-Purpose Committee
11.	Hon. Christine Pedo	Date of birth: 1972 Academic Qualification: Diploma Work experience: Social Worker Responsibility: Member Human Rights and Students' Welfare Committee

Chesta Teachers Training College

Annual Report and Financial Statements for the year ended 30th June 2023





12.	 Ms. Elizabeth Chepkoto	Date of birth: 1972 Academic Qualification: Diploma Work experience: Social Worker Responsibility: Member Discipline, Ethics and Integrity Committee
13.	 Ms.DomtilaChesang	Date of birth: 1988 Academic Qualification: B.Ed Work experience: Ngo' Gender Officer Responsibility: Member Human Rights and Students' Welfare Committee
14.	 Mr. Reuben Cheprot	Date of birth: 1968 Academic Qualification: Masters Work experience: Lecturer Chesta TTC Responsibility: Member Academic Standards, Quality and Environment Committee
15.	 Mr. Richard Krop	Date of birth: Academic Qualification: Masters Work experience: Kenya Water Towers Agency Responsibility: Member Finance, Procurement and General-Purpose Committee
16.	 Mr.Moutich Kelvin	Date of birth: Academic Qualification: P1 Cert Work experience: Teacher Responsibility: Member Human Rights and Students' Welfare Committee
17.	 Ms. Priscilla Chebet	Date of birth: Academic Qualification: MA, BA Work experience: Head of County Budget W. Pokot Responsibility: Chairperson Audit Committee

Chesta Teachers Training College

Annual Report and Financial Statements for the year ended 30th June 2023

18.	Mr. Benard Kimachas	Date of birth: Academic Qualification: MA, BA Work experience: TSC-County Director W. Pokot Responsibility: Ex-Officio member
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4. KEY MANAGEMENT TEAM

S/NO.	NAME/PASSPORT	DETAILS
1.	 Mr. Duncan Okwaro	Secretary BOM/Senior Principal
2.	 Mr. Motondi Gerard Oroo	Deputy Principal
3.	 Mr. John Gitau M.	Dean of Curriculum
4.	Mrs Irene Chumo	Dean of students
5.	 Mr. Milton Tuei	Finance Officer

5. BOM Chairman's Statement

Dear Stakeholders,

It gives me great pleasure to present to you a brief statement on the mandate, challenges and the way forward for Chesta Teachers Training College for the year 2023.

The cardinal mandate of Chesta Teachers Training College as enshrined in Basic Education Act 2013 is to prepare teacher trainees for Pre-Service Diploma in Primary Teacher Education (DPTE) and Diploma in Early Child Teacher Education (DECTE). The college also offers Upgrade Diploma in Primary Teacher Education (UDPTE) and Upgrade Diploma in Early Child Teacher Education (UDECTE) courses. We seek to expose teacher trainees to practical teaching exercises to equip them with the right knowledge, skills, attitudes for the much needed 21st century teacher. As a college we not only endeavour to enhance pedagogical approaches in various learning areas but also provide transformative leadership that is a requisite to sustainable socioeconomic development. It is our undertaking to ensure that Chesta Teachers Training College has a credible Strategic Plan and Performance Contract that delivers the desired goals. It is also our undertaking that we perform our responsibilities diligently and to the best of our abilities to support the Governments Big Four Initiatives of Food Security, Universal HealthCare, Affordable Housing and Manufacturing for the realization of the Bottom-Up Model Economy.

Towards this end, the board enhanced food security by expanding the Kitchen Garden to 3 acres where we plant maize and vegetables. On universal healthcare, the board put up a Health Unit for use by the college community. On affordable housing, the college constructed a 96-bed capacity male hostel vide MoE Kshs.3,540,000 grants. We thank the government for this endeavor. The county government of west Pokot County has tendered for the completion of a 500-bed capacity female hostel that was lying incomplete in the college. This project is scheduled to be ready for utilization by end of October 2023. We are very grateful to the West Pokot County Government for this project. The biggest challenge the college faces lies in inadequate infrastructure. Currently there is no single staff house on the compound. This leaves students highly vulnerable especially at night when no member of staff is available for their attention. Moving forward, we appeal to well-wishers for funding the college infrastructure especially in house the academic staff this will make adequate supervision and a close attention to the clients especially when senior managers are housed in the college compound.

I feel humbled to thank each one of our students, employees, partners, shareholders, suppliers, lenders and community at large for their continued support in building and developing this college. God bless Chesta TTC.



BOM CHAIRMAN

6. Report of the Chief Principal

Chesta Teachers Training College is mandated to train teachers and prepare them for their summative assessment. Apart from exposing them to practical teaching exercises, the college also equips them with the right knowledge, skills and attitudes needed for the 21st century teacher. During the 2022/2023FY, it was our responsibility to provide the required leadership in designing suitable plans and strategies that contribute to high and sustainable socioeconomic development of the college as a whole. Chesta Teachers Training College has a credible Strategic Plan Performance Contract targets that deliver the desired goals. As leaders of the college, we have performed our responsibilities diligently and to the best of our abilities.

During the 2022/2023FY, the college participated favorably and competitively in a number of co-curricular activities. Our students presented four items during the National Drama and Film Festivals held in Mombasa.

The institution also participated in Kenya Teachers Colleges Sports Association, Rift Valley regional Ball Games championship in Baringo TTC and Athletics Championship at Mosoriot TTC. They also took part in NEMA organized debate at the same venue. The performance was indeed satisfactory considering our small population with limited talents. Our trainers and team managers were identified and appointed to lead regional teams to the National levels at Thogoto TTC for Ball Games Championships. We thank God for these achievements.

The college administration has endeavoured to follow the MoE Financial Management guidelines. Our books of accounts were audited by the auditor general up to the year 2022/2023. The college was received a Qualified Opinion Report. The recommendations made in the audit report are being implemented in a phased-up approach. All fees and other payments are done through the college Easy Pay Bill 247247, A/c No 301593 or bank directly in the college account. This has greatly improved ease of fees collections. Through competitive tendering we get our supplies and make payments within 30 days after delivery. All current suppliers have been paid up to date and we hope that we shall maintain this trend regardless of hard economic times and price fluctuations. The college management is committed to prudent use of public resources under its watch, with a view to maximize the utility of the resources for the good of the public.

Although we met most of our obligations set for this year. Our biggest challenges were and are still twofold. Firstly, we do not have a functional library. A library as a source of knowledge creation is a key to learners' academic achievements. An educational institution that lacks a library severely hampers

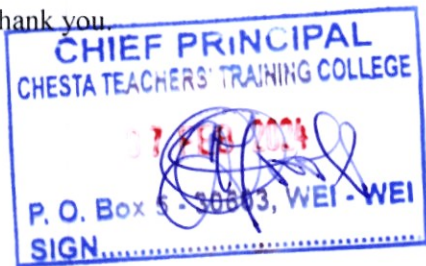
Chesta Teachers Training College
Annual Report and Financial Statements for the year ended 30th June 2023

learners' access to new information and knowledge. This translates to retarded performance and development of the core mandate of Chesta Teachers' Training College an educational institution. The MOE officials visited the college to ascertain development of an e-enabled resource Centre. The management highly appreciates the anticipated development of this project for it will have an immense impact on improved academic performance of our students.

Secondly, there are no utility vehicle in college. The land Rover that was being utilized for this purpose grounded and requires close to Kshs.3 million for repair. We request for attention to mitigate this situation since cases of emergencies can be a challenge when the situations arise.

In conclusion the management fully embraces the new financial reporting guidelines and will strive to adhere and comply as required by the law. We remain open for guidance in this endeavour.

Thank you.



DUNCAN MAKUNGA OKWARO
CHIEF PRINCIPAL/SECRETARY TO BOM

Chesta Teachers Training College

Annual Report and Financial Statements for the year ended 30th June 2023

7. Statement of Performance against Predetermined Objectives

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

Chesta Teachers' Training College has nine strategic goals and objectives within its Strategic Plan for the FY's 2018-2022. These strategic goals are as follows:

1. Curriculum issues.
2. Students' affairs issues.
3. Human resource development
4. Resource mobilization.
5. Physical facilities.
6. Emerging issues in Education ISO certification.
7. Corruption eradication.
8. Health environment and safety
9. Promote ICT and e-learning

Chesta Teachers' Training College develops its annual work plans based on the above nine goals. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Board achieved its performance targets set for the FY 2022/2023 period for its eight strategic goals, as indicated in the diagram below.

No	Strategic Pillar	Objectives	Key Performance Indicators	Activities	Achievements
1	Curriculum Issues	To improve the college DPTE and DECTE academic performance	-Improved content coverage -Improved DPTE/DECTE performance	-Introduce extra lessons where necessary Routine assessment of trainees -Recognize staff who demonstrate excellence in improving in DPTE/DECTE exams	-Timely syllabus coverage -Documented assessment scores -Motivated staff and trainees
		To enhance timely coverage of the syllabus	Availability of lecturers and students	-minimize absenteeism of students and lecturers	-Well prepared and motivated staff and learners
		Set and administer standard internal tests	-Students' performance in internal exams -Reports from internal quality assurance	-Train lecturers on DPTE/DECTE setting format -Source and revise DPTE/DECTE Past papers	-Students' performance routinely done - internal quality assurance data documented
2	Students' Affairs Issues.	Enhance student-centred services and processes that effectively address their needs	-Learner centred programs/projects -Internal students' affairs policy	-Create a supportive, rewarding and equitable work environment -Develop and implement policies to address students' needs.	-Enhanced student-centred services that promote learning -Motivated and self-esteemed trainees

Chesta Teachers Training College

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No	Strategic Pillar	Objectives	Key Performance Indicators	Activities	Achievements
				-Creation of assessments of different college units of how they contribute to students' acquisition of core competencies	
		Provide students access to affordable, quality internet services and instructional materials.	Rate of e-library usage	-Develop policies that enable access to information and instructional materials.	-sufficient access to internet services and instructional materials.
		Streamline college services and processes for incoming students	-Set admission board -set joining instructions/ rules and regulations -Admission timetable	-Proper orientation mechanism put in place -Provide more personalized support services -Improve entry-level placement process and developmental education.	-DOC
		To bring about an emotionally controlled person who is psychologically and socially fit for life challenges	-Number of counselled students -Reduction in indiscipline incidences	-Guide students to focus on personal goals and their career -Establish effective mechanisms to help errand students -Invite speakers to talk on emerging issues e.g. drug abuse, career improvement, etc -Strengthen counselling services to reduce cases of indiscipline -Identify need students -Equip students in guiding and counselling skills	Emotionally controlled learners whose socialization skills are psychologically fit.
3	Human resource development.	-Improve performance of both academic and non-academic staff	-achievement of set Performance targets	-Capacity building -setting Performance contracting targets	-achieved Performance contracting targets
		Identify compelling gaps	Skill-gaps identification and capacity building of academic and non-academic staff.	Form competence and gap identification committee -capacity build the staff -bench marking	Identified skill gaps in ICT

Chesta Teachers Training College

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No	Strategic Pillar	Objectives	Key Performance Indicators	Activities	Achievements
		Retain motivated staff	-Appraisals -Certifications -Tours	-positive reinforcements -academic and non-academic tours -staff motivation	-Retained and motivated staff
4	Physical facilities	-Construction of college clinic -Completion of a 100-student male hostel	- functional college clinic -Modern male hostel	-Source funds from MoE	-Constructed college clinic -Completed a 100 male student hostel
		-Completion of a 500-bed capacity female hostel.	-functional modern female hostel	-Source funds from county Government of West Pokot -Fees from students	-Completion of a 500-bed capacity female hostel.
		-Construct of an e-enabled LRC	-Modern e-enabled LRC	- Government of West Pokot and MoE	-surveyed and identified e-enabled LRC site
		Construct a multi-purpose hall	-Modern multi-purpose hall	Source for funds from CDF and National Government	Proposals on construction of multi-purpose hall done.
5	Emerging issues in Education ISO certification.	-Fast track certification of ISO 9001-2023	-ISO Certification	-Undertake fast tracking ISO certification in college management and operations	-Principal -HOS -DOC
6	Corruption eradication & addressing of public complains.	Eradicate Corruption and address Public Complaints	-Anti-corruption policy put in place -Anti-corruption committee put in place	-Establish college anticorruption committee -Develop a college anticorruption policy -Create preventive anti-corruption mechanism -Check and address public complaints adequately	-Anti-ccorruption posters displayed in the compound -Record of public complains availed.
7	Health Environment and Safety	-To prevent HIV/AIDS, COVID 19 and other infections -To provide care and support for those infected/ affected -To prevent alcohol and drug abuse among staff and students -To engage the members of the institution in environmental conservation	-Quarterly NACADA reports - HIV/AIDS, COVID 19 awareness campaigns and committee reports	-Put in place a program for creating awareness on HIV/AIDS -Undertake capacity building for students and staff on HIV/AIDS -Establish mechanism for the prevention of alcohol and drug abuse in the institution	HIV/AIDS, COVID 19 and other infections managed -college community participate in environmental conservation activities.

Chesta Teachers Training College

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No	Strategic Pillar	Objectives	Key Performance Indicators	Activities	Achievements
		activities			
8	Disability Mainstreaming	-Identify cases of disability among students and staff -Develop strategy to empower persons living with disability	-Special needs club -Peer support club	-Establish a special needs club -Develop a disability friendly club -Develop peer support groups	-Principal -DOS -HOD -HOS

8. Corporate Governance Statement

The Appointment Boards of Management of Public Teacher Training Colleges is done under section 55 of the Basic Education Act 2013. Under this Act, the Education cabinet secretary shall, by regulations prescribe the qualifications for persons who may be appointed to or co-opted into the Board of Management. (55(i). According to the Act, the Board shall consist of: -

- (a) Six persons elected to represent parents (in case of Teacher Training Colleges, the six persons will represent the community)
- (b) One person nominated by the County Education Board
- (c) One representative of the Teaching staff
- (d) Three representatives of the sponsors of the College where applicable
- (e) One person to represent special interest groups in the community
- (f) One person to represent persons with special needs, and
- (e) One representative of the students’ council who will be an *ex-officio* member.

In Chesta Teachers’ College, there are 14 BOM members in compliance with the requirements of the Act.

The cabinet Secretary, Ministry of education through the County director of education, makes appointments. A board of Management holds office for a period of Three years, renewable.

The functions of the Board are stipulated in the Education act and are as follows.

- (a) Promote the best interests of the institution and ensure its development;
- (b) Promote quality education for all pupils in accordance with the standards set under this Act or any other written law;
- (c) Ensure and assure the provision of proper and adequate physical facilities for the institution.
- (d) Manage the institution’s affairs in accordance with the rules and regulations governing the occupational safety and health.

Chesta Teachers Training College
Annual Report and Financial Statements for the year ended 30th June 2023

- (e) Advise the County Education Board on the staffing needs of the institution;
- (f) Determine cases of pupils' discipline and make reports to the County Education Board;
- (g) Prepare a comprehensive termly report on all areas of its mandate and submit the report to the County Education Board.
- (h) Facilitate and ensure the provision of guidance and counselling to all learners.
- (i) Provide for the welfare and observe the human rights and ensure safety of the pupils, teachers and non-teaching staff at the institution;
- (j) Encourage a culture of dialogue and participatory democratic governance at the institution;
- (k) Promote the spirit of cohesion, integration, peace, tolerance, inclusion, elimination of hate speech, and elimination of tribalism at the institution;
- (l) Encourage the learners, teachers and non-teaching staff and other, parents and the community, and other stakeholders to render voluntary services to the institution.
- (m) Allow reasonable use of the facilities of the institution for community, social and other lawful purposes, subject to such reasonable and equitable conditions as it may determine including the charging of a fee.
- (n) Administer and manage the resources of the institution.
- (o) Receive, collect and account for any funds accruing to the institution;
- (p) Recruit, employ and remunerate such number of non-teaching staff as may be required by the institution in accordance with this Act; and
- (q) Perform any other function to facilitate the implementation of its functions under this Act or any other written law.

The Board provides for formation of committees of the Board as follows

- (a) Finance, procurement and general purposes committee;
- (b) Academic standards, quality and environment committee;
- (c) Discipline, ethics and integrity committee;
- (d) Audit committee; and
- (e) Human rights and student welfare committee

Boards of Management once nominated, are sworn in by the County Director of Education–MOE.

The Board of Management members do not draw any salaries, but are reimbursed fare and lunches whenever they attend Board Meetings at a rate discussed and agreed by members and sanctioned by the county Director of Education, subject to availability of funds.

A member of the Board can be removed from office if the member resigns and communicates the decision in writing, or fails to attend 3 consecutive Board meetings without apology. The Board secretary

is then required to notify the nominating entity of the situation with a view of finding a suitable replacement.

In all full Board Meetings and meetings of committees of the Board, a conflict-of-interest register is kept and signed by members after the agenda of the day has been adopted.

The Board of management comes up with the citizens' service charter for the institution and reviews it from time to time.

The performance of the Board of Management is closely monitored by the County director of education, who can recommend to the cabinet secretary of Education to dissolve a Board of Management at any time during the tenure of the Board.

9. Management Discussion and Analysis

In this year, Chesta Teachers' Training College was able to do some improvements and innovations. These include; lighting points extended in the college compound, Provision of 10 dining tables and 20 benches, painting of Boardroom, internet installation of extra 5mbps, extension of water tap points etc. All were possible through prudent management of finances.

10. Corporate Social Responsibility statement/Sustainability Reporting.

Chesta Teachers Training College exists to transform lives. This is our purpose; the driving force behind everything we do. It is what guides us to deliver our strategy, which is founded on five pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

1. Sustainability strategy and profile

Chesta Teachers Training College is a Government facility funded fully by the Government through Student fees and MOE grants. The College management strives to make prudent use of the available resources to maintain and improve the existing college facilities.

2. Environmental Performance

Chesta Teachers Training College is situated in the lowlands of Pokot Central Sub-County about 103 Kilometres East of Kapenguria. The college has a constant and sufficient supply of gravity and borehole water. The availability of enough clean water has ensured high standards of cleanliness in the college.

The college periodically invites the National Environment Management Authority (NEMA) to come to audit our environmental situation, and give recommendations that are then acted upon.

3. Employee welfare

Chesta Teachers college's non-teaching staff Employees are hired and paid by the Board of Management and deployed to suitable workstations within the college. The remunerations of the employees are in strict adherence of the SCR recommendations on salaries and allowances. Where casuals are employed, the Board adheres to the existing labour laws and pays the recommended minimum wages.

All statutory deductions payable by an employee (i.e. PAYE, NSSF, NHIF and SACCO DUES) are duly deducted and remitted every month.

Progression from one job group to a higher one is effected upon recommendation of the BOM.

The Board aims at motivating all the college employees through supply of adequate working equipment, uniforms and tools where applicable.

4. Market Place Practices

Chesta Teachers College operates under its citizen's service charter and signs performance Contract with MOE to ensure that best practices are in place in the college.

The College also maintains strict adherence to PPRA guidelines in its procurement procedures.

5. Community Engagements

In the spirit of corporate social responsibility, the college has allowed unlimited access of the college field to the local community sportsmen and women

The college has always maintained a cordial relationship with the neighbouring community. In this year, the college sold vegetables, milk to the community traders at a subsidized price.

The college also has connected piped water to the community.

Corporal/social responsibilities

11. Report of the Board of Management.

The Board of Management submitted their report for the year ended 30th June, 2023, which shows the state of the college affairs.

Principal activities

The principal activities of Chesta Teachers College continue to be Training of Teachers to teach in Primary schools in Kenya.

Results

The results of Chesta Teachers College for the year ended 30th June, 2023 are set out on pages 1.

Board of Management

The members of the Board of Management who served during the year are shown on page vii. During this year, no Board Member resigned.

Auditors

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

By Order of the Board



DUNCAN OKWARO
BOM Secretary
Private Bag 5-30603
WEI-WEI
07/2/2024

12. Statement of Board of Management Members' Responsibilities

Section 81 of the Public Finance Management Act, 2012 and Basic Education Act 2012 require the BOM members to prepare financial statements in respect of Chesta Teachers Training College, which give a true and fair view of the state of affairs of the college as at 30th June, 2023 and the operating results of the college for the quarter. The BOM 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 BOM members are also responsible for safeguarding the assets of the college.

The BOM members are responsible for the preparation and presentation of the college's financial statements, which give a true and fair view of the state of affairs of the college for and as at 30th June, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the college; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The BOM 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 Basic Education Act 2012. The BOM members are of the opinion that the College's financial statements give a true and fair view of the state of entity's transactions as at 30th June, 2023 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 BOM 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.

REPUBLIC OF KENYA

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HEADQUARTERS
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON CHESTA TEACHERS TRAINING COLLEGE FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management, and overall governance systems are properly designed and were working effectively in the financial year under review.

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 Chesta Teachers Training College set out on pages 1 to 48, which comprise of the statement of financial position as

Report of the Auditor-General on Chesta Teachers Training College for the year ended 30 June, 2023

at 30 June, 2023 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Chesta Teachers Training College as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Basic Education Act, 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Revenue from Exchange Transactions

The Statement of financial performance reflects revenue from exchange transactions of Kshs.4,394,333 comprising of rendering of services – fees from students amount of Kshs.2,176,828, sale of goods amount of Kshs.432,135 and rental revenue from facilities and equipment amount of Kshs.451,000 and miscellaneous income of Kshs.1,334,370 as disclosed in Notes 10 to 14 of the financial statements. However, supporting ledgers and revenue schedules supporting respective revenue items were not provided for audit.

In the circumstances, the accuracy and completeness of revenue from exchange transactions amount of Kshs.4,394,333 could not be confirmed.

2. Unsupported Use of Goods and Services Expenditure

The statement of financial performance reflects use of goods and services amount of Kshs.7,249,675 as disclosed in Note 15 to the financial statements. However, general ledgers and payment schedules supporting respective expenditure items were not provided for audit.

In the circumstances, the accuracy and completeness of use of goods and services amount of Kshs.7,249,675 could not be confirmed.

3. Failure to Value Assets

3.1 Inventories

The statement of financial position reflects inventories balance of Kshs.251,740 comprising of Kshs.29,500, Kshs.52,000 and Kshs.170,240 of consumable stores, maintenance stores and stationery stores respectively as disclosed in Note 29 to the financial statements. However, no evidence of stock take and valuation as at 30 June, 2023 was provided for audit. This was contrary to paragraph 15 of the International Public Sector Accounting Standards (IPSAS) 12 on Inventories, which

stipulates that inventories shall be measured at the lower of cost and net realizable value, except as provided for.

3.2 Biological Assets

The statement of financial position reflects biological assets balance of Kshs.551,000 comprising of Kshs.331,000 and Kshs.220,000 for cattle and goats respectively as disclosed in Note 34 to the financial statements. Further, the College has significant number of various types of trees at different levels of maturity and vegetables garden.

However, the biological assets balance of Kshs.551,000 excludes undetermined value of various types of trees at different levels of maturity owned and controlled by the College. Further, no evidence of the College's cattle and goats being measured and valued as at 30 June, 2023. This was contrary to Paragraph 16 IPSAS 27 on Agriculture, which states that a biological asset shall be measured on initial recognition and at each reporting date at its fair value less costs to sell, except for the case described in paragraph 34 where the fair value cannot be measured reliably.

In the circumstances, the accuracy and completeness of inventories and biological assets balance of Kshs.251,740 and Kshs.551,000 respectively could not be confirmed.

4. Unsupported Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment net balance of Kshs.55,628,693 comprising of land, buildings, computers, furniture and fittings, motor vehicles and plant and equipment as disclosed in Note 31 to the financial statements. However, the College does not have proof of ownership in form of land title deed for its land measuring approximately fifty-six (56) acres estimated at Kshs,5,400,000. Further, the log books of the two (2) College buses whose total cost amount was Kshs.8,400,000 are jointly owned with Equity Bank Limited yet the College completed repaying loan to finance the buses by 01 March 2017. No evidence was provided of the Management's effort to have the vehicles transferred to the College.

In the circumstances, the accuracy and ownership of land and motor vehicles included in the property, plant and equipment balance of Kshs.55,628,693 could not be confirmed.

5. Overdue Fees Arrears

The statement of financial position reflects receivables from exchange transactions of Kshs.5,492,101 as disclosed in Note 27 to the financial statements. The balance relates to fees arrears owed by former students out of which Kshs.4,914,537 has been outstanding from the years ended 30 June, 2016 and earlier. However, Management has not provided measures or efforts put in place to collect the debts. This was contrary to Regulation 83(2)g of the Public Finance Management (National Government) Regulations, 2015 which requires that Management should pursue debtors to ensure that amounts receivable are collected and banked promptly. Further, no provision for bad and doubtful debts was made for the possible non-recoverability of part of the receivables.

In the circumstances, the accuracy, existence and completeness of receivables from exchange transactions balance of Kshs.5,492,101 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects approved final revenue budget and actual on comparable basis of Kshs.30,703,918 and Kshs.11,305,586 respectively resulting to an under-collection of Kshs.19,398,332 or 63% of the budget. Similarly, the College expended an amount of Kshs.19,660,433 against an approved budget of Kshs.30,703,918 resulting to an under-expenditure of Kshs.11,043,485 or 36% of the budget.

The under-collection and under-expenditure of the budget may have impacted negatively on service provision to the students and staff of the College.

My opinion is not modified in respect of this matter.

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. There were no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several paragraphs were raised. Although, Management has indicated that some of the issues have been resolved under progress on follow up of auditor's recommendation section of the financial statements, the matters remained unresolved as at 30 June, 2023.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and based on the audit procedures performed, except for the matters 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. Non-Compliance with the Ethnicity and Regional Balance

Review of personnel records provided for audit revealed that the College had 27 non-teaching staff during the year under review, out of which 24 or 88% were from the dominant community in the area. This was contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 requires that all public establishments shall seek to represent the diversity of the people of Kenya in employment of staff and that no public establishment shall have more than one third of its establishment from the same ethnic community.

In the circumstances, Management was in breach of law.

2. Lack of Internal Audit Function

During the year under review, the College did not have an Internal Audit Function. This was contrary to Section 73(1) of the Public Finance Management Act, 2012 which states that every National Government entity shall ensure that it complies with this Act and has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board.

In the circumstance, Management was breach of law.

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAI) 4000. The Standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) 2315 and 2330. The Standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal

controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and Board of Management

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness 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 addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, 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 accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal controls components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit

report. However, future events or conditions may cause the College to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the College to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

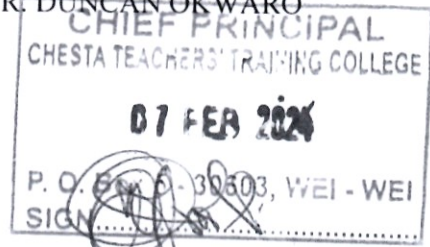
14 May, 2024

Approval of the Financial Statements

The college's financial statements were approved by the Board on 07/02/2024 and signed on its behalf by:

MR. FESTUS KIPOMET

MR. DUNCAN OKWARO



Signature.....

Signature.....

Chairperson of the Board

Accounting Officer/Chief Principal

Chesta Teachers Training College
Annual Report and Financial Statements for the year ended 30th June 2023

14. Statement of Financial Performance For The Year Ended 30 June 2023

	Notes	2022-2023	2021-2022
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	6,911,253	14,317,060
Grants from donors and development partners	7	-	-
		6,911,253	14,317,060
Revenue from Exchange transactions			
Rendering of services- fees from students	10	2,176,828	19,852,709
Sale of goods	11	432,135	168,905
Rental revenue from facilities and equipment	12	451,000	224,286
Miscellaneous income	14	1,334,370	-
		4,394,333	20,245,900
Total Revenue		11,305,586	34,562,960
Expenses			
Use of goods and services	15	7,249,675	17,407,101
Employee costs	16	6,869,711	9,504,776
Board /Council Expenses	17	310,000	-
Depreciation and amortization expense	18	4,964,787	-
Repairs and maintenance	19	266,260	630,733
		19,660,433	27,542,610
Other Gains/(Losses)			
Gain on sale of assets	23	-	-
Gain/ Loss on fair value of investments	24	-	-
Impairment loss	25	(-)	(-)
Total Other Gains/(Losses)			
Net surplus/(deficit) for the year		(8,354,847)	7,020,350

(The notes set out on pages 7 to 52 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 1 to 6 were signed by

.....
Chairman of Board

07/02/2024

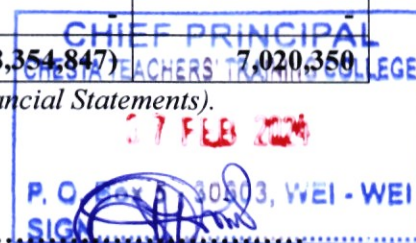
.....
Finance Officer

ICPAK No

07/02/2024

.....
Chief Principal

07/02/2024



Chesta Teachers Training College
Annual Report and Financial Statements for the year ended 30th June 2023

15. Statement of Financial Position As At 30th June 2023

Description	Notes	2022-2023	2021-2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	26	1,259,241	6,565,270
Current portion of receivables from exchange transactions	27	5,492,101	8,497,709
Receivables from non-exchange transactions	28	-	-
Inventories	29	251,740	312,770
Investments in financial assets	30	-	-
Total Current Assets		7,003,082	15,375,749
Non-Current Assets			
Investments	30	-	-
Property, plant, and equipment	31	55,628,693	56,535,000
Intangible assets	32	-	-
Investment property	33	-	-
Biological Assets	34	551,000	-
Total Non-Current Assets		56,179,693	56,535,000
Total Assets		63,182,775	71,910,749
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	35	889,530	750,323
Refundable deposits from customers	36	-	212,300
Current provisions	37	-	-
Finance lease obligation	38	-	-
Deferred income	39	-	-
Employee benefit obligation	40	-	851,034
Payments received in advance	41	-	-
Current portion of borrowings	43	-	-
Social Benefits	45	-	-

Chesta Teachers Training College
Annual Report and Financial Statements for the year ended 30th June 2023


Description	Notes	2022-2023	2021-2022
		Kshs	Kshs
Total Current Liabilities		889,530	1,813,657
Non-Current Liabilities			
Finance lease obligation	38	-	-
Deferred income	39	-	-
Non-Current Employee Benefit Obligation	40	-	-
Non-Current Provisions	42	-	-
Non- Current Borrowings	43	-	-
Service Concession Liability	44	-	-
Social benefits	45	-	-
Total non- current liabilities		-	-
Total Liabilities		889,530	1,813,657
Net Assets		62,293,245	70,097,092
Revaluation Reserves		551,000	-
Accumulated Surplus		(6,869,708)	1,485,139
Capital Fund		68,611,953	68,611,953
Total Net Assets and Liabilities		62,293,245	70,097,092

The Financial Statements set out on pages 1 to 6 were signed by:



Chairman of Board

07/02/2024



Finance Officer
ICPAK No

07/02/2024



CHIEF PRINCIPAL
CHESTA TEACHERS' TRAINING COLLEGE
 FEB 07 2024
P. O. BOGUS, WEI - WEI
Chief Principal

07/02/2024

16. Statement of Changes in Net Asset for The Year Ended 30 June 2023

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2021	-	(5,535,211)	68,611,953	63,076,742
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	7,020,350	-	7,020,350
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2022		1,485,139	68,611,953	70,097,092
At July 1, 2022		1,485,139	68,611,953	70,097,092
Revaluation gain	551,000	-	-	551,000
Surplus/(deficit) for the year	-	(8,354,847)	-	(8,354,847)
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2023	551,000	(6,869,708)	68,611,953	62,293,245

Note:

1. For items that are not common in the financial statements, the entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
2. Prior year adjustments should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances needs to be done).

Chesta Teachers Training College
Annual Report and Financial Statements for the year ended 30th June 2023

17. Statement of Cash Flows For The Year Ended 30 June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities	6	6,911,253	14,317,060
Grants from donors and development partners	7	-	-
Rendering of services- fees from students	10	3,429,809	17,603,624
Sale of goods	11	432,135	168,905
Rental revenue from facilities and equipment	12	451,000	-
Miscellaneous income	14	1,334,370	-
Total Receipts		12,558,567	32,089,589
Payments			
Use of goods and services	15	6,837,095	17,194,741
Employee costs	16	6,392,761	8,966,813
Board Expenses	17	310,000	-
Repairs and maintenance	19	266,260	630,733
Total Payments		13,806,116	26,792,287
			5,297,302
Decrease in current receivables			224,286
Net Cash Flows from operating activities		(1,247,549)	5,521,588
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(4,058,480)	-
Proceeds from sale of property, plant and equipment		-	-
Net cash flows used in investing activities		(4,058,480)	-
Cash flows from financing activities			
Proceeds From Borrowing		-	-
Repayment Of Borrowings		-	-
Net cash flows used in financing activities		-	-
Net Increase/(Decrease)in Cash and Cash equivalents		(5,306,029)	-
CashandCashequivalentsat1JULY 2022	26	6,565,270	1,043,682
CashandCashequivalentsat30 JUNE 2023	26	1,259,241	6,565,270

Chesta Teachers Training College
Annual Report and Financial Statements for the year ended 30th June 2023

18. Statement of Comparison of Budget Actual amounts For Year Ended 30 June 2023

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
Revenue						
Transfers from other National Government entities	9,204,668	-	9,204,668	6,911,253	2,293,415	75%
Transfers from other levels of government	-	-	-	-		0%
Debtors	200,000	-	200,000	-	200,000	0%
Rendering of services- fees from students	20,056,500	-	20,056,500	2,176,828	17,879,672	11%
Sale of goods	492,750	-	492,750	432,135	60,615	88%
Rental revenue from facilities and equipment	-	-	-	451,000	(451,000)	0%
Graduation gown	750,000		750,000	-	750,000	0%
Miscellaneous Income	-	-	-	1,334,370	(1,334,370)	0%
Total Income	30,703,918	-	30,703,918	11,305,586	19,398,332	37%
Expenses						
Use of goods and services	21,831,918	-	21,831,918	7,249,675	14,582,243	33%
Employee costs	7,994,450	-	7,994,450	6,869,711	1,124,739	86%
Board Expenses	-	-	-	310,000	(310,000)	0%
Repairs and maintenance	552,550	-	552,550	266,260	286,290	48%
Farm expense	325,000	-	325,000	-	325,000	0%
Depreciation	-	-	-	4,964,787	(4,964,787)	0%
Total Expenditure	30,703,918		30,703,918	19,660,433	11,043,485	64%
Surplus For the Period	-	-	-	(8,354,847)		0%
Capital Expenditure	-	-	-	-	-	0%

(Budget notes)

1. Fees from students decreased as a result of low intake as anticipated.
2. The government released less recurrent grants as expected and the amount was spent as anticipated. (10% over/ under) IPSAS 24.14

19. Notes to the Financial Statements

1. General Information

Chesta TTC is established by and derives its authority and accountability from PFM Act, 2012. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to prepare teacher trainees for DPTE, DECTE and SBA examinations.

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 *entity's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx.

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

The financial statements have been prepared in accordance with the PFM Act, Basic Education Act, 2012 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 30th June 2023.

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

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Standard	Effective date and impact:
	<p>part of the risk management strategy. <i>(State the impact of the standard to the Entity)</i></p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess: (a) The nature of such social benefits provided by the Entity. (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows. <i>(State the impact of the standard to the Entity if relevant)</i></p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023: 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 guaranteed 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. <i>(State the impact of the standard to the Entity if relevant)</i></p>
<p>Other improvements to IPSAS</p>	<p>Applicable 1st January 2023 <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008). • <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023. <i>State the impact of the standard to the Entity if relevant</i></p>

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

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>

iii. Early adoption of standards

Chesta TTC did not early-adopt any new or amended standards in year 2022.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2022/2023 was approved by the Council or Board on *15/09/2022*. There were no subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity did not record additional appropriations on the FY 2022/2023 budget following the BOM approval. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on 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 on page 6 under section statement of comparisons of budget and actual amounts of these financial statements.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

c) Taxes

Current income tax

The entity is paying PAYE, deducted from employees' emoluments.

Sales tax/ Value Added Tax

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

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

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

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an 40-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit. 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 or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible assets

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

h) Research and development costs

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

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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

i) Financial instruments

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

Financial assets

Classification

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note 25*.

Financial liabilities

Classification

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

j) Inventories

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

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

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

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

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

k) Provisions

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

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Annual Report and Financial Statements for the year ended 30th June 2023

Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)

separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

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

Contingent assets

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

l) Social Benefits

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

m) Nature and purpose of reserves

The *Entity* creates and maintains reserves in terms of specific requirements. The college maintains capital fund, accumulated surplus and revaluation reserves.

n) Changes in accounting policies and estimates

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

Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)

o) Employee benefits

Retirement benefit plans

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

p) Foreign currency transactions

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

q) Borrowing costs

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

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

r) Related parties

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

Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)

s) Service concession arrangements

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

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, 2023

5. Significant Judgments and Sources of Estimation Uncertainty

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

Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 42.

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

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

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Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

	2022-2023	2021-2022
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	-	-
Operational Grant	6,911,253	10,777,060
Unconditional Development grants	-	3,540,000
Other Grants	-	-
Total unconditional Grants	6,911,253	14,317,060
Conditional Grants amortised/ recognised in revenue		
Library Grant	-	-
Hostels Grant	-	-
Administration Block Grant	-	-
Laboratory Grant	-	-
Learning Facilities Grant	-	-
Other Organizational Grants	-	-
Total Government Grants and Subsidies	6,911,253	14,317,060

7. Grants from Donors and Development Partners

Description	2022-2023	2021-2022
	Kshs	Kshs
JICA- Research Grant	-	-
World Bank Grants	-	-
In-Kind Donations	-	-
Donations transferred to revenue-conditions met	-	-
Other Grants (specify)	-	-
Total Grants from Development Partners	-	-

(a) Reconciliations of grants from donors and development partners

Description	2022-2023	2021-2022
	Kshs	Kshs
Balance unspent at beginning of year	-	-
Current year receipts	-	-
Conditions Met - Transferred to Revenue	-	-
Conditions Yet to Be Met - Remain Liabilities	-	-

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(There were no grants from donors and development partners during the year)

Notes to the Financial Statements (Continued)

8. Transfers from Other Levels of Government

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfer from County	-	-
Transfer from University	-	-
Transfer from Institute	-	-
Total Transfers	-	-

9. Public Contributions and Donations

Description	2022-2023	2021-2022
	Kshs	Kshs
Public Donations	-	-
Donations from Local Leadership	-	-
Donations from Religious Institutions	-	-
Donations from Alumni	-	-
Other Donations	-	-
Total Donations and Contributions	-	-

(There were no donations and contributions received during the year)

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Notes to the Financial Statements (Continued)

10. Rendering of Services

Description	2022-2023	2021-2022
	Kshs	Kshs
Boarding Equipment and stores	895,952	4,635,332
Tuition fees	18,500	781,490
Local Travelling and Transport	58,056	1,188,833
Repairs and maintenance	26,500	502,100
Contingency	44,576	1,776,080
Teaching practice	97,400	610,650
Electricity, Water and Conservancy	53,660	675,576
Personal Emolument	64,394	571,176
Computer Studies	32,000	719,628
Motor Vehicle Repair/Replacement	45,000	608,445
Examination Fees	588,020	148,200
Gratuity	-	128,000
Medical	6,700	122,700
Activity	152,070	552,100
Assessment Fees	-	3,349,388
ECDE Fees	-	38,500
Fund Account	-	1,104,226
Student Council	5,400	54,000
Registration	-	37,200
Students ID	2,100	-
Track Suit	32,500	-
Assessment Books	13,200	-
Clubs & Societies	1,800	-
Hockey Stick	39,000	-
Fees Arrears (Receivables during the year)	-	2,249,085
Total Revenue from The Rendering of Services	2,176,828	19,852,709

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Notes to the Financial Statements (Continued)

11. Sale of Goods

Description	2022-2023	2021-2022
	Kshs	Kshs
Sale of Farm Produce	432,135	168,905
Other sales	-	-
Total Revenue from Sale of Goods	432,135	168,905

(This revenue was from sale of vegetables, Goats and milk from college farm to the local community)

12. Rental revenue from facilities and equipment

Description	2022-2023	2021-2022
	Kshs	Kshs
Hire of Tents & Chairs	18,800	-
Contingent Rentals	2,400	-
Hire of Buses	429,800	-
Total	451,000	-

(Contingent rentals- hire of students' centre.)

13. Finance Income

Description	2022-2023	2021-2022
	Kshs	Kshs
Cash investments and fixed deposits	-	-
Interest income from treasury bills	-	-
Interest income from treasury bonds	-	-
Interest from outstanding debtors	-	-
Total finance income	-	-

14. Miscellaneous Income

Description	2022-2023	2021-2022
	Kshs	Kshs
Income from sale of tender	51,000	-
Graduation fees	-	-
SBTSS Workshop	1,133,620	-
CBTC/CBA/ICT Workshop	149,750	-
Total Other income	1,334,370	-

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Notes to the Financial Statements (Continued)

15. Use of Goods and Services

Description	2022-2023	2021-2022
	KShs	KShs
Boarding Equipment and stores	1,591,526	4,214,437
Tuition Expenses	210,720	686,407
Local Travelling and Transport	1,716,770	2,261,573
Medical	14,750	116,895
Administrative Cost	410,589	1,847,181
Teaching practice	381,300	88,900
Electricity, water and conservancy	425,642	752,003
Computer studies	116,000	624,855
Examination expenses	627,820	3,696,090
Farm Expense	192,980	177,995
Activity	620,200	1,555,974
Student council	-	108,590
Fund account	-	640,252
Registration	-	23,200
Personal Emolument	-	246,609
Students' ID	3,000	-
Bus Hire	186,900	-
Tender Fee	39,600	-
Track Suit	28,500	-
Bank Charges	9,403	-
SBTSS Workshop	528,500	-
CBTC/CBA/ICT Workshop	145,475	-
Insurance	-	366,140
Total good and services	7,249,675	17,407,101

16. Employee Costs

Description	2022-2023	2021-2022
	Kshs	Kshs
Salaries and wages	6,869,711	8,966,813
Payables for the year	-	537,963
Employee Costs	6,869,711	9,504,776

Notes to the Financial Statements (Continued)

17. Board Expenses

Description	2022-2023	2021-2022
	Kshs	Kshs
Chairman's Honoraria	36,000	-
Directors Emoluments	-	-
Other Allowances	274,000	-
Other Board Expenses	-	-
Total	310,000	-

18. Depreciation and Amortization expense

Description	2022-2023	2021-2022
	Kshs	Kshs
Property, plant and equipment	4,964,787	-
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	4,964,787	-

19. Repairs and Maintenance

Description	2022-2023	2021-2022
	Kshs	Kshs
Vehicles	115,900	343,841
Furniture and fittings	150,360	286,892
Computers and accessories	-	-
Total Repairs and Maintenance	266,260	630,733

20. Contracted Services

Description	2022-2023	2021-2022
	Kshs	Kshs
Actuarial valuations	-	-
Investment valuations	-	-
Property valuations	-	-
Other (specify)	-	-
Total contracted services	-	-

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Notes to the Financial Statements (Continued)

21. Grants and Subsidies

Description	2022-2023	2021-2022
	Kshs	Kshs
Community Development	-	-
Education Initiatives and Programs	-	-
Social Development	-	-
Social benefits expenses	-	-
Community Trust	-	-
Sporting Bodies	-	-
Total Grants and Subsidies	-	-

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42.

22. Finance Costs

Description	2022-2023	2021-2023
	Kshs	Kshs
Borrowings(Amortized Cost)*	-	-
Finance Leases(Amortized Cost)	-	-
Unwinding of Discount from lease liabilities	-	-
Interest on Bank Overdrafts	-	-
Interest on Loans from Commercial Banks	-	-
Total Finance Costs	-	-

*(*Borrowing costs that relate to interest expense on acquisition of non- current assets and do not qualify for Capitalisation as per IPSAS 5: on borrowing costs should be included under this note.)*

Notes to the Financial Statements (Continued)

23. Gain On Sale of Assets

Description	2022-2023	2021-2022
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Other Assets not capitalised	-	-
Total Gain on Sale of Assets	-	-

24. Gain/(loss) on Fair Value Investments

Description	2022-2023	2021-2022
	Kshs	Kshs
Fair value on equity investments	-	-
Fair value arising from investment property	-	-
Fair value arising from biological assets	-	-
Fair value- other financial assets (specify)	-	-
Total Gain	-	-

25. Impairment Loss

Description	2022-2023	2021-2022
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total Impairment Loss	-	-

26. Cash and Cash Equivalents

Description	2022-2023	2021-2022
	Kshs	Kshs
Current Account	1,258,901	6,302,859
On - Call Deposits	-	-
Fixed Deposits Account	-	-
Staff Car Loan/ Mortgage	-	-
Others (Cash in hand)	340	262,411
Total Cash and Cash Equivalents	1,259,241	6,565,270

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

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Notes to the Financial Statements (Continued)

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

Financial Institution	Account number	2022-2023	2021-2022
		Kshs	Kshs
a) Current Account			
Equity Bank	1070262301593	104,025	1,263,949
Equity Bank	1070262702629	1,096,078	5,038,910
Equity Bank	1070284141787	58,798	-
Sub- Total		1,258,901	6,302,859
Cash in Hand		340	262,411
Mobile Money account		-	-
Sub- Total		340	262,411
Grand Total		1,259,241	6,565,270

27. Current portions of Receivables from Exchange transactions

Description	2022-2023	2021-2022
	Kshs	Kshs
Current Receivables		
Fees arrears 2014/2015	-	2,403,826
Fees arrears 2015/2016	1,158,761	1,158,761
Advance	-	7,500
Fees arrears 2016/2017	1,690,249	1,690,249
Fees arrears 2017/2018	1,056,284	596,588
Fees arrears 2018/2019	407,592	189,702
Fees arrears 2019/2020	214,936	201,998
Fees arrears 2021/2022	440,491	2,249,085
Fees arrears 2022/2023	523,788	-
Total Current Receivables	5,492,101	8,497,709

Notes to the Financial Statements (Continued)

28. Receivables from Non-Exchange transactions

Description	2022-2023	2021-2022
	Kshs	Kshs
Current Receivables		
Capitation Grants*	-	-
Transfers from Other Govt. entities	-	-
Undisbursed Donor Funds	-	-
Other Debtors(Non-Exchange Transactions)	-	-
Less: Impairment Allowance	(-)	(-)
Total Current Receivables	-	-

(*Receivables on capitation grants are recognised for monies received after year end but relating to the year under review).

29 .Inventories

Description	2022-2023	2021-2022
	Kshs	Kshs
Consumable stores	29,500	186,500
Maintenance stores	52,000	14,400
Health Unit stores	-	42,945
Electrical stores	-	15,000
Cleaning Materials stores	-	6,000
Catering stores	-	-
Stationery stores	170,240	47,925
Less: Impairment allowance	-	-
Total Inventories at lower of Cost and Net Realizable Value	251,740	312,770

(-The value was extracted from stores ledger-S1)

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Notes to the Financial Statements (Continued)

30. Investments in financial assets

Description	2022-2023	2021-2022
	Kshs	Kshs
a) Investment in Treasury Bills and Bonds		
Financial Institution		
CBK	-	-
CBK	-	-
Sub- Total	-	-
b) Investment with Financial Institutions/ Banks		
Bank	-	-
Bank	-	-
Sub- Total	-	-
c) Equity Investments (Specify)		
Equity/ Shares in Company	-	-
Sub- Total	-	-
Grand Total	-	-

(Entity should disclose whether the fixed investment financial assets are measured at amortised cost or at fair value through changes in net assets/ equity) Investments in equity should be measured at fair value through surplus or deficit. Other information to be disclosed includes: the interest rates, maturity dates, valuation methodology, and impairment of these investments.

d) Shareholding in other entities

For investments in equity share listed under note 30 (c) above, list down the equity investments under the following categories:

Name of Entity where Investment is Held	No of Shares				Fair Value of Shares	Fair Value of Shares
	Direct Shareholding	Indirect Shareholding	Effective Shareholding	Nominal Value of Shares	2022-2023	2021-2022
	%	%	%	Kshs	Kshs	Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-

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Notes to the Financial Statements (Continued)

31. Property, Plant and Equipment

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 July 2022	5,400,000	34,500,000	12,000,000	2,385,000	1,900,000	350,000	-	56,535,000
Additions	-	4,058,480	-	-	-	-	-	4,058,480
Disposals	-	-	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-	-	-
At 30th June 2023	5,400,000	38,558,480	12,000,000	2,385,000	1,900,000	350,000	-	60,593,480
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
At 30th June 2023	5,400,000	38,558,480	12,000,000	2,385,000	1,900,000	350,000	-	60,593,480
Depreciation And Impairment								
At 1 July 2022	-	-	-	-	-	-	-	-
Depreciation	-	963,962	3,000,000	298,125	632,700	70,000	-	4,964,787
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
At 30 June 2023	-	963,962	3,000,000	298,125	632,700	70,000	-	4,964,787
Depreciation	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
At 30th June 2023	-	-	-	-	-	-	-	-
Net Book Values								
At 30th June 2022	5,400,000	34,500,000	12,000,000	2,385,000	1,900,000	350,000	-	56,535,000
At 30th June 2023	5,400,000	37,594,518	9,000,000	2,086,875	1,267,300	280,000	-	55,628,693

[There was no capital work in progress during the year]

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Notes to the Financial Statements (Continued)

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets have not been revalued.

31 (b) Property, Plant and Equipment at Cost

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

Description	Depreciation Rate	Cost	Accumulated Depreciation	NBV
		Kshs	Kshs	Kshs
Land	0.00%	5,400,000	-	5,400,000
Buildings	2.5%	38,558,480	963,962	37,594,518
Plant and Machinery	20%	350,000	70,000	280,000
Motor Vehicles including Motorcycles	25%	12,000,000	3,000,000	9,000,000
Computers and Related Equipment	33.3%	1,900,000	632,700	1,267,300
Office Equipment, Furniture, And Fittings	12.5%	2,385,000	298,125	2,086,875
Total		60,593,480	4,964,787	55,628,693

32. Intangible Assets

Description	2022-2023	2021-2022
	Kshs	Kshs
Cost	-	-
At beginning of the year	-	-
Additions	-	-
At end of the year	-	-
Additions—internal development	-	-
At end of the year	-	-
Amortization and impairment	-	-
At beginning of the year	-	-
Amortization	-	-
At end of the year	-	-
Impairment loss	-	-
At end of the year	-	-
NBV	-	-

Notes to the Financial Statements (Continued)

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33. Investment Property

Description	2022-2023	2021-2022
	Kshs	Kshs
At beginning of the year	-	-
Additions	-	-
Disposal during the year	(-)	(-)
Depreciation	(-)	(-)
Impairment	(-)	(-)
Gain or loss on fair value- if fair value is elected	-	-
At end of the year	-	-

(For investment property held at fair value, changes in fair value should go through the statement of financial performance. Where cost model is elected, depreciation and impairment should not be charged. Investment measured at fair value should be evaluated at the end of the reporting period for changes in fair value.) Entity should disclose the independent valuers, rental income from the investment property if any and the direct costs attributed to the investment property. Any charges on the investment property as well as any difficulty in classifying this asset as an investment property.

34. Biological Assets

	2022-2023	2021-2022
	Kshs	Kshs
Cattle	331,000	-
Trees	-	-
Goats	220,000	-
Total	551,000	-

35. Trade and Other Payables

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade payables(Sundry creditors)	412,580	212,360
Fees paid in advance	-	-
Salary deductions	-	-
Third-Party Payments	-	-
Other Payables(Salaries and wages)	476,950	537,963
Total Trade and Other Payables	889,530	750,323

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Notes to the Financial Statements (Continued)

36. Refundable Deposits from Customers/Students

Description	2022-2023	2021-2022
	Kshs	Kshs
Consumer deposits	-	-
Caution money	-	212,300
Other refundable deposits	-	-
Total Deposits	-	212,300

37. Current Provisions

Description	Leave provision	Bonus provision	Gratuity Provisions	Other provision	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance at The Beginning of The Year	-	-	-	-	-
Additional Provisions	-	-	-	-	-
Provision Utilised	(-)	(-)	(-)	(-)	(-)
Change Due to Discount and Time Value For Money	(-)	(-)	(-)	(-)	(-)
Transfers from Non -Current Provisions	-	-	-	-	-
Total Provisions	-	-	-	-	-

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38. Finance Lease Obligation

Description	2022-2023	2021-2022
	Kshs	Kshs
At the start of the year	-	-
Discount interest on Lease Liability	-	-
Paid during the year	(-)	(-)
At end of the year	-	-

Maturity Analysis

Period	Amount
	Kshs
Year 1	-
Year 2	-
Year 3	-
Year 4	-
Year 5 and Onwards	-
Less: Unearned Interest	(-)
Total	-

Analysed as:

Description	Amount
	Kshs
Current	-
Non- Current	-
Total	-

39. Deferred Income

Description	2022-2023	2021-2022
	Kshs	Kshs
National Government	-	-
International Funding Bodies	-	-
Public Contributions and Donations	-	-
Total Deferred Income	-	-

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Notes to the Financial Statements (Continued)

40. Employee Benefit Obligations

Description	2022-2023	2021-2022
	Kshs	Kshs
Current Benefit Obligation (Service gratuity from student fees)	-	851,034
Total Employee Benefits Obligation	-	851,034

41. Payments received in advance.

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Fees received in advance	-	-	-	-
Others (Specify)	-	-	-	-
Total	-	-	-	-
Ageing analysis:	2022-2023	% of the Total	2021-2022	% of the Total
Under one year	-	0%	-	0%
1-2 years	-	0%	-	0%
2-3 years	-	0%	-	00%
Over 3 years	-	0%	-	0%
Total	-	0%	-	0%

42. Non-Current Provisions

Description	Long service leave	Bonus Provision	Gratuity	Other Provisions	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance at the beginning of the year	-	-	-	-	-
Additional Provisions	-	-	-	-	-
Provision utilised	(-)	(-)	(-)	(-)	(-)
Change due to discount and time value for money	-	-	-	-	-
Less: Current portion	(-)	(-)	(-)	(-)	(-)
Totaldeferredincome	-	-	-	-	-

(NB: The current portion deducted in this note should tie to line on current portion transferred from non-current provisions under note 36)

Notes to the Financial Statements (Continued)

43. Borrowings

Description	2022-2023	2021-2022
	Kshs	Kshs
Balance at beginning of the year	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the year	(-)	(-)
Repayments of domestic borrowings during the year	(-)	(-)
Balance at end of the year	-	-

44. Service Concession Arrangements

Description	2022-2023	2021-2022
	Kshs	Kshs
Fair value of service concession assets recognized under PPE	-	-
Accumulated depreciation to date	(-)	-
Net carrying amount	=	=
Service concession liability at beginning of the year	-	-
Service concession revenue recognized	(-)	(-)
Service concession liability at end of the year	=	=

45. Social Benefit Liabilities

Description	2022-2023	2021-2022
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	=	=
People Living with disabilities benefit scheme	-	-
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
Total	=	=
	-	-
Current social benefits	-	-
Non-current social benefits	-	-
Total (tie to totals above)	-	-

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42. They are incurred to mitigate against a certain social risk e.g poverty, age, unemployment among others.

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Notes to the Financial Statements (Continued)

46. Financial Risk Management

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

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

(i) Credit risk

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

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

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2022				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	8,497,709	2,451,083	6,046,626	-
Bank balances	6,565,270	6,565,270	-	-
Total	15,062,979	9,016,353	6,046,626	-
At 30 June 2023				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	5,492,101	1,179,215	4,312,886	-
Bank balances	1,259,241	1,259,241	-	-
Total	6,751,342	2,438,456	4,312,886	-

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(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)

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

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

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

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

(ii) Liquidity risk management

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

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.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2022				
Trade Payables	1,813,657	-	1,813,657	1,813,657
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	1,813,657	-	1,813,657	1,813,657
At 30 June 2023				
Trade Payables	889,530	-	889,530	889,530
Current Portion of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	889,530	-	889,530	889,530

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

(iii) Market risk

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

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

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

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

a) Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2023			
Financial Assets (Investments, Cash, Debtors)	-	-	-
Liabilities	-	-	-
Trade and Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

The entity manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

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

Foreign currency sensitivity analysis

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

	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
2022			
Euro	10%	-	-
USD	10%	-	-
2023			
Euro	10%	-	-
USD	10%	-	-

b) Interest rate risk

Interest rate risk is the risk that the entity'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 endeavoured to bank with institutions that offer favourable interest rates.

Sensitivity analysis

The entity 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 Kshs0.00 (2022: Kshs.0.00). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs.0.00 (2022 – Kshs.0.00)

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

iv) Capital Risk Management

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

Description	2022-2023	2021-2022
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	-	-
Capital Reserve	-	-
Total Funds	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	(-)	(-)
Net Debt/(Excess Cash and Cash Equivalents)	-	-
Gearing	0%	0%

47. Related Party Balances

Nature of related party relationships

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

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

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Notes to the Financial Statements (Continued)

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

Description	2022-2023	2021-2022
	Kshs	Kshs
Transactions with Related Parties		
a) Sales to related parties		
Sales of electricity to govt agencies	-	-
Rent income from govt. agencies	-	-
Water sales to govt. agencies	-	-
Others (<i>specify</i>)	-	-
Total	-	-
B)Purchases from related parties		
Purchases of electricity from KPLC	-	-
Purchase of water from govt service providers	-	-
Rent expenses paid to govt agencies	-	-
Training and conference fees paid to govt. agencies	-	-
Others (<i>specify</i>)	-	-
Total	-	-
b) Grants /Transfers from the Government		
Grants from National Govt	-	-
Grants from County Government	-	-
Donations in Kind	-	-
Total	-	-
c) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for Employees	-	-
Payments for Goods and Services	-	-
Total		
d) Key Management Compensation		
Directors' emoluments	-	-
Compensation to Key Management	-	-
Total	-	-

48. Segment Information

(Where an organisation operates in different geographical regions or in departments, IPSAS 18 on segmental reporting requires an entity to present segmental information of each geographic region or department to enable users understand the entity's performance and allocation of resources to different segments)

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Notes to the Financial Statements (Continued)

49. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	2022-2023	2021-2022
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements	-	-
Assets arising from determination of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

Contingent Liabilities

Description	2022-2023	2021-2022
	Kshs	Kshs
Contingent Liabilities	-	-
Court Case against (<i>The Entity</i>)	-	-
Bank guarantees in favour of subsidiary	-	-
Contingent liabilities arising from Contracts including PPPs	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

(Give details)

50. Capital Commitments

Capital Commitments	2022-2023	2021-2022
	Kshs	Kshs
Authorised for	-	-
Authorised and Contracted for	-	-
Total	-	-

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorised by the entity but at the end of the year had not been contracted or those already contracted for and ongoing)

Notes to the Financial Statements (Continued)

51. Events After the Reporting Period

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

52. Ultimate and Holding Entity

ChestaTeachers Training College is a Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

53. Currency

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

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20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Inaccuracies in Financial statements	All the errors, Omissions and commissions highlighted was adjusted appropriately	Resolved	June 2023
2	Accuracy of revenue from exchange Transactions	Supporting schedules were provided for audit.	Resolved	June 2023
3	Inventory-Annual stock taking not done	Annual stock taking is currently being done quarterly as advised	Resolved	June 2023
4	Refundable deposits not supported.	Detailed schedules and ledgers were prepared and paid out	Resolved	May 2023
5	Unsupported Employee Benefit Obligations	Approved gratuity computation formulae, gratuity computation schedules and ledgers was prepared and paid out.	Resolved	April 2023
6	Un-disclosed Biological Assets	Biological Assets have been disclosed in the financial statements based on market price. No valuation done	Not resolved	6 months
REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES				
1	Underutilization of Facilities and Resources	The management was optimistic of increased student' population by engaging and bringing on board all	Resolved	September 2023

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		key stakeholders.		
2	Failure to observe one Third Rule on staff composition	The management has put in place mechanisms to employ other tribes.	Not resolved	When replacement arises.
3	Unresolved prior year matters	The issues raised in the previous years was presented to the BOM and addressed.	Resolved	June 2023
REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE				
1	Lack of staff Establishment and human resource policy	The management will ensure staff Establishment and human resource policy is put in place	Resolved	June 2023
2	Segregation of duties	Storekeeper and procurement officer now works independently	Resolved	March 2023
3	Lack of internal audit function	The college will constitute an internal audit department	Not resolved	1 year
4	Lack of occupational Safety and Health Policy	The management has formulated safety and health policy and established safety and health committee.	Resolved	June 2023

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;

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- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.

.....


Name: Duncan Okwaro
Accounting Officer
(Chief principal)
Date 07/02/2024

CHIEF PRINCIPAL
CHESTA TEACHERS' TRAINING COLLEGE
07 FEB 2024
P. O. Box 5 - 30603, WEI - WEI
SIGN.....

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Appendix II: Projects Implemented by(The Entity)

Projects

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

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

Status of Projects completion

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

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

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Appendix III- Inter-Entity Confirmation Letter

Chesta Teachers Training College

Chesta Teachers Training College wishes to confirm the amounts disbursed to you as at 30th June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by Chesta Teachers Training college as at 30th June 2023

Reference Number	Date Disbursed	Amounts Disbursed by Ministry of Education (Kshs) as at 30th June 2023				Amount Received by [Beneficiary Entity] (Kshs) as at 30 th June 2023 (E)	Differences (Kshs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
MOE/TE/GRANTS/VO.1(18)	06/10/2022	1,799,632	-	-	1,799,632	1,799,632	-
MOE/TE/GRANTS/VO.1(18)	16/02/2023	1,737,267	-	-	1,737,267	1,737,267	-
MOE/TE/GRANTS/VO.1(50)	29/06/2023	1,557,852	-	-	1,557,852	1,557,852	-
MOE/TE/GRANTS/VO.1(82)	29/06/2023	1,816,502	-	-	1,816,502	1,816,502	-
Total					6,911,253	6,911,253	-

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

Head of Accountants department of beneficiary Entity:

Name MILTON K. TVEJ Sign  Date 27/6/23

Appendix V: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments
				-	-	
				-	-	

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Appendix IV: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
				-	-	-	-		