

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 22 APR 2026

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REPORT

TABLED

HON. NAOMI WARD, MP

DEPUTY MAJORITY PARTY WHIP

CLERK-AT
THE-TABLE:

V. WAMBUL

PARLIAMENT
OF KENYA
LIBRARY

OF

THE AUDITOR-GENERAL

ON

BORABU TEACHERS TRAINING COLLEGE

**FOR THE YEAR ENDED
30 JUNE, 2025**



**BORABU TEACHERS' TRAINING COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
30 JUNE 2025**

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



Borabu Teachers' Training College Annual Report and Financial Statements for the year ended 30 June 2025

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1. Acronyms and Definition of Key Terms

BOM	Board of Management
CIFA	Certified Investment and Financial Analyst
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTC	Teacher Training College
ICT	Information Communication Technology
CRE	Christian Religious Education
DPTE	Diploma in Primary Teacher Education

A. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Entity Information and Management

(a) Background information

The college is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is located in Nyamira County, Borabu Sub-County, Kineni Village, about 6 km off the Sotik-Kisii road.

The college is a boarding and had 1100 students as at 30 June 2025. It has 16 streams and 35 teachers of which 3 teachers are employed by the College Board of Management on part time basis.

(b) Principal Activities

The mandate of Borabu Teachers' Training College is to provide quality training for teachers.

Vision: A Centre of Excellence for teacher education and holistic training.

Mission: To provide teacher trainees with quality education and training responsive to the needs of a dynamic society.

(c) Key Management

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

- Board of management
- The principal
- Senior management

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30 June 2025 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Senior Principal	Mr.TimothyAtuti
2.	Deputy principal	Ms.MonicaJuma
4	Dean of curriculum	Mr.Oketch George
5	Dean of students	Ms. Mellen Bichang'a
6	Head of Finance	Ms. RuthMonda
7	Head of Procurement and Stores	Mr. Nyabwari David

(e) Fiduciary Oversight Arrangements

The Board of management has the following committees for Fiduciary oversight:

- Academic Sub-Committee
- Finance/Procurement/human resource sub-committee
- Infrastructure sub-committee
- Audit Sub-Committee

Borabu Teachers' Training College Annual Report and Financial Statements for the year ended 30 June 2025

- Executive Sub-Committee

Key Entity Information and Management (Continued)

(f) Entity Headquarters

BORABU TEACHERS' TRAINING COLLEGE
P.O. BOX 110-40502,
NYANSIONGO,
NYAMIRA- KENYA.
OFF SOTIK-KISII ROAD

(g) Entity Contacts

Telephone: 0723901433

E-mail: borabuttc@gmail.com

(h) Entity Bankers

Kenya Commercial Bank
Keroka Branch
P.O. Box
Keroka , Kenya

Equity Bank
Keroka Branch
P.O Box 75104-00200
Nairobi.

Vision Point Sacco Society
Nyansiongo Branch
Box 42, Nyansiongo.

(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



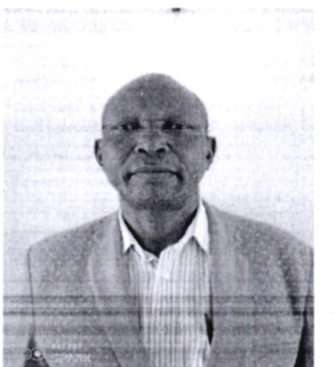
The Attorney General
State Law Office
Harambee Avenue

P.O. Box 40112
City Square 00200
Nairobi, Kenya.





3. The Board of Management

No	BOM Member	Details	
1	Mr. Nyanchoga Andrew	Chairman BOM. He has a Masters in human resource management from Manchester University-UK. He has 33 Years' work experience. Former Human Resource director in the Ministry of Education. DOB : 27 th July 1958.	
2	Mrs. Barongo Mary	Vice chairperson BOM. She has a Bachelor's of Arts Degree in Peace and Conflict Management from Kisii university. DOB: 28 th June 1951.	
3	Dr. Charles Nyandusi	He is the Chairman Nyamira County Education Board. He is also the chairman Education sub-committee.	
4	Dr. Joseph Lelan	A member of the academic sub-committee. He holds a doctorate of philosophy degree in Educational administration from Moi University. He is a senior lecturer at Moi University school of Education. DOB: 16 th August 1960.	


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5	Mr. Robinson Mong'are	<p>He is an SDA pastor. He holds a bachelor's degree in Theology from Baraton University. He has a Post graduate diploma in Education. DOB: 2nd Jan 1972</p>	
7	Mr. Orambui Daniel	<p>He is the chairperson Finance/Human resource sub-committee. He is a CPA(K). He has a bachelor's degree in banking and finance and a masters in the same from Kisii University. He is Chief Executive Officer Vision point Sacco.</p>	
8	Mr. Gesora Geke	<p>He is a member of Finance and infrastructure subcommittee .He has a master's degree in Education from the Andrews university. He also has a masters of Sociology from Tilak Maharashta University. DOB: 28th August 1957.</p>	



Borabu Teachers' Training College Annual Report and Financial Statements for the year ended 30 June 2025

9	Mr. Atuti Timothy	<p>He is the College Principal, and BOM He has a master's Degree in Project Management from the University of Nairobi. He also has a bachelor's degree in education. He has over 20 years' experience in administration. He has been a principal of several secondary schools. DOB: 6th Dec 1969.</p>	
10	Dr. Catherine Simiyu	<p>She is a member of the academic committee. She has a doctorate in philosophy degree in Psychology from the Nelson Mandela Metropolitan University. She is a career teacher and senior lecturer in Educational psychology.</p>	
11	Mrs. MellenBichang'a	<p>She is the Tutors' Representative to the Board. She has a bachelor's of arts in Music. She is a tutor at Borabu TTC DOB 15th Dec 1973.</p>	
12	Dr. RaelAtienoOgwari	<p>She is a lecturer at Moi university. She has a postdoctoral fellow from the institute of human resource Aga Khan university and a research fellow from From African early childhood network, DOB 12th Oct 1971</p>	




Borabu Teachers' Training College Annual Report and Financial Statements for the year ended 30 June 2025

13	Dr. CarrenNyamwange	She is a Lecturer Kisii University. Member of the Academic committee.	
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4. Management Team

No.	Member/ Director	Details	
1	Mr. Atuti Timothy	<p>He is the College Principal, and BOM secretary.</p> <p>He has a master's Degree in Project Management from the University of Nairobi. He also has a bachelor's degree in education.</p> <p>He has over 20 years' experience in administration. He has been a principal of several secondary schools.</p> <p>DOB: 6th Dec 1968</p>	
2	Ms. Juma Monica	<p>She is the college Deputy Principal.</p> <p>She has masters in Education Curriculum studies.</p> <p>DOB: 20th March 1968</p>	

Borabu Teachers' Training College Annual Report and Financial Statements for the year ended 30 June 2025

3	Mr. Oketch George	<p>He is the Dean of Curriculum. He has a Bachelor's degree in Education and masters of education degree in economics of education. DOB</p>	
4.	Ms. Bichang'a Mellen	<p>She is the Tutors' Representative to the Board. She has a bachelor's of arts in Music. She is a tutor at Borabu TTC DOB 15th Dec 1973.</p>	
5.	Ms. Monda Ruth	<p>She is the Finance Officer. She has a Bachelor of science degree in Actuarial Science. She is a certified investment and financial analyst-CIFA. She has 6 years' work experience in finance department. DOB: 15th Jan 1992.</p>	
6	Mr. Nyabwari David	<p>Procurement Officer. Masters in procurement and logistics. Date of birth 21st May 1985</p>	

Borabu Teachers' Training College Annual Report and Financial Statements for the year ended 30 June 2025

5. Chairman's Statement

The term of the board had expired hence no statement from the chairman by the time of doing this report.

Borabu Teachers' Training College Annual Report and Financial Statements for the year ended 30 June 2025

6. Report of the Principal

In the financial year 2024/2025 the college projected to meet several targets as per its budget.

Among the key targets it set to meet were:

- Putting up more hostels for males and female trainees.
- Adding more classrooms.
- Purchase of more chairs and beds.
- Fencing of the college compound.
- And the provision of more reliable and clean water.

Though not all were attained within the said financial year, a majority were done.

During this financial year there were 2 cohorts, Diploma in Primary teacher Education -second years and Diploma in teacher - first years. The funds we got went to the provision of key academic programs, salaries, construction and the provision of boarding facilities and food.

The college hired 3 tutors on contract to assist in areas that didn't have tutors i.e. ICT, Music and CRE.

Several projects that were lined up for the financial year were done especially those related with settling down the students. The school-based assessment KNEC assessments for the first and second years were successful apart from a few technical errors in with laptops of a few individual students. Nevertheless, some costs in the assessments were unforeseen and this caused more strain on the resources, which included purchase of internet access points, routers, networking and change of internet service provider to a more stable network. This was occasioned by the introduction of E-assessment by KNEC and the ministry of education. The provision of minimal curriculum delivery materials were also successfully accomplished as the trainees were not significantly affected.

Consequently, the college registered the following as the successes of the financial year 2024/2025

- Successful assessments of second year trainees.
- Successful assessments of first year trainees
- Participation of sporting activities to the national levels.

The college received 3 its operations grants for the 4 quarters to a tune of 6,039,216 for the whole year ,However its worthy noting that the grants had significantly reduced yet the

Borabu Teachers' Training College Annual Report and Financial Statements for the year ended 30 June 2025

enrolment of students was higher than previous years. All pending bills from previous financial years were cleared.

After the background brief, in the financial year 2024/2025, the college managed to meet most of its financial obligations, apart from creditors amounting to **16,825,870**.

Below is annual report and financial statement for the period ended 30 June 2025 which include;

- Statement of financial position
- Statement of financial performance
- Cash flow statement
- Budget for period ended 30 June 2025

SIGN..........DATE 30-7-2025.....

TIMOTHY ATUTI
SENIOR PRINCIPAL
BORABU TEACHERS' TRAINING COLLEGE

Borabu Teachers' Training College Annual Report and Financial Statements for the year ended 30 June 2025

7.Statement of Performance against Predetermined Objectives

Borabu TTC has seven strategic pillars /issues/ themes and objectives within current Strategic Plan for the FY 2020- FY 2024. These strategic pillars are as follows:

- Pillar 1: curriculum implementation
- Pillar 2: Teaching Practice
- Pillar 3 College service charter
- Pillar 4 Nurture students' talents
- Pillar 5 Infrastructural development
- Pillar 6 Human Capacity Developments
- Pillar 7 Financial Management

Borabu TTC develops its annual work plans based on the above seven pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Borabu TTC achieved its performance targets set for the FY 2024/2025 period for its (7) strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1.	To enhance curriculum implementation by timely curriculum design coverage	School based assessment timetable Record of work	KNEC School based assessment Records of work	KNEC School based assessment done Records of work done
Pillar 2:	Prepare teacher trainees for teaching practice in order to have competent teachers	Posting sheet Approved professional documents Learning resources	Preparation of Teaching Practice	Trainees were posted in schools in Nyamira ,Bomet and Kisii Counties. Documents were approved and Teaching Practice will commence in January 2026.
Pillar 3:	Cultivate a culture of adherence to the timelines in the college service charter	Customer satisfaction survey report. Displayed service charter Complaints FORM Improved access to information	Services offered public complaints mechanism and access to information	-enhanced customer engagement -Improve service delivery .complaints handling committee
Pillar 4:	Identify, nurture	List of co-	Games and	Done to national

Borabu Teachers' Training College Annual Report and Financial Statements for the year ended 30 June 2025

	and develop students talents	curricular activities Evidence of participation	athletics	level.
Pillar 5	To ensure infrastructural development supports academic performance.	Project completion rate Establishment of e-learning.	Integration of ICT in learning Construction of more classrooms.	ICT lab well equipped 3 classrooms constructed
Pillar 6	To enhance human resource development and college staff to improve efficiency	-Appraisal report -Training programmes -certificate of training.	Seminars Inset training Needs assessment	Done
Pillar 7	Audit reports. Approved budget and procurement plan Trial balances reports	Preparation of the budget at the appropriate time. Ensure all financial transactions are accounted for. Procurement of goods and services	Budget ,preparation approval Procurement process	Budget done and approved by BOM financial reports prepared, Procurement done

8. Corporate Governance Statement

The board of directors are appointed through the county education Board and submitted to the minister for education for approval. The process of removal is also through the same manner. The Board of Management is guided by both internal guidelines and government guidelines during its meetings and performance .The functions of the board are: Overseeing the management of the college, recruitment of non-teaching staff, overseeing financial management, infrastructural and academic programmes among others. The board has established a conflict of management book for recording any conflict of interest. Members of the Board are paid a sitting allowance and local transport and travel ranging from Ksh 10000 to Ksh, 20000.The board is expected to have at least 3 full board and 8 committee sittings in a year.

9. Management Discussion and Analysis

Section A

The entity's operational and financial performance.

The financial year 2024/2025 ended well with several milestones and achievements. There were a few challenges but nevertheless the college focused on its key objective of producing holistic teachers. The tutors embarked on serious teaching and syllabus coverage. The student enrolment stood at 1100 students as at the close of reporting period.

The full board of management met twice, finance subcommittee 7 times, academic committee once and infrastructure committee once.

All the pending bills for previous financial years were settled. Construction of a permanent hostel was 80% complete, two temporal dorms were complete, 3 permanent classrooms were at 90% construction. Fees collection stood at 88%.

The challenges facing the institutions include the following:

- i. Low number of tutors thus a larger workload on those available.
- ii. The college is not properly fenced hence a risk to the learners and college property, the college needs a permanent fence.
- iii. Shortage of classrooms.
- iv. Shortage of hostels.
- v. Insufficient supply of water.

Section B

Entity's compliance with statutory requirements

The entity complies with the statutory requirements of PAYEE, NHIF, and NSSF deductions from employee salaries. There are no on-going court cases.

Section C

Key projects and investment decisions the entity is planning/ implementing.

The college is undertaking the following projects that are funded by internally generated revenue:

- i. **Tuition block** -The tuition block is a 3 storey containing 9 classrooms. The project was necessary because the college had lacked these essential facilities for long. So far 3 ground floor classrooms are 90% complete.
- ii. **Temporary dormitories** -Construction of 2 temporary hostels were complete.
- iii. **Ladies Hostel** -Due to the increased enrolment of females compared to males this year, one more ladies is being constructed and is at the 80% completion.

Borabu Teachers' Training College Annual Report and Financial Statements for the year ended 30 June 2025

Section D

Major risks facing the entity

The college faces operational risks. The risks include;

- i. Fire. Fire can break up anywhere anytime thus; our college is no exception of the same.
- ii. Loss of Data. The college doesn't have proper data backup, thus faces the risk of loss of data.
- iii. Theft. The college lacks a proper fence subjecting it to the risk of theft.
- iv. Bad debts. This arises from uncollected fees revenue from previous financial years
- v. Fraud. The financial system is not linked to the bank thus risk of fee payment fraud

Section E

Material arrears in statutory/financial obligations

The institution has NSSF pending obligation of 838,643.

Section F

The entity's financial probity and serious governance issues

The board of management has put the following measures to minimise risks concerning transactions.

- i. The college has bought finance and procurement ERP system which will help reduce transaction risk.
- ii. Improvement of available finance management system and link it to the bank.

10. Environmental And Sustainability Reporting Statement

Sustainability strategy and profile

The Government of Kenya is committed to the attainment of the United Nations Sustainable Development Goals (SDGs) as agreed upon by the international community. There is a total of 17 SDGs which aim to augment the quality of life of the world's citizens. Each goal has a specific target to be achieved over a period of 15 years. SDGs address the economic, social and environmental dimensions of development in a comprehensive and integrated manner.

The SDGs are:

- 1) No Poverty
- 2) Zero Hunger
- 3) Good Health and Well Being
- 4) Quality Education
- 5) Gender Equality
- 6) Clean Water and Sanitation
- 7) Affordable and Clean Energy
- 8) Decent Work and Economic Growth
- 9) Schools Innovation and Infrastructure
- 10) Reduced Inequalities
- 11) Sustainable Cities and Communities
- 12) Responsible Consumption and Production
- 13) Climate Action
- 14) Life Below Water
- 15) Life on Land
- 16) Peace Justice and Strong Institutions
- 17) Partnerships for the Goals

Borabu Teachers Training College has contributed towards the attainment of the SDG's by ensuring:

- a) Quality and relevant skills Training
- b)) Creating a conducive learning and working environment
- c) Promoting Gender equity
- e) Tree planting
- g) Enhance industrial Linkages and collaborations
- h) Participate in Co-curriculum activities and Teacher Training College(TTC)
- i) Women, PWD and the youth are given special consideration.
- j) Undertaking various corporate social responsibilities to improve and sustain positive cordial relation with various stakeholders.
- k) Our service charter has guided all the staff members on their commitments to offer services.
- l) Use of solar and supply of clean water.

Environmental performance

In an effort to ensure our activities are environmental friendly we strictly adhere to the NEMA regulations and guidelines when developing any project. The college initiated construction of sanitation facilities for staff and students in this year. A septic tank is in use construction courtesy of Borabu Constituency NG-CDF. The college is situated on a water catchment area hence the careful disposal of waste products. The continuous maintenance of the septic tank is fundamental in proper waste disposal. The college has storage tanks to harvest water thus reduce pressure on the pumped water. An additional soak pit is under construction to enable treatment of waste water before releasing it to the environment. The college has automated some of its services e.g fees collection and receipting to save on paper thus saving the environment. The college has litter bins for segregation of wastes and maintains its vehicles to reduce Co2. The college has open areas for natural lighting.

Employee welfare

The college has a clear policy on staff welfare that ensures communication channels are available. Their rights and obligations are respected as per the labour laws.

a) Hiring process.

The college's hiring plan is guided by the existing labour laws and guidelines from Ministry of labour. The one third gender ratio has been followed in staff recruitment. Main challenge still remains regional balancing to have a national outlook.

Borabu Teachers' Training College Annual Report and Financial Statements for the year ended 30 June 2025

c) Appraisal

This has been done for the teaching staff.

d) Occupational; Safety and Health Act (2007)

The college adheres to this act to ensure safety of its staff. Deliberate efforts were done in the kitchen department by improving on the stoves and chimney. Overalls, gloves, masks and other relevant safety equipment were provided to the staff. Fire extinguishers have also been installed in the college. The college has ramps to allow PWD access buildings.

Market place practices-

a) *Responsible competition practice.*

The college has values that it strives to achieve including professionalism, fairness and diligence. Therefore, all students are assured of fairness during assessments of their work. The college also has internal mechanism to ensure professionalism is maintained through checks and balances.

b) *Responsible Supply chain and supplier relations-*

The college ensures that the suppliers are selected fairly as per the procurement procedures and given a valid contract. Upon supplying the goods and services are accepted as per the specifications and payment made.

c) *Responsible marketing and advertisement-*

The college advertises its courses and tenders through various communication channels including print.

d) *Product stewardship*

The college's student council has played a big role in ensuring harmony in the college by having frequent meetings.. The student council has internal conflict resolution mechanism and often communicate directly to the administration over any issue. Communication is done through assemblies, notices, texts, whatsapp or through suggestion boxes. The Dean of Students office is tasked with student's welfare and often reports to the management team. The guidance and counselling office has assisted solve students, group or personal issues. To ensure that the strategic pillar of talent developing is realized, co-curricular activities i.e. music, games and sports was done.

The college remits NHIF and NSSF contribution for its employees and carries out adequate service information to its employees; In addition the college facilitates application of licences by its employees. The college has developed ICT policy that provides guidelines for citizen data protection and privacy. The HR policy has also highlighted the dispute resolution mechanisms

Corporate Social Responsibility / Community Engagements

The college has engaged the local administration in security and boundary disputes this year so as to promote peaceful environment for learners.

The college has posted more trainees to the community schools for teaching practice

The local community is also sensitized on procurement requirements to enable them apply during tendering. The college engages and consultations on proposed development projects eg supply of water in their areas.

Borabu Teachers' Training College Annual Report and Financial Statements for the year ended 30 June 2025

11. Report of the Board of Management

The Council/Board members submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the *Borabu teachers training college affairs*.

Principal activities

The principal activity of the entity is to train teachers

Results

The results of the entity for the year period ended 30 June 2025 are set out on 1 to 52

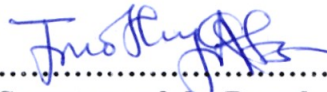
Council/Board of Governors

The members of the Board /Council who served during the year are shown on page v-viii.

Auditors

The Auditor General is responsible for the statutory audit of Borabu TTC in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of the Borabu TTC for the year/period ended June 30, 2025, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



.....
Secretary of the Board

Nairobi

Date: 30/7/2025

Borabu Teachers' Training College Annual Report and Financial Statements for the year ended 30 June 2025

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

Section 83 of the Public Finance Management Act, 2012 and the basic education act require the board members to prepare financial statements in respect of Borabu teachers' training college, which give a true and fair view of the state of affairs of the Borabu teachers' training college at the end of the financial period and the operating results of the Borabu teachers' training college for that period. The board members are also required to ensure that the Borabu teachers' training college keeps proper accounting records which disclose with reasonable accuracy the financial position of the Borabu teachers' training college. The board members are also responsible for safeguarding the assets of the Borabu teachers' training college.

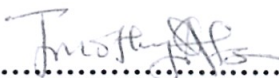
The board members are responsible for the preparation and presentation of the Borabu teachers' training college's financial statements, which give a true and fair view of the state of affairs of the Borabu teachers' training college for and as at the end of the financial period ended on **30 June, 2025**. 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 Borabu teachers' training college; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The board members accept responsibility for the Borabu teachers' training college's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and basic education act. The council members are of the opinion that the Borabu teachers' training college's financial statements give a true and fair view of the state of Borabu teachers' training college's transactions during the period ended **30 June, 2025**, and of the Borabu teachers' training college's financial position as at that date. The council members further confirm the completeness of the accounting records maintained for the Borabu teachers' training college, which have been relied upon in the preparation of the Borabu teachers' training college's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The Borabu teachers' training college's financial statements were not signed by chairman of the board since the Board's term had expired and there was no new board in place. Thus the financial statements were approved by:


.....

Timothy Atuti

Accounting officer/Principal

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON BORABU TEACHERS TRAINING COLLEGE FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Borabu Teachers Training College set out on pages 1 to 38, which comprise of the statement of financial position as at 30 June, 2025, 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 Borabu Teachers Training College at 30 June, 2025 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 Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Long Outstanding Receivables from Exchange Transactions

The statement of financial position, as disclosed in Note 14 to the financial statements, reflects a balance of Kshs.18,625,230 in respect of receivables from exchange transactions, being unpaid school fees dating back to 2018. Management did not provide an explanation for the failure to recover the fees arrears. Further, Management did not make a provision for bad and doubtful debts in the financial statements.

In the circumstances, the accuracy of the recoverability of the long-outstanding accounts receivable balance of Kshs.18,625,230 could not be confirmed.

2. Unconfirmed Property, Plant, and Equipment Balance

The statement of financial position, as disclosed in Note 17 to the financial statements, reflect property, plant, and equipment balance of Kshs.107,601,264. However, there was no evidence that depreciation was charged during the year under review. The assets movement schedule was not prepared in accordance with Public Sector Accounts Standards Board financial reporting template. In addition, the assets were not supported by valuation reports to confirm their fair value. Further, the ownership documents for the motor vehicle was not provided for audit review.

In these circumstances, the existence, accuracy and completeness of the property, plant, and equipment balance of kshs.107,601,264 could not be confirmed

3. Unconfirmed Inventory Balance

The statement of financial position and as disclosed in Note 16 to the financial statements, reflects inventories balance of Kshs.957,350. However, Management did not conduct any stock takes during the year as required to confirm existence and quantity of inventory. Further, comparison of bin card records and the physical inventory revealed discrepancies of Kshs.261,850 being overstatement of the balances recorded.

In these circumstances, the existence, accuracy and completeness of the Inventory balance of Kshs.957,350 could not be confirmed.

4. Variances Between Statement of Net Assets and Statement of Financial position Balances

Review of the financial statements revealed the discrepancies between the statement of financial position and the statement of net assets noted below.

Item	Statement of Financial position (Kshs.)	Statement of Net Assets (Kshs.)	(Variances)
Accumulated Surplus	29,552,722	29,238,694.00	314,028
Net Assets	111,279,769	110,965,741	314,028

In the circumstance, the accuracy and completeness of net assets balance could not be confirmed.

5. Presentation of the Financial Statements

5.1 The statement of comparison of budget and actual amounts includes a comparative column for the financial year 2023/2024 before the performance variance for the current year contrary to the format prescribed by the Public Sector Accounting Standards Board reporting templates.

In the circumstance, the statement of comparison of budget and actual amounts does not conform to the Public Sector Accounting Standards on the reporting format.

5.2 The statement of cash flow reflects comparative miscellaneous income of Kshs.90,000, while the audited financial statements for 2023/2024 reflected Nil amount for the item. In addition, the net cash flows from operating activities for the previous year is reflected as 2,655,907 instead of the re-cast amount of Kshs.2,565,909 resulting in an unexplained variance of Kshs.89,998.

In the circumstance, the accuracy of the cash and cash equivalent balance of Kshs.2,021,715 could not be confirmed.

6. Unsupported Cash Book for Vision Point Sacco Account

The statement of financial position reflects cash and cash equivalents balance of Kshs.2,021,715 which includes Kshs.4,848 held in the vision point SACCO account as disclosed in Note 13(a) to the financial statements. However, the management did not maintain a cash book for the account hence no records of transaction in the account. Further, cash records, statements and bank reconciliation statements were provided for audit review.

In the circumstance, the accuracy of the cash and cash equivalents balance of Kshs.2,021,715 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in the Use of Public Resources, and Report on the Effectiveness of Internal Controls, Risk Management, and Governance. However, these issues remain unresolved contrary to Section 149(2)(I) of the Public Finance Management Act, 2012 which requires the Accounting Officers designated to try to resolve any issues resulting from an audit that remain outstanding.

Other Information

Management is responsible for the Other Information set out on page iii to xx which comprise of Key Entity Information and Management, the Board of Management, Management Team, Report of the Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environment and Sustainability Reporting, Report of the Board Management and Statement of Board of Governors/Council responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matters described in the Basis for Conclusion on

Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Unauthorized Expenditures

The statement of financial performance reflects use of goods and services amount of Kshs.44,959,244, which includes admission expenses, security expenses and clubs and societies expenses of Kshs.274,450, Kshs.432,000 and Kshs.240,450 respectively as disclosed in Note 9 to the financial statements. However, the expenditures were not included in the approved annual budget and approved procurement plan. Further, the admission expenditure was not supported by requisitions from user department.

The expenditures were in contravention of Regulation 33(e)(2) of the Public Finance Management (National Government) Regulations, 2015, which states that appropriations shall be for a specific purpose or a specific programmes or item of expenditure.

In the circumstances, Management was in breach of the law

2. Non-Compliance with Statutory Board Composition Requirements

Review of the Board members records and appointment letters revealed that there were fourteen (14) board members contrary to the prescribed number of nine (9) as per the Act. In addition, the appointment letters for all the Board members indicated that their terms expired in April 2025, which may have resulted to lack of continuity for the Board's operations, contrary to Part 3 of the Basic Education Act, 2013, which states:

(2) In reappointing members of the Boards of Management, the Cabinet Secretary shall maintain a proportion of new membership that ensures continuity in the affairs of the Boards of Management.

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

3. Non-Compliance with the Law on Ethnic Composition

Review of personnel records revealed that the College had thirty-nine (39) members of staff as at 30 June, 2025 out of whom thirty-six (36) or 92% were from the local dominant ethnic community in the County. This was contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008, which prohibits employment of more than 30% from one community. Further, four (4) employees were recruited during the financial year, out of whom three (3) or 75% were from the dominant ethnic community in the County.

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

4. Failure to Comply with Persons with Disabilities Law

Review of the College's human resource records revealed that there were thirty-nine (39) employees in service during the year under review. However, no persons living with disabilities were recruited or employed. This is contrary to the provisions of Part B.23(2) of the Human Resource Policies and Procedures Manual for the Public Service, 2016,

which requires that at least five percent (5%) of all positions in public institutions be reserved for persons with disabilities. It is also inconsistent with Section 5(3)(a) of the Employment Act, 2007, which prohibits both direct and indirect discrimination against prospective employees on the grounds of disability.

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

5. Failure to Prepare and Submit Monthly Bank Reconciliation Statements

The statement of financial position reflects cash and cash equivalents balance of Kshs.2,021,715 held in three (3) bank accounts, as disclosed in Note 13 to the financial statements. However, Management did not prepare and submit monthly bank reconciliation statements for its three (3) bank accounts, contrary to Regulation 90(1), (3), and (4) of the Public Finance Management (National Government) Regulations, 2015, which requires Accounting Officers to prepare monthly bank reconciliations for all bank accounts and submit them to the National Treasury by the 10th day of the following month, with a copy to the Auditor-General.

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

6. Nugatory Costs

The statement of financial performance, as disclosed in Note 10 to the financial statements, reflects employee costs of Kshs. 11,256,973. Included in this amount is Kshs. 1,891,164 paid to the National Social Security Fund (NSSF) as penalties and interest for late remittance of NSSF deductions. The penalties arose due to delays in remitting NSSF contributions within the timelines prescribed by the NSSF Act. The payment represent avoidable expenditures that do not directly contribute to service delivery objectives. Further, the payment of penalties reduces funds available for operations, programs and activities. The Management was in contravention of section 20(1)(b) of the NSSF Act, which requires that an employee's contribution of six per cent of their pensionable earnings be deducted from the employee's earnings, and Section 20(1A), which further requires that an employer shall remit the contribution by the ninth day of each month.

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

7. Failure to Maintain an Imprest Register

Review of the cash book and bank account statements revealed cash withdrawals amounting to Kshs. 7,582,231 for imprest. However, management did not maintain an imprest register to record details of imprests issued, including the amounts, purposes and subsequent surrenders. Therefore, it was not possible to confirm whether the imprests were surrendered or recovered during the year. This contravenes Regulation 93(4)(c) of the Public Finance Management (National Government) Regulations, 2015, which requires that before issuing temporary imprests under paragraph (2), the Accounting Officer shall ensure that the applicant has been recorded in the imprest register including the amount applied for.

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

8. Failure to Maintain an Asset Register

Review of College's records revealed that the college did not maintain a register of its assets. This is contrary to Regulation 143(1) of the Public Finance Management (National Government) Regulations, 2015 which provides that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

In the circumstances, Management was in breach of the law and risked loss of its assets.

9. Lack of Human Resources Plan, Skills Inventory and Succession Management Plans

The statement of financial performance, as disclosed in Note 10 to the financial statements, reflects employee costs of Kshs.11,256,973 for thirty-nine (39) employees. However, the Management did not prepare Human Resource Plans as required under Section B.2(1) of the Public Service Commission Human Resource Policies and Procedures Manual, May, 2016. The policy stipulates that every public institution shall prepare Human Resource Plan to support the achievement of goals and objectives contained in their strategic plans.

In addition, the College did not maintain a skills inventory or succession management plan to guide capacity development, promotions and seamless transition of roles. This is contrary to the Section B.2(1), which requires authorized officers to develop, analyze, update and maintain a comprehensive skills inventory for all staff for purposes of identifying existing competencies and gaps in relation to organizational needs.

The absence of key human resource planning tools implies that staffing decisions may not be based on documented workforce requirements or strategic institutional priorities. It also exposes the institution to risks of skills mismatch, disruption of operations in the event of staff exits and challenges in career progression management.

In the circumstances, the effectiveness of the College's human resource management processes could not be assured.

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

10. Lack of ICPAK Registration of the Accountant Responsible for Financial Statements

Review of the financial statements revealed that the accountant responsible for preparing and signing the financial statements is not a registered member of the Institute of Certified Public Accountants of Kenya (ICPAK). Consequently, the financial statements signed did not include an ICPA(K) membership number, contrary to the requirements of the Accountants Act, 2008, which mandates that all public entity financial statements be prepared and certified by a duly registered and practicing accountant.

In the circumstances, the reliability, credibility and professional compliance of the financial statements could not be confirmed as they were not certified by an ICPAK-registered accountant. This impairs the adequacy and legitimacy of the financial reporting process.

11. Delayed Completion of Construction Works

The statement of financial position reflects a property, plant and equipment balance of Kshs.106,601,264 which includes Kshs.23,838,500, being additions as disclosed in Note 17 to the financial statements. However, the following matters were noted.

(i) Delayed Completion of Ladies' Hostel

The College entered into a contract with a consultant on 6 August, 2024 for the performance of the labor contract at a contract sum of Kshs.1,892,679, being 30% of the bill of quantity sum of Kshs.6,308,930. The contract period was sixty (60) days and works commenced on 06 August, 2024 with a completion date of 6 October, 2024. The contractor was to be paid in three (3) equal instalments of Kshs.630,893 each. At the time of audit in November, 2025, the contractor had been paid an amount of Kshs.1,261,786 which is equivalent to 67% of the labor contract sum.

Physical verification of the project in November, 2025, revealed that works amounting to Kshs.1,169,000 was incomplete. The details are indicated below.

No	Description	Amount
1	Internal and external paintings and decorations	354,200
2	Thick colored cement sand screeding	120,800
3	Ceramic floor tiles	638,000
4	Tile skating	56,000
	Totals	1,169,000

ii) Delayed Completion of Storey Building Classroom

Management entered a contract for the performance of the labor contract on 10 September, 2024 at a contract sum of Kshs.7,449,190, being 30% of the bill of quantity sum of Kshs.24,830,635 for the completion of Storey Building Classroom. The contract period was sixty (60) days and was commenced on 10 September, 2024 with a completion date of 10 November, 2024. The contractor was to be paid in three (3) equal instalments of Kshs.2,483,063 each. At the time of audit in November, 2025, the contractor had been paid an amount of Kshs.1,930,000 which is equivalent to 30% of the labor contract sum.

Physical inspection of the project in November, 2025, revealed that the project was incomplete and the following works amounting to Kshs.7,723,060 had not been done:

No	Description	Amount
1	Staircases (1 No ramp)	3,010,400
2	Rain water disposal: gutters and steel brackets	106,400
3	External wall finishes: paintings and decorations	398,250
4	Internal wall finishes	1,527,000
5	Coloured ceramic tiles	2,027,500

No	Description	Amount
6	High skirting	113,400
7	Curtain tracks	194,400
8	Window glasses	345,710
	Totals	7,723,060

The incomplete works, valued at Kshs.1,169,000 and Kshs.7,723,060 respectively, indicate weaknesses in project planning, contract management, and supervision.

In the circumstances, value for money of the amounts paid of Kshs.8,892,060 could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Internal Audit and Audit Reports

Review of records, operations and functions revealed that the Audit Committee did not carry out an annual review of the operations of Internal Audit Department and no annual report were produced by the Committee. The College did not have an Internal Audit Department, contrary to the provisions of Section 73(1) of the Public Finance Management Act, 2012, which requires every National Government entity to comply with the Act and establish appropriate arrangements for conducting internal audits in accordance with the guidelines of the Accounting Standards Board.

In the circumstances, the effectiveness of internal controls and governance could not be confirmed.

2. Lack of Approved Information and Communication Technology Security Policy

Review of the College's information technology environment revealed several key weaknesses in the management and governance of its ICT systems. The College conducts its accounting processes and prepares financial reports manually using Excel

spreadsheets. The manual approach lacks integrated system controls, making it highly susceptible to human error, data inaccuracies and potential unauthorized alterations.

Further, the institution does not have an approved IT Policy to guide the governance and management of its Information and Communication Technology (ICT) resources. There is also no ICT Steering Committee in place to assist in developing an ICT policy framework that would enable the College to achieve its long-term ICT strategic goals. The absence of an approved IT Policy may lead to unclear guidance on maintaining information security and safeguarding the College's ICT assets.

In addition, without a sound and approved framework, users lack formal rules and procedures to minimize the risk of errors, fraud and loss of data confidentiality, integrity and availability.

The College did not have a functional air conditioning or fire suppression systems in place to ensure a safe operating environment for computer equipment.

In the circumstances, existence of effective ICT controls could not be confirmed.

3. Lack of Approved Staff Establishment

Review of human resource records revealed that the College does not have an approved staff establishment. The absence of an approved establishment implies that the College has not formally identified and approved number and positions, job classifications or the skills mix required to effectively support its mandate and achieve institutional goals.

Further, there was no evidence of a Human Resource Policy or an approved Scheme of Service outlining job categories, required qualifications and experience, career progression paths, promotion criteria and salary structures. These instruments are critical for guiding recruitment, deployment, development, appraisal and remuneration of staff in a transparent and consistent manner.

The lack of these guiding documents means that staffing decisions may be undertaken on an ad-hoc basis, increasing the risk of inconsistent application of Human Resource practices, possible favoritism, unclear reporting structures and challenges in evaluating staff performance. It also impairs the College's ability to ensure that staffing levels are aligned to workload requirements and budgetary provisions.

In the circumstances, it was not possible to ascertain whether the staffing levels at College are at optimal operating level and how key decisions regarding employees were made without the human resource instruments. The internal controls on Human Resources management are weak.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I

consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

16 December, 2025

Appendices


Basis For Qualification	
1	Presentation Of The Financial Statements
2	Inaccuracy Of In The Statement Of Financial Performance
3	Unsupported Cash And Cash Equivalents
4	Unsupported Trade And Other Payables
5	Long Outstanding Receivables From Exchange Transactions
6	Unsupported Transfer From Other National Government Entities
7	Unconfirmed Property, Plant And Equipment
8	Variances Of Net Assets
Report on Lawfulness and Effectiveness In the Use of Public Resources	
1	Irregular Procurement Of Goods And Services
2	Failure To Conduct Annual Stock Taking
3	Non-Compliance With Law On Staff Ethic Composition
4	Failure To Maintain An Assets Register
Report on Effectiveness of Internal Controls, Risk Management and Governance	
1	Lack Of ICT And Risk Management Policies
2	Lack Of Internal Audit Function
3	Lack Of Audit Committee
4	Lack Of An Approved Staff Establishment And Human Resources Governing Instruments

14. Statement of Financial Performance for the Year Ended 30 June 2025

	Notes	2024/2025	2023/2024
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	6,039,216	7,223,384
Revenue from Exchange transactions			
Rendering of services- fees from students	7	86,297,700	43,537,173
Miscellaneous income	8	220,000	
Revenue from Exchange transactions		86,517,700	
Total Revenue		92,556,916	50,760,559
Expenses			
Use of goods and services	9	44,959,244	23,284,949
Employee costs	10	11,256,973	8,005,142
Board /Council Expenses	11	1,572,274	700,500
Repairs and maintenance	12	5,215,703	10,742,988
Creditors payment			9,843,887
Overdraft repayment			839,000
Total Expenses		63,004,194	53,416,466
Net surplus/(deficit) for the year		29,552,722	(2,655,907)

(The notes set out on pages 7 to 36 form an integral part of the Annual Financial Statements).

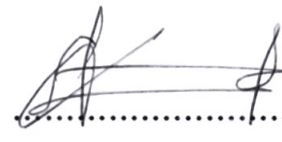
The Financial Statements set out on pages 1 to 42 were signed by:



Chairman of Council/Board



Principal



Finance Officer

ICPAK No 21882

Date 30/07/2025

Date 30-7-2025

Date 30/07/2025

15. Statement of Financial Position As At Ended 30 June 2025

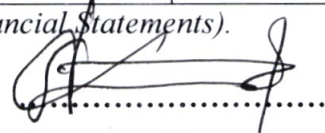
Description	Notes	2024/2025	2023/2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	13	2,021,715	644,388
Current portion of receivables from exchange transactions	14	18,625,230	00
Receivables from non-exchange transactions	15	1,875,173	4,134,953
Inventories	16	957,350	00
Total Current Assets		23,479,468	4,779,341
Non-Current Assets			
Property, plant, and equipment	17	107,601,264	85,180,000
Intangible assets	18	1,000,000	
Total Non-Current Assets		108,601,264	85,180,000
Total Assets (A)		132,080,732	89,959,341
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	19	16,825,870	8,775,005
Payments received in advance	21	3,813,950	00
Total Current Liabilities		20,639,820	8,775,005
Non-Current Liabilities			
Non-Current Employee Benefit Obligation	20	838,643	
Total non-current liabilities		838,643	
Total Liabilities (B)		21,478,463	8,775,005
Net Assets (A-B)		110,602,269	81,184,336
Represented By:			
Revaluation Reserves		74,503,663	
Capital grant reserve		7,223,384	80,539,948
Revenue Reserve			644,388
Accumulated Surplus		29,552,722	
Net Assets		110,602,269	81,184,336

(The notes set out on pages 7 to 36 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 1 to 42 were signed by:


 Chairman of Council/Board


 Principal


 Finance Officer

ICPAK No 21882

Date 30/07/2025

Date 30-7-2025

Date 30/07/2025

16. Statement of Changes in Net Asset for the Year Ended 30 June 2025

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2023 (previous year)	74,503,663	2,341,879	-	76,685,542
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	(2,655,907)	-	(2,655,907)
Capital grants received during the year	-	-	7,223,384	7,223,384
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2024	74,503,663	(314,028)	7,223,384	81,049,547
At July 1, 2024 (current year)	74,503,663	(314,028)	7,223,384	81,049,547
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	29,552,722	-	29,456,322
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2025	74,503,663	29,552,722	7,223,384	110,602,269

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).

Borabu Teachers' Training College Annual Report and Financial Statements for the year ended 30 June 2025

17. Statement of Cash Flows For The Year Ended 30 June 2025

Description		2024/2025	2023/2024
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities		6,039,216	7,223,384
Rendering of services- fees from students		83,043,654	43,537,173
Refund of fees		(185,900)	
Miscellaneous income		220,000	90,000
Total Receipts		89,116,970	50,760,559
Payments			
Use of goods and services	9	44,959,244	23,284,949
Employee costs	10	11,256,973	8,005,142
Board /Council Expenses	11	1,572,274	700,500
Repairs and maintenance	12	5,215,703	10,742,988
Payment of creditors			9,843,887
Overdraft repayment			839,000
Total Payments		63,004,194	53,416,466
Net Cash Flows from operating activities		26,112,776	(2,655,907)
Cash flows from investing activities			-
Purchase of property, plant, equipment and intangible assets		(23,838,500)	-
Net cash flows used in investing activities		(23,838,500)	-
Net Increase/(Decrease) in Cash and Cash equivalents		2,274,276	(2,655,907)
Cash and Cash equivalents at 1 JULY		(252,561)	2,403,348
Cash and Cash equivalents at 30 JUNE		2,021,715	644,388

(PSASB has prescribed the direct method of cash flow preparation and presentation for all public sector entities reporting under the IPSAS Accrual basis of accounting)

18. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	2023/2024	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs		Kshs	%
	a	b	c=(a+b)	d	2023/2024	e=(c-d)	f=d/c*100
Budget carryovers from the previous year*	-	-	-	-		-	-
Receipts							
Transfers from other National Government entities	9,777,377	-	9,777,377	6,039,216	7,223,384	3,738,161	62%
Rendering of services- fees from students	87,356,000	-	87,356,000	83,043,654	43,537,173	4,312,346	95%
Total Receipts	97,133,377	-	97,133,377	89,082,870	50,760,559	8,050,507	92%
Payments							
Use of goods and services	73,546,893	-	73,546,893	44,959,244	23,284,949	28,587,649	61%
Employee costs	11,636,484	-	11,636,484	11,256,973	8,005,142	379,511	97%
BOM	1,950,000	-	1,950,000	1,572,274	700,500	377,726	81%
Repairs and maintenance	10,000,000	-	10,000,000	5,215,703	10,742,988	4,784,297	52%
				-	9,843,887	-	-
				-	839,000	-	-
Total Recurrent Expenses	97,133,377	-	97,133,377	63,004,194	53,416,466	34,129,183	65%
Capital Expenditure Payments				23,838,500		23,838,500	-
Total Expenditure Payments	97,133,377	-	97,133,377	86,842,694		10,290,683	89%
							-
Surplus			0	2,240,176	(2,655,907)	(2,240,176)	-

Budget notes

The difference comes about due to reallocation of monies to capital expenditure which was not budgeted for, since it didn't have a vote head in the fees structure.

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	2,240,176
1	Fees refunds	(185,900)
2	Income from sale of tenders	220,000
3	Cash and cash equivalents at 1 JULY	252,561
	Closing Cash and Cash Equivalent as per the statement of Cash flows	2,021,715

19. Notes to the Financial Statements

1. General Information

Borabu Teachers' Training College is established by and derives its authority and accountability from Basic Education Act. The college is wholly owned by the Government of Kenya and is domiciled in Kenya. The college's principal activity is to train teachers.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment 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 the *entity*. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, *(include any other applicable legislation)*, 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

(When an IPSAS becomes effective on 1st January 20xx, it is applicable in Kenya from 1st July 20xx)

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2025.

There are no new and amended standards issued in the financial year.

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.

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

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	<p>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</p> <p>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 47: Revenue	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 48: Transfer Expenses	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 49: Retirement Benefit Plans	<p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p>Applicable 1st January 2027</p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <p>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</p> <p>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</p> <p>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>

iii. Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption and impact on entity's financial statements.)*

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 have 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.

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 2024/2025 was approved by the Council or Board on *July 2024*. 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 recorded additional appropriations of 21,238,820 on the FY 2024/2025 budget following the Council/Board's 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 Cashflows has been presented.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per basic education Act.

Sales tax/ Value Added Tax

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

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

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

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. *Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an xx-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.(entity to amend appropriately).* 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.

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) Biological Assets

The entity recognizes biological assets when it controls the assets due to past events, it is probable that future economic benefits associated with the asset will flow to the entity, and when the fair value or cost of the asset can be measured reliably. Biological assets are initially and subsequently measured at fair value less costs to sell, except where fair value cannot be reliably determined. In such cases, the asset is measured at its cost less accumulated depreciation and any accumulated impairment losses. Changes in fair value less costs to sell are recognized in surplus/deficit in the period in which they occur.

i) Research and development costs

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

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

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

j) 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*

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on the Company's financial statements. (amend as appropriate). A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

k) Inventories

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

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

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

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

Inventories (Continued)

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

l) Provisions

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

Contingent liabilities

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

Contingent assets

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

m) 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 benefits 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.

n) Nature and purpose of reserves

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

o) 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.

p) 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. (*the entity to retain information relating to defined benefits or contributions, where both schemes are managed full policy applies*)

q) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

r) 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.

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s) 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.

t) 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.

u) 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.

v) Comparative figures

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

w) 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, 2025.

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.

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 xxx.

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

(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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6. Transfers from other National Government entities

Description	2024/2025	2023/2024
	Kshs	Kshs
Unconditional Grants		
Operational Grant	6,039,216	7,223,384
Total unconditional Grants	6,039,216	7,223,384

7. Rendering of Services

Description	2024/2025	2023/2024
	Kshs	Kshs
Tuition Fees	76,283,600	43,366,195
KNEC Examination Fees	7,850,000	00
KUCCPS	750,000	00
Internal exams	1,100,000	00
Fees refunds	(185,900)	(82,300)
Admission Fees	500,000	0
Catering and conference		96,000
Sale of tenders		90,000
Fee recovery		67,278
Total Revenue from The Rendering of Services	86,297,700	43,537,173

8. Miscellaneous Income

Description	2024/2025	2023/2024
	Kshs	Kshs
Sale of tender	220,000	-
Total other income	220,000	-

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9. Use of Goods and Services

Description	2024-2025	2023-2024
		Kshs
Teaching and learning materials	2,177,200	1,972,637
Electricity, water and conservancy	2,920,855	1,537,389
KNEC and other Examination fees	6,992,600	00
Activity fees	3,622,158	3,308,445
Catering and boarding	19,002,744	10,196,812
Local Transport and Travelling	3,555,040	2,282,799
Medical	280,442	118,290
Computer studies	2,583,547	1,584,498
Student ID	156,200	165,500
Administration cost	1,896,438	1,091,967
Insurance of motor vehicles	169,550	256,332
Teaching practice	120,000	187,900
Uniforms	197,500	00
Student council	293,070	163,633
Clubs and societies	240,450	56,000
Admissions	274,450	0
Tender processes	45,000	
Security	432,000	0
Total good and services	44,959,244	22,922,202

Borabu Teachers' Training College Annual Report and Financial Statements for the year ended 30 June 2025

10. Employee Costs

Description	2024-2025	2023-2024
	Kshs	
Salaries and wages	8,740,222	6,083,521
SHA	250,538	161,600
NSSF	1,891,164	1,529,126
PAYEE&H.LEVY	375,049	112,795
WELFARE DEDUCTIONS		25,600
ADVANCE		92,500
Employee Costs	11,256,973	8,005,142

11. Board Expenses

Description	2024/2025	2023/2024
	Kshs	
Allowances and other expenses	1,572,274	700,500
Total	1,572,274	700,500

12. Repairs and Maintenance

Description	2024-2025	2023-2024
	Kshs	
Repair, renovations, and maintenance	4,502,374	2,187,756
Motor Vehicle repair and maintenance	713,329	983,330
Capital expenditure		7,571,902
Total Repairs and Maintenance	5,215,703	10,742,988

13. Cash and Cash Equivalentents

Description	2024/2025	2023-2024
	Kshs	
Current Account	2,021,715	644,388
Total Cash and Cash Equivalentents	2,021,715	644,388

Borabu Teachers' Training College Annual Report and Financial Statements for the year ended 30 June 2025

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

Financial Institution	Account number	2024-2025	2023-2024
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank		1,883,908	267,143
Equity Bank		132,959	296,290
Vision point Sacco		4,848	80,955
Grand Total		2,021,715	644,388

14. Current Receivables from Exchange transactions

Description	2024/2025	2023-2024
	Kshs	Kshs
Current Receivables		
Student Debtors	18,625,230	4,134,953
Total Current Receivables	18,625,230	4,134,953

15 Receivables from Non-Exchange transactions

Description	2024/2025	2023-2024
	Kshs	Kshs
Current Receivables		
Recurrent Grants*	1,875,173	00
Total Current Receivables	1,875,173	00

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

15 (a) Ageing Analysis on Receivables from Non-Exchange Transactions

Description	2024/2025		2023-2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	1,875,173	%	00	%
Total	1,875,173	%	xxx	%

Borabu Teachers' Training College Annual Report and Financial Statements for the year ended 30 June 2025

16. Inventories

Description	2024/2025	2023-2024
	Kshs	Kshs
Consumable stores	847,950	xxx
Maintenance stores	80,700	xxx
Teaching equipment stores	28,700	xxx
Total Inventories at lower of Cost and Net Realizable Value	957,350	xxx

Borabu Teachers' Training College Annual Report and Financial Statements for the year ended 30 June 2025

Notes to the Financial Statements (Continued)

17. Property, Plant and Equipment

Description	2024-2025	2023-2024
	Kshs	
Motor vehicle	5,050,000	5,050,000
Land (6 acres)	12,000,000	12,000,000
Furniture	6,712,764	8,130,000
Buildings	60,000,000	60,000,000
Additions during the year	23,838,500	
Total	107,601,264	85,180,000

Valuation

No valuation has been done.

18. Intangible Assets

Description	Period ended 30 th June, 2025	Period ended 30 th June, 2024
	KShs	
Cost		
At beginning of the year	1,000,000	180,000
Additions during the period	0	820,000
At end of the period	1,000,00	1,000,000

19. Trade and Other Payables

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Trade payables	16,825,870		8,775,005	
Total Trade and Other Payables	16,825,870		8,775,005	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Less than 1 year	16,825,870		8,775,005	

Borabu Teachers' Training College Annual Report and Financial Statements for the year ended 30 June 2025

20. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	2024/2025	2023/2024
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	838,643	-	-	838,643	2,138,643
Total Employee Benefits Obligation	-	-	-	-	-

The entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently Employees contribute 6% while employers contribute 6% of gross salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

21. Payments received in advance.

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Fees received in advance	3,813,950		-	
Others (Specify)	-		-	
Total	3,813,950		-	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	3,813,950	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	%	-	%

Borabu Teachers' Training College Annual Report and Financial Statements for the year ended 30 June 2025

22. Cash generated from operations.

Surplus for the year before tax	2024/2025	Insert Comparative FY
	Kshs	Kshs
Adjusted for:		
Depreciation	-	-
Non-Cash grants received	-	-
Contributed assets	-	-
Impairment	xxx	xxx
Gains and Losses on Disposal of Assets	(xxx)	(xxx)
Contribution to provisions	xxx	xxx
Contribution to impairment allowance	xxx	xxx
Finance Income	(xxx)	(xxx)
Finance Cost	xxx	xxx
Working Capital Adjustments		
Increase in Inventory	(xxx)	(xxx)
Increase in Receivables	(xxx)	(xxx)
Increase in Deferred Income	xxx	xxx
Increase in Payables	xxx	xxx
Increase in Payments received in advance	xxx	xxx
Net Cash Flow from Operating Activities	xxx	xxx

(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)

Borabu Teachers' Training College Annual Report and Financial Statements for the year ended 30 June 2025

23. 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 2024 (previous year)				
Receivables from exchange transactions	4,134,953	-	-	-
Receivables from non-exchange transactions	0	-	-	-
Bank balances	644,388	-	-	-
Total	4,779,341	-	-	-
At 30 June 2025 (current year)				
Receivables from exchange transactions	18,625,230	-	-	-
Receivables from non-exchange transactions	1,875,173	-	-	-
Bank balances	2,656,131	-	-	-
Total	23,156,534	-	-	-

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

Borabu Teachers' Training College Annual Report and Financial Statements for the year ended 30 June 2025

Financial risk management (continued)

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

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

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

(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 2024(previous year)				
Trade Payables	-	-	8,775,005	8,775,005
Current Portion of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	2,138,643	2,138,643
Total	-	-	-	10,913,648
At 30 June 2025 (current year)				
Trade Payables	-	-	16,825,870	16,825,870
Current Portion of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	838,643	838,643
Total	-	-	28,578,161	17,464,513

Borabu Teachers' Training College Annual Report and Financial Statements for the year ended 30 June 2025

(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 2025			
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.

Borabu Teachers' Training College Annual Report and Financial Statements for the year ended 30 June 2025

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.

U	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
20xx			
Euro	10%	-	-
Usd	10%	-	-
20xx		-	-
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 Kshs xxx (20XX: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (20XX – Kshs xxx).

Borabu Teachers' Training College Annual Report and Financial Statements for the year ended 30 June 2025

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	2024/2025	2023/2024FY
	Kshs	Kshs
Revaluation Reserve	74,503,663	-
Retained Earnings	-	-
Capital Reserve	-	-
Total Funds	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	(2,656,131)	-
Net Debt/(Excess Cash and Cash Equivalents)	71,847,532	-
Gearing	xx%	xx%

Borabu Teachers' Training College Annual Report and Financial Statements for the year ended 30 June 2025

24. 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;
- v) XXX

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

Description	Insert Current FY	Insert Comparative FY
	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 xx Employees	-	-

Borabu Teachers' Training College Annual Report and Financial Statements for the year ended 30 June 2025

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Payments for Goods and Services for XX	-	-
Total	-	-
d) Key Management Compensation	-	-
Directors' emoluments	-	-
Compensation to Key Management	-	-
Total	-	-

25. 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)

Borabu Teachers' Training College Annual Report and Financial Statements for the year ended 30 June 2025

26. Events After The Reporting Period

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

27. Ultimate And Holding Entity

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

28. Currency

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

Borabu Teachers' Training College Annual Report and Financial Statements for the year ended 30 June 2025

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.

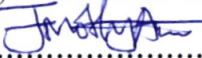
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	The accuracy and completeness of financial statements couldn't be confirmed	The errors were corrected	Resolved	Immediately
2	Inaccuracy in the statement of financial performance	Errors were corrected	Resolved	
3	Unsupported cash and cash equivalents	Necessary support documents have been obtained including bank certificates	Resolved	
4	Unsupported trade and other payables	The management has taken note and will act accordingly	Not Resolved	Immediately
5	Long outstanding receivables for exchange transactions	Mechanisms have been put to collect the long outstanding receivables.	Not Resolved	2 years
6	Unsupported transfers from other national government entities	Notification letters of the transfers were availed.	Resolved	
7	Unconfirmed property, plant and equipment	Management will ensure PPEs are properly valued by government valuer	Not Resolved	2 years
8	Irregular procurement of goods and services	The management takes note of the gaps and will endeavour to put necessary measures to ensure procurement laws and regulations are adhered to.	Not Resolved	Immediately

Borabu Teachers' Training College Annual Report and Financial Statements for the year ended 30 June 2025

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)
9	Failure to conduct annual stock taking	It was done.	Resolved	
10	Non-compliance with law on staff ethnic composition	The management will work on it.	Not Resolved	2 years
11	Failure to maintain assets register	Asset register will be maintained	Not Resolved	6months
12	Lack of ICT and risk management policies	The policies are available	Resolved	
13	Lack of internal audit function	The management will hire an internal auditor.	Not Resolved	1 year
14	Lack of an audit committee	The management has appointed an internal audit committee	Not Resolved	Immediately

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for the implementation of each issue;
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to the National Treasury.

.....


Name
Accounting Officer
(Chief Principal)

Borabu Teachers' Training College Annual Report and Financial Statements for the year ended 30 June 2025

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							

Borabu Teachers' Training College Annual Report and Financial Statements for the year ended 30 June 2025

Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity.....

Name of beneficiary entity.....

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June (Current FY)					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
Total					

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

Head of Accounts Department - Disbursing Entity:
 Name Sign Date

Head of Accounts Department - Beneficiary Entity:
 Name Sign Date.....

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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		

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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