

REPUBLIC OF KENYA



Enhancing Accountability

REPORT



OF

THE AUDITOR-GENERAL

ON

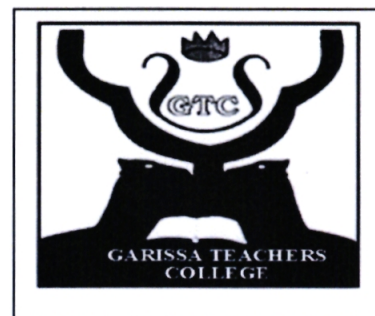
GARISSA TEACHERS TRAINING COLLEGE

FOR THE YEAR ENDED
30 JUNE, 2024

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 25 JUN 2025	
DAY: WEDNESDAY	
TABLED BY:	MAJORITY LEADER
CLERK-AT THE-TABLE:	FINLAT



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GARISSA TEACHERS TRAINING COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Entity Information and Management

(a) Background information

Garissa Teachers Training College is located in Garissa County, North Eastern region of Kenya within Garissa township along the Garissa – Kismayu road, on a 60-acre piece of land. The college was founded in 1992 by the government of Kenya and it opened its doors to the first batch of students in September 1996 with the mandate of training of primary school teachers in the cadre of P1 and P2. The P2 grade was phased out in 2004 and then P1 continued up to 2021 when Diploma in Primary Teacher Education (DPTE) and Diploma in Early Childhood Teacher Education (DECTE) was introduced in Teacher Education to align training with current curriculum (CBC) Competence Based Curriculum.

The college is focusing its training on DPTE, DECTE and upgrading of P1 and ECDE in conjunction with the Ministry of Education (MOE) and its agencies i.e. KNEC, KICD, TSC etc.

(b) Principal Activities

The principal mandate of Garissa Teachers Training College is to provide teacher education and training.

VISION

A centre of Excellence in provision of quality teacher education training.

MISSION

To produce all round teachers capable of meeting demands of fast changing society.

MOTTO

Education for better life.

CORE VALUES

Professionalism: consistently offer quality training and related services that are society driven.

Team Work: Encourage positive team work and positive contribution from its Motivated and innovative workforce.

Quality Training: Provide training which is relevant to the current curriculum to meet the needs of 21st century learner.

Love and care: Always show care and love for all irrespective of the condition of the learner so as to give conducive learning environment.

Integrity: Always encourage honesty in all undertakings done in the college.

Justice: Encourage impartiality while dealing with issues concerning the workers and students.

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Courtesy: Give everyone a chance to a fair hearing. To give everyone an hearing to contribute for the development of the college.

Efficiency: To provide training which make the teacher be in a position to give the best and make teaching more effective.

Improvement: Consistently upgrade resources required to improve training and teaching for improved results.

(a) OBJECTIVES:

1. To implement Competency Based Curricular (CBC)
2. To provide increased training opportunities for trainees that will enable them to be self-reliant.
3. To develop Basic theoretical and practical knowledge about the teaching profession so as to enhance professional commitment and competence.
4. To develop in the teacher the ability to communicate effectively.
5. To provide teacher education that prepares teachers who are able to provide suitable learning opportunities and develop Child's 21st century skills i.e. self-directed, globally aware a communicator, an innovator, financially and economically literate, information and media literate, civically engaged, a problem solver, a critical thinker and a collaborator.

The principal activity/mission/ mandate of Garissa Teachers Training College is to provide teacher education and training.

(c) Key Management

Garissa Teachers Training College's day-to-day management is under the following key organs:

- Board of Management.
- Accounting officer/ Principal
- Management...;

(d) Fiduciary Management

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

SN.	Designation	Name
1.	Principal	Mr. Noor Aden Dahir
2.	Deputy principal Administration	Mr. Ali Abass Abdi
3	Head of Finance	Ms. Asli Farah
4	Dean of Curriculum	Mr. Hukha Abdub Guyo
5	Dean of Students	Ms. Maigwa Alice

(e) Fiduciary Oversight Arrangements

1. Finance, Infrastructure and Projects B.O.M committee

(f) College Headquarters

Garissa Teachers' Training College
Along Garissa - Kismayu Road (A3)
Po Box 496 – 70100
Garissa, Kenya

(g) College Contacts

Telephone: 0725 718 234

Email: garissattc@gmail.com / garissattc@yahoo.com

(h) College Bankers

KCB Bank
Garissa Branch
Garissa

Equity Bank Kenya
Garissa Branch
Garissa

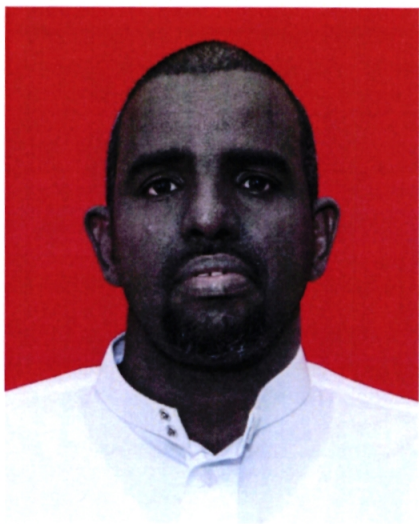
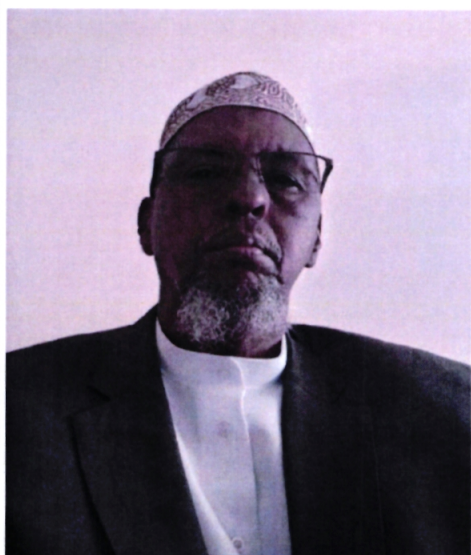
(i) Independent Auditors

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. Board of Management

	Photo, Name and Position	Brief Profile
1	 ABDI MOHAMED HASSAN (CHAIRMAN)	- Date of birth (10/10/1978) - Businessman - Bachelor's Degree in Business Administration in Omdurman Islamic University. - Diploma in Community Development from Thika Institute. - Diploma in BA from Islamic University - Board member in different institutions. - Worked as a Cashier in Garissa County Referral Hospital - Worked as In-charge of Sales and Marketing at First Community Bank
2	 SHEIKH ABDISALAN (MEMBER)	- Date of Birth (22/06/1960) - Businessman - Diploma in Social work from KIA. - Degree in Human Resource Management from Kenyatta University - Short courses/conferences such as project management, public service recruitment and selection in the UK, corporate governance in SA, leadership, mediation and arbitration amongst others. - Member of various Commissions and Boards - Worked with the Young Muslim Association.

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3	 MR. NOOR ADEN DAHIR (PRINCIPAL/SECRETARY BOM)	- Date of Birth (25/7/1982) - Career Teacher and Teacher Trainer - Bachelor of Education at Kampala University - M&E at Mount Kenya University - Taught as a Teacher. - Accounting Officer - BOM Secretary
4	 MRS. JAWAHIR KEINAN (MEMBER)	- Businesswoman - Masters degree in Inclusion and Special needs from University of Birmingham (UK) - Bachelors degree in Education from Kenyatta University - Diploma in Special needs and a - Certificate in P1 from Shanzu TTC - Worked as a teacher - Executive BOM Member

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5	 AHMED MOHAMED ABDI (MEMBER)	- Date of Birth – 17/4/1952 - Highridge Teachers College - Worked as a teacher - Worked at Nairobi as Assistant and Deputy Director. - Worked as a Provincial Director in North Eastern and Coast Province - Worked as District Adult Education Officer in Wajir, Hola, Lamu, Kilifi and Garissa - Worked as a Headteacher in Wajir Township Primary School - Worked as an Assistant Teacher in Wajir Primary School - Member of the Discipline/ Ethics/ Integrity/Human Rights/Student welfare Committee
6	 ZEINAB GURE MURSAL (MEMBER)	- BOM Member - Businesslady and - Holds a Diploma

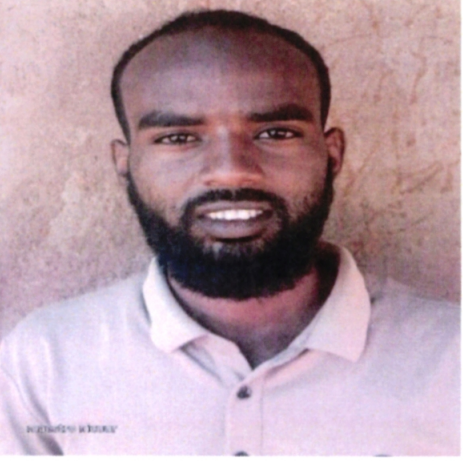
7	 HUSSEIN ABDI FARAH (MEMBER)	- BOM Member - Audit Committee Chairman - Member of the Discipline/ Ethics/ Integrity/Human Rights/Student welfare Committee - Holds a masters in Medical microbiology
8	 MR. IRERI LINCOLN (MEMBER)	- Career Teacher and teacher trainer - Tutors Representative - Academic Committee member

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9	 MOHAMED DUBOW ADEN (MEMBER)	- BOM Member - Member of the Discipline/ Ethics/ Integrity/Human Rights/Student welfare Committee - Holds a masters
10.	 ABDI NOOR DUBOW (MEMBER)	- BOM Member - Member of the Accounts/ Finance/ Procurement/General Purpose Committee - Holds a Masters in ART
11.	 ABDULLAHI MOHAMED ABDI	- BOM Member - Member of the Accounts/ Finance/ Procurement/General Purpose Committee - Holds a Masters in Accounts

12.	 FARHIYA HAJIR HASSAN (MEMBER)	- BOM Member - Member of the Discipline/ Ethics/ Integrity/Human Rights/Student welfare Committee - Holds a degree
13.	 HUSSEIN HARET BORLE (MEMBER)	- BOM Member - Chairman of the Accounts/ Finance/ Procurement/General Purpose Committee - Degree in Bachelor of Arts

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14.	 ABDIKHEIR OSMAN (MEMBER)	- Students Representative - Member of the Discipline/ Ethics/ Integrity/Human Rights/Student welfare Committee
15.	 EBLA HAJI ADEN (MEMBER)	- Academic Committee member - Audit Committee member - BOM Member - Masters in Education
16.	 MAHAT ISSACK HASSAN (MEMBER)	- BOM Member - Academic Committee Chairman - Holds a Master's in Art

4. Key Management Team

 1. MR. NOOR ADEN DAHIR	THE PRINCIPAL -Accounting Officer -Secretary BOM
 2. MR. ALI ABASS	-DEPUTY PRINCIPAL- ADMINISTRATION -Administrative Duties
 3. MR. HUKHA ABDUB GUYO	DEAN OF CURRICULUM Head of Academic affairs

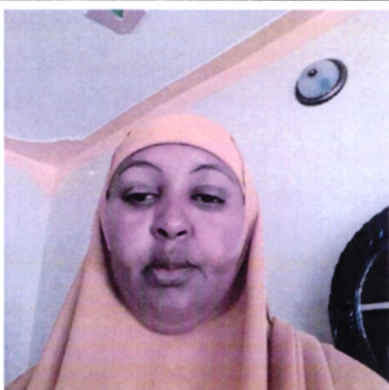
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4. MRS. ALICE MAIGWA

- DEAN OF STUDENTS

-Students welfare



5. MRS. ASLI SALAH FARAH

- HEAD OF FINANCE

- Financial Management and reporting

5. Chairman's Statement

As we reflect on the past year, I am pleased to report that Garissa Teachers Training College has made significant progress under the stewardship of our fully constituted Board of Management, approved by the Ministry of Education and inaugurated on June 10, 2023. Since its formation, the Board has established various committees to enhance governance and operational efficiency.

The Accounts/Finance/Procurement/General Purpose Committee reviewed the college's budgetary estimates for the fiscal year 2023/2024. Following thorough discussions, the committee recommended amendments to the budget, which the Full Board approved on November 4, 2023. I, along with other Board members, have conducted regular visits to the college to monitor the progress of ongoing projects, including renovations and rehabilitations. I am pleased to report that the allocated funds are being utilized effectively for their intended purposes.

Despite our progress, the Board remains concerned about the state of our infrastructure. The rising number of teacher trainees has put pressure on our tuition and boarding facilities, many of which are aging and in need of significant repair. These structures, inherited from Boys town Primary School, require urgent attention.

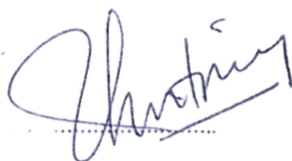
In response, the Board is actively seeking financial support and volunteers to address these challenges. I have reached out to various agencies, including the County Development Fund (CDF) and the County Government of Garissa, for assistance. I am pleased to report that the Government of Kenya/CDF for Garissa Township has commenced construction of a new female hostel, complete with an ablution block.

To ensure the sustainability of our institution, we have also launched outreach programs to engage the community and raise awareness about the importance of teacher training.

As we look to the future, I extend my heartfelt gratitude to the Ministry of Education, the Teachers Service Commission, our area Member of Parliament, and all our partners for your unwavering support. Together, we are confident that Garissa Teachers Training College will continue to grow and provide quality education for future generations of teachers.

Thank you for your continued support.

Sincerely,



Abdi Mohamad Hassan
Chairman, Board of Management

6. Report of the Principal

As we embark on the 2023-2024 financial year, I am honored to present this report reflecting on our progress and challenges since my appointment as Principal in January 2023, following the handover from my predecessor. I would like to acknowledge the continued leadership of our Chairman, who has been instrumental in guiding us since his appointment in June 2023, as well as the unwavering support of the Board of Management.

Building on the strategic objectives set forth by my predecessor and our Chairman, we remain dedicated to enhancing curriculum development, improving infrastructure, and expanding our human resource capabilities. Our efforts are focused on increasing student enrollment and integrating ICT solutions to meet the evolving demands of modern teacher education.

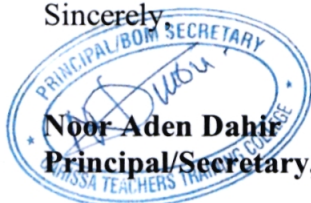
While we have made notable progress, we still face significant challenges. Staffing remains a critical issue, with a persistent shortage of qualified trainers across all departments. As previously reported, our limited resources have allowed us to employ only six trainers, which is inadequate given the growing student population and diverse program offerings. Additionally, security concerns stemming from our remote location highlight the need for enhanced fencing to ensure the safety of our students and staff. We also require reliable internet connectivity and a Management Information System (MIS) to streamline our admissions, fee payments, and exam registration processes.

Looking ahead to this financial year, my focus will be on addressing these staffing and security challenges. I am committed to improving our infrastructure and creating a safe, conducive learning environment for academic success. We will prioritize the integration of ICT solutions to enhance operational efficiency, further establishing Garissa Teachers Training College as a leader in teacher education within the region.

I would like to express my heartfelt gratitude to the Ministry of Education, the Teachers Service Commission, our dedicated staff, and our Chairman for their ongoing support. A special thank you goes to our students for their dedication to their studies during this transition period. Together, we are committed to building a brighter future for teacher education in Garissa County.

Thank you for your continued support.

Sincerely,



Noor Aden Dahir
Principal/Secretary, Board

7. Statement of Performance against Predetermined Objectives

In accordance with Section 81 Subsection 2(f) of the Public Finance Management Act, 2012, Garissa Teachers Training College presents its statement of performance against predetermined objectives for the year ended June 2023. The college operates under a strategic plan that encompasses two primary strategic pillars.

Strategic Pillars

Pillar 1: Quality Teacher Education and Training

This pillar focuses on enhancing the quality of teacher education programs to ensure that graduates are well-equipped to meet the educational needs of the community.

Pillar 2: Community Engagement and Support

This pillar emphasizes building strong relationships with local communities and stakeholders to promote education and support the implementation of educational initiatives.

Garissa Teachers Training College develops its annual work plans based on these strategic pillars. The Board assesses performance against the annual work plan on a quarterly basis. For the fiscal year 2022/2023, the college achieved its performance targets set for its two strategic pillars, as summarized in the table below.

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Quality Teacher Education and Training	Enhance the quality of teacher training programs.	- % increase in student satisfaction rates	- Curriculum review and updates	- 85% satisfaction rate among graduates
		- % of graduates securing teaching positions	- Professional development workshops for faculty	- 90% of graduates employed within 6 months
		- Number of accredited programs	- Implementation of new teaching methodologies	- 3 new programs accredited
Community Engagement and Support	Strengthen partnerships with local schools and stakeholders.	- Number of community outreach programs	- Workshops and seminars for local educators	- 5 outreach programs conducted
		- % increase in community participation	- Collaborations with NGOs and	- 30% increase in community engagement

Garissa Teachers Training College

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			local government	
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Performance Analysis

Pillar 1: Quality Teacher Education and Training

The college successfully enhanced its teacher training programs through a comprehensive curriculum review and the introduction of new teaching methodologies. This initiative resulted in an 85% satisfaction rate among graduates and a remarkable 90% employment rate within six months of graduation. Additionally, the college achieved accreditation for three new programs, expanding its offerings and improving the quality of education provided.

Pillar 2: Community Engagement and Support

Garissa Teachers Training College strengthened its community engagement efforts by conducting five outreach programs aimed at enhancing local educational practices. These initiatives increased community participation in educational activities by 30%, demonstrating the college's commitment to fostering partnerships that support educational advancement.

Conclusion

The achievements outlined above reflect the college's alignment with its strategic objectives and its commitment to fulfilling performance contracts. The management of Garissa Teachers Training College will continue to focus on these strategic pillars to ensure the sustained growth and effectiveness of its educational programs and community engagement efforts. Moving forward, the college aims to build on these successes, addressing any challenges that may arise and continuously improving its offerings to better serve the educational needs of the region.

8. Corporate Governance Statement

Garissa Teachers Training College is committed to upholding the highest standards of corporate governance, which are essential for our mission to provide quality education. The current Board, appointed in June 2023, consists of sixteen (16) members.

Throughout the 2023-2024 financial year, the Board has convened several meetings to address key issues and set strategic direction for the College. These discussions have laid the groundwork for effective governance and have helped identify priority areas for improvement.

The Board has also initiated the development of a succession plan to ensure a robust pipeline of future leadership and continuity within the College. A comprehensive Board Charter is being finalized, outlining the roles, responsibilities, and functions of the Board to guide our governance practices.

Our appointment process for Board members remains transparent, focusing on qualifications and alignment with the College's mission. Procedures for removal will comply with legal and regulatory standards to ensure fairness. The Board is responsible for overseeing management performance, ensuring compliance with legal obligations, and safeguarding stakeholder interests.

To facilitate effective governance, an induction program has been organized for all new Board members to familiarize them with the College's operations and governance framework. Ongoing training will be provided as needed, and the Board plans to implement regular assessments of its performance and that of individual members to foster continuous improvement.

Policies to manage conflicts of interest have been established, requiring members to disclose any potential conflicts and recuse themselves from related decision-making processes. Board remuneration is aligned with industry standards to attract and retain qualified members while ensuring accountability. The Board is committed to maintaining ethical conduct and integrity in all dealings, guided by a Code of Conduct that informs decision-making.

An independent governance audit will be conducted annually to evaluate the effectiveness of our governance framework and identify areas for improvement. The new Board will serve a term of three years, focusing on strengthening governance practices and advancing the mission of Garissa Teachers Training College.

Thank you for your continued support.



Noor Aden Dahir

Principal/Secretary, Board

9. Management Discussion and Analysis

The College's operational and financial performance

During the period ended 30th June, 2024 the College continued to execute its mandate of teacher training in DPTE, DECTE and Upgrade (UPDPTE). In adherence to the government policies the college was able to collect and receive Kshs.51,146,644.00 from fees collection only. The government grants received was Kshs. 11,498,449.00

The college has documented its operational policies on diverse aspects that will assist in governance; these are Academic Policy, Finance Policy, Students Fees Policy, Alcohol and Drug Abuse policy, HIV/Aids policy, Presidential Directives among others.

Colleges's compliance with statutory requirements

During the Yearly Period under review, the college complied with the following statutory requirements among others; Public Audit Act 2015, Education Act 2012, Labour Relations Act 2007, PSC Act 2017, PFM Act 2012. We have been able to submit the National Social Security Funds (NSSF), Pay As You Earn (PAYE), National Hospital Insurance Fund (NHIF) dues on behalf of our BOM workers.

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

Garissa Teachers Training College has completed the process of renovating one hostel, installing 1no. water tank, renovating Principal's house, renovating 2 no .of concrete water tanks in the college which will go along way in improving and making learning environment conducive, with monies from fees as per the vote heads.

Major risks facing the College

The major risks facing the college include the following among others:

1. Low fees payments from students.
2. High cost of foodstuffs and other resources for learning.

The Ministry has demanded for strict adherence to the fees guidelines given yet the cost of living is at its high, this has a negative effect on the budgetary estimates yet the college has to maintain high standards.

Material arrears in statutory/financial obligations

Garissa Teachers Training College has not been able to submit/honour its statutory obligations to State Corporations or agencies because the BOM workers have not received their salaries since September, 2022 which comes as a grant from the MOE. The college does not have any Court Order that affect its running.

The College's financial probity and serious governance issues

During the year the College did not have serious governance issues apart from sometimes the BOM workers have low morale and are always walking to the Principal's office to raise up the issue of their delayed salaries arrears which is beyond the BOM.

10. Environmental And Sustainability Reporting Statement

Sustainability Strategy and Profile

At Garissa Teachers Training College, we are committed to embedding sustainability into our educational practices and campus operations. Under the guidance of our management team, particularly our accounting officer, we have embraced a sustainability strategy that reflects both local needs and international best practices.

Key Achievements

Green Campus Initiative: We have successfully implemented a green campus initiative that has led to a 15% reduction in energy consumption through the installation of solar panels and energy-efficient lighting.

Community Engagement: Our outreach programs have fostered partnerships with local schools to promote environmental education, reaching over 1,000 students in the region.

Shortcomings

Despite our progress, challenges remain. Limited resources have hindered our ability to scale up sustainability projects, and we recognize the need to enhance our engagement with local communities and stakeholders.

Environmental Performance

Environmental Policy

Our college has established a comprehensive environmental policy aimed at minimizing our ecological footprint and promoting sustainability in teacher education. This policy guides our operations and serves as a framework for continuous improvement.

Evidence of Policy Implementation

Waste Management: We have introduced a recycling program that has successfully diverted 25% of waste from landfills, promoting a culture of sustainability among students and staff.

Water Conservation: Initiatives to collect rainwater for irrigation have been implemented, reducing water usage significantly, especially given the arid climate of Garissa.

Successes and Shortcomings

While we have made strides in waste management and water conservation, further efforts are needed to address issues such as single-use plastics and overall environmental awareness within our community.

Employee Welfare

Hiring Policies

Our hiring practices prioritize diversity and gender balance, actively promoting an inclusive workplace. We engage stakeholders in reviewing these processes to ensure they are effective and equitable.

Skill Development

We provide ongoing professional development opportunities for our staff, including training in sustainable practices relevant to teacher education. Our appraisal system rewards contributions to both individual and institutional sustainability goals.

Safety and Compliance

We strictly adhere to the Occupational Safety and Health Act of 2007 (OSHA), ensuring a safe working environment through regular training sessions and compliance audits.

Marketplace Practices

Responsible Competition Practices

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Garissa Teachers Training College fosters a culture of integrity, adhering to principles of fair competition and transparency. Our policies include anti-corruption measures and ethical guidelines for interactions with other educational institutions.

Responsible Supply Chain

We prioritize maintaining strong relationships with our suppliers, ensuring that contracts are honored and payments made promptly, which supports local businesses and fosters community trust.

Ethical Marketing Practices

Our marketing strategies emphasize truthfulness and respect for our audience, promoting our educational programs ethically while safeguarding consumer rights.

Product Stewardship

We are committed to protecting the rights and interests of our students, ensuring that all educational materials and resources provided meet high standards of quality and sustainability.

Corporate Social Responsibility / Community Engagements

In the past year, Garissa Teachers Training College has actively engaged in several CSR initiatives that positively impact our community. Notable activities include:

Charitable Giving: We supported local health initiatives with cash donations and educational materials, benefiting various local organizations.

Environmental Education: Our outreach programs involved conducting workshops on environmental sustainability in schools, engaging over 500 local students.

Community Service Projects: Our students participated in tree planting and clean-up campaigns in local neighborhoods, enhancing community awareness of environmental issues.

Through these efforts, Garissa Teachers Training College remains dedicated to fostering sustainable practices and community engagement, striving to lead by example in teacher education and training in North Eastern Kenya. We continue to seek opportunities for improvement and collaboration, ensuring that our college is a model of sustainability and community service.

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11. Report of the Board of Management

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

Principal activities

The principal activities of the College is to provide teacher education and training.

Results

The results of the College for the year ended June 30 are set out on page 1

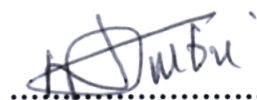
Board of Management

The members of the Board who served during the year are shown on page vii to xii.

Auditors

The Auditor General is responsible for the statutory audit of the College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the period ended June 30, 2024.

By Order of the Board



.....
Secretary of the Board

Date:

12. Statement of Board of Management's Responsibilities

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

The Board members are responsible for the preparation and presentation of the College's financial statements, which give a true and fair view of the state of affairs of the College for and as at the end of the financial period ended on 30 June 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the College; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the College; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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

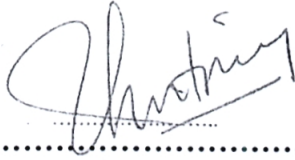
Nothing has come to the attention of the Board members to indicate that the College will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The College's financial statements were approved by the Board on 30 September 2024 and signed on its behalf by:

Garissa Teachers Training College

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



.....
Name: Abdi Mohamad Hassan
Chairperson of the Board



.....
Name: Noor Aden Dahir
Accounting Officer/Principal

REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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P.O Box 30084-00100
NAIROBI

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

PREAMBLE

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

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

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 Manderia Teachers Training College set out on pages 1 to 28 which comprise the statement of financial position as at

Report of the Auditor-General on Manderia Teachers Training College for the year ended 30 June, 2024

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

In my opinion, except for the effect of the 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 Mandera Teachers Training College as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0 Inaccuracies in Comparative and Opening Balances

1.1 Depreciation and Amortization Expense

The statement of financial performance reflects comparative amount for depreciation and amortization expense of Kshs.11,467,500. However, the financial statements for the previous financial year reflects depreciation and amortization expenses Kshs.8,598,750, resulting in unreconciled variance of Kshs.2,868,750.

In the circumstances, the accuracy of comparative amount for depreciation and amortization expense of Kshs.11,467,500 could not be confirmed.

1.2 Cash and Cash Equivalents

The statement of financial position reflects opening balance for cash and cash equivalents of Kshs.3,838,713. However, the financial statements for 2022/2023 financial year reflects cash and cash equivalents balance of Kshs.3,690,696, resulting in unreconciled variance of Kshs.148,017.

In the circumstances, the accuracy of opening balance of cash and cash equivalents of Kshs.3,838,713 could not be confirmed.

1.3 Property, Plant and Equipment

The statement of financial position reflects opening balance for property, plant and equipment of Kshs.184,952,500. However, the financial statements for 2022/2023 financial year reflects property, plant and equipment of Kshs.191,181,250, resulting in unreconciled variance of Kshs.6,228,750.

In the circumstances, the accuracy of opening balance of property, plant and equipment of Kshs.184,952,500 could not be confirmed.

1.4 Current Liabilities

The statement of financial position reflects opening balance of current liabilities of Kshs.148,020 in respect of refund of students' deposits. However, the financial statements for 2022/2023 financial year reflects Nil balance in respect of current liabilities as at 30 June, 2023, resulting in unreconciled variance of Kshs.148,020.

In the circumstances, the accuracy of opening balance of current liabilities of Kshs.148,020 could not be confirmed.

2.0 Unsupported Capitation Balance

Note 6 of the statement of financial performance reflects transfer from National Government entities in respect of capitation grants amounting to Kshs.8,323,858 as disclosed in Note 6 to the financial statements. However, Management did not provide details to confirm the amount of capitation receivable based on National Education Management Information System (NEMIS) records. In addition, the capitation grants were not supported by Authority to Incur Expenditure (AIE) detailing on how they were to be utilized.

In the circumstances, the accuracy of transfer from National Government entities of Kshs.8,323,858 could not be confirmed.

3.0 Unconfirmed Receivables Balance

The statement of financial position reflects trade receivables balance of Kshs.11,855,880 as disclosed in Note 15 to the financial statements. The balance relates to outstanding student debtors as at 30 June, 2024. However, the balance was not supported by a schedule indicating the opening balance, amount payable during the year and amount paid during the year.

In the circumstances, the accuracy of the trade receivables balance of Kshs.11,855,880 could not be confirmed.

4.0 Unconfirmed Value of Non-current Assets

The statement of financial position reflects property, plant and equipment balance of Kshs.242,038,395 as disclosed in Note 16 to the financial statements. However, Management did not provide a fixed assets register with details on the cost or fair value to confirm the values of the assets held. In addition, the ownership documents for one Motor vehicle were not in the name of the College. Further, furniture, computers and other equipment were not tagged.

In the circumstances, the accuracy and completeness of the property, plant and equipment balances of Kshs.242,038,395 could not be confirmed.

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

Emphasis of Matter

Budget Performance and Control

The statement of comparison of budget and actual amounts reflects final revenue budget and actual revenue of Kshs.72,554,567 and 57,360,564 respectively resulting in under-funding of Kshs.15,194,003 or 21% of the approved budget. Similarly, the College spent Kshs.44,519,199 against approved expenditure budget of Kshs.72,554,567 resulting in under expenditure of Kshs.28,035,368 or 39% of the approved budget.

The under-funding and under-utilization affected the planned activities and may have impacted negatively on the operations of the College.

My opinion is not modified in respect to this matter.

Key Audit Matters

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

Other Information

The Management is responsible for the other information set out on page iii to xvii which comprise of Key Entity Information, The Board of Management, Key Management Team, Chairman's Report, Report of the Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting Statement, Report of the Board of Governors and Statement of Board of Governors' Responsibilities. The other information does not include the financial statements and my audit report thereon.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Lack of Ethnic Diversity in Staff Composition

Review of employees' records revealed that 90% of the College's employees were from the dominant ethnic community. This was contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and no public establishment shall have more than one third of its staff from the same ethnic community.

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

The audit was conducted in accordance with ISSAIs 3000 and 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 are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, 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 function

The College did not have an internal audit unit. This was contrary to Section 73(1)(a) of the Public Finance Management Act, 2012 which provides that every national government

entity shall ensure that it has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board.

In the circumstances, the effectiveness of checks and balances in the College could not be confirmed.

2. Lack of Internal Audit Committee

The College did not have an audit committee. This is contrary to Regulation 73(5) of the Public Finance Management (National Governments) Regulations, 2015 which provides that every National Government public entity shall establish an audit committee whose composition and functions shall be as prescribed by the regulations.

In the circumstances, the effectiveness of governance systems in the College could not be confirmed.

3. Lack of Approved Staff Establishment and Human Resource Policy

Review of the operations of the College revealed that the College operated without an approved staff establishment. This was contrary to Section B of Human Resource Policies and Procedures Manual for the Public Service of May, 2016.

Further, examination of the personnel emoluments, supporting ledgers and payroll records revealed that there was no documented evidence of an established salary structure for Board of Management (BOM) staff, leading to potential inconsistencies in salary payments. In addition, the College did not have a human resources and policies manual.

In the circumstances, it was not possible to confirm the effectiveness of human resource management controls.

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

Responsibilities of the Management and Board of Management

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

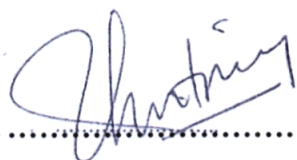
Nairobi

24 December, 2024

Garissa Teachers Training College**Annual Report and Financial Statements for the year ended 30th June 2024****14. Statement of Financial Performance For The Year Ended 30 June 2024**

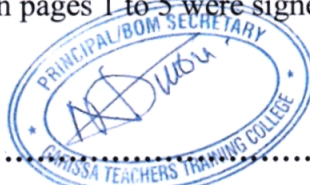
	Notes	2023-2024 Kshs	2022-2023 Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	11,498,448	9,364,439
		11,498,448	9,364,439
Revenue from Exchange transactions			
Rendering of services- fees from students	7	42,690,233	7,731,487
Rental revenue from facilities and equipment	8	538,500	95,000
Revenue from Exchange transactions		43,228,733	7,826,487
Total Revenue		54,727,181	17,190,926
Expenses			
Use of goods and services	9	28,628,091	8,667,528
Employee costs	10	6,385,844	7,299,501
Board Expenses	11	396,000	28,500
Depreciation and amortization expense	12	6,257,076	6,164,641
Repairs and maintenance	13	5,856,078	245,000
Finance costs	14	15,847	10,699
Total Expenses		47,538,936	22,415,869
Net surplus/(deficit) for the year		7,188,245	(5,224,943)

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



Abdi Mohamad Hassan
Chairman of Board

Date 17/12/24



Noor Aden Dahir
Principal

Date 17/12/24



Asli Farah
Finance Officer
ICPAK No

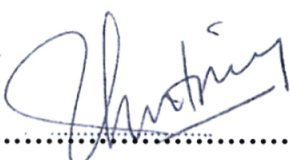
Date 17/12/24

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

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

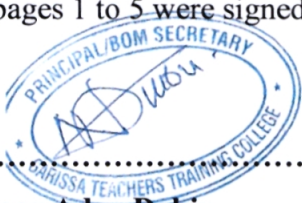
Description	Notes	2023-2024 Kshs	2022-2023 Kshs
Assets			
Current Assets			
Cash and cash equivalents	15	8,963,970	1,381,007
Current portion of receivables from exchange transactions	16	3,487,208	5,513,060
Total Current Assets		12,451,178	6,894,067
Non-Current Assets			
Property, plant, and equipment	17	91,761,323	94,320,991
Total Non-Current Assets		91,761,323	94,320,991
Total Assets (A)		104,212,501	101,215,058
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	18	38,120,540	40,820,639
Total Current Liabilities		38,120,540	40,820,639
Non-Current Liabilities			
Non- Current Borrowings	19	5,465,911	6,956,614
Total non- current liabilities		5,465,911	6,956,614
Total Liabilities		43,586,451	47,777,253
Net Assets		60,626,050	53,437,805
Represented By:			
Accumulated Surplus		(1,299,175)	(8,487,420)
Capital Fund		61,925,225	61,925,225
Net Assets		60,626,050	53,437,805

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



Abdi Mohamad Hassan
Chairman of Board

Date 17/12/24



Noor Aden Dahir
Principal

Date 17/12/24



Asli Farah
Finance Officer
ICPAK No

Date 17/12/24

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

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

Description	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2022	(3,262,477)	61,925,225	58,662,748
Surplus/(deficit) for the year	(5,224,943)	0	(5,224,943)
At June 30, 2023	(8,487,420)	61,925,225	53,437,805
At July 1, 2023	(8,487,420)	61,925,225	53,437,805
Surplus/(deficit) for the year	7,188,245	0	7,188,245
At June 30, 2024	(1,299,175)	61,925,225	60,626,050

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

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

Description		2023-2024	2022-2023
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities		11,498,448	9,364,439
Rendering of services- fees from students		42,690,233	7,731,487
Rental revenue from facilities and equipment		538,500	95,000
Total Receipts		54,727,181	17,190,926
Payments			
Use of goods and services		15,919,553	8,311,417
Employee costs		19,768,629	7,299,501
Board Expenses		396,000	28,500
Repairs and maintenance		5,856,078	245,000
Total Payments		41,940,260	15,884,418
Net Cash Flows from operating activities		12,786,921	1,306,508
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(3,697,408)	(2,585,632)
Net cash flows used in investing activities		(3,697,408)	(2,585,632)
Cash flows from financing activities			-
Repayment Of Borrowings		(1,490,703)	(1,490,703)
Penalty loan repayment		(15,847)	(12,259)
Net cash flows used in financing activities		(1,506,550)	(1,502,962)
Net Increase/(Decrease) in Cash and Cash equivalents		7,582,963	(2,782,086)
Cash and Cash equivalents at 1 JULY		1,381,007	4,163,093
Cash and Cash equivalents at 30 JUNE		8,963,970	1,381,007

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other National Government entities	12,000,000	-	12,000,000	11,498,448	501,552	96%
Rendering of services- fees from students	44,000,000	14,000,000	58,000,000	42,690,233	15,309,767	74%
Rental revenue from facilities and equipment	1,000,000	-	1,000,000	538,500	461,500	54%
Total Income	57,000,000	14,000,000	71,000,000	54,727,181	16,272,819	77%
Expenses						
Use of goods and services	31,000,000	-	31,000,000	30,422,602	577,398	98%
Employee costs	20,000,000	-	20,000,000	19,768,629	231,371	99%
Board Expenses	-	-	-	396,000	(396,000)	-
Repairs and maintenance	6,000,000	-	6,000,000	5,856,078	143,922	98%
Finance Cost	0		0	15,847	(15,847)	-
Total Expenditure	57,000,000	-	57,000,000	56,459,156	540,844	99%
Surplus For the Period	-	-	-	1,731,974	1,731,974	-
Capital Expenditure and Loan Repayment	0	14,000,000	14,000,000	3,697,408	10,302,592	26%
Totals	57,000,000	14,000,000	71,000,000	57,949,859	10,843,436	85%

19. Notes to the Financial Statements

1. General Information

Garissa Teachers Training College is established by and derives its authority and accountability from Technical and Vocational Education and Training Act, 2013. The College is wholly owned by the Government of Kenya and is domiciled in Kenya. The College's principal activity is Diploma in Primary Teachers Education (DPTE).

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 College's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 14. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the College. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

There are no new standards in the year ended 30th June 2024

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

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

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

	i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47: Revenue	<i>Applicable 1st January 2026</i> 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.
IPSAS 48: Transfer Expenses	<i>Applicable 1st January 2026</i> 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.
IPSAS 49: Retirement Benefit Plans	<i>Applicable 1st January 2026</i> 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.

iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the College and can be measured reliably. 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 College recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2023/2024 was approved by the Board on 27 April 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the College upon receiving the respective approvals to conclude the final budget. Accordingly, the College did not have recorded additional for FY 2023/2024 budget following the Board's approval. The College's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

c) Taxes

Current income tax

The College is exempt from paying taxes.

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. 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 College recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Class of Assets	Depreciation Rate
Buildings	2.5%
Motor Vehicles	25%
Furniture and Fittings	12.5%
Computers	33 1/3%

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the College. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The College also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. 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 College will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the College. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible assets

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

h) Research and development costs

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

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

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

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. A financial instrument is any contract that gives rise to a financial asset of one College and a financial liability or equity instrument of another College. At initial recognition, the College 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 College 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 College'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 College 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 College 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 College 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 College 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 College 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.

Financial liabilities

Classification

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

j) Inventories

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

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

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

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

Inventories (Continued)

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

k) Provisions

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

Contingent liabilities

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

Contingent assets

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

l) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and/or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The College 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 College will incur in fulfilling the present obligations represented by the liability.

m) Nature and purpose of reserves

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

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

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

p) Foreign currency transactions

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

q) Borrowing costs

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

r) Related parties

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

s) Service concession arrangements

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

t) Cash and cash equivalents

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

u) Comparative figures

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

v) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available.

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

6. Transfers from other National Government entities

Description	2023-2024	2022 - 2023
	Kshs	Kshs
Unconditional Grants		
Recurrent Grants	11,498,448	9,364,439
Total unconditional Grants	11,498,448	9,364,439

6 (a) Transfers from other Government entities (Categorized)

Name of Entity Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	2022-2023
	Kshs	Kshs	Kshs	Kshs	Kshs
Min. of Education – State Dept. of TVET	11,498,448	0	0	11,498,448	9,364,439
Total	11,498,448	0	0	11,498,448	9,364,439

7. Rendering of Services

Description	2023-2024	2022-2023
	Kshs	Kshs
Tuition Fees	42,690,233	7,731,487
Total Revenue from The Rendering of Services	42,690,233	7,731,487

8. Rental revenue from facilities and equipment

Description	2023-2024	2022-2023
	Kshs	Kshs
Rentals	538,500.00	95,000.00
Total	538,500.00	95,000.00

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Notes to the Financial Statements (Continued)

9. Use of Goods and Services

Description	2023-2024	2022-2023
	Kshs	Kshs
Boarding Equip. And Stores	15,523,613	3,557,356
Electricity Water And Cons	1,548,928	1,592,398
Tuition Equip. And Stores	3,707,334	669,865
Local Transport & Travelling	1,783,601	1,356,159
Medical Fund	128,045	11,200
Activity	3,035,300	326,395
Teaching Practice	-	177,520
Pte Examination	-	706,500
Seminar	976,500	264,740
Facilitation	464,850	-
Insurance	39,573	5,000
Administrative Cost	1,420,347	-
Total good and services	28,628,091	8,667,528

10. Employee Costs

Description	2023-2024	2022-2023
	Kshs	Kshs
Personal Emol. - Non - Teaching Staff	0	217,000
Personal Emolument Subordinate Staff	4,361,700	6,310,952
Advance to staff	277,000	98,500
Welfare	-	3,200
PAYE	171,874	84,299
Gratuity	957,160	530,000
NHIF	226,350	34,750
NSSF	391,760	20,800
Employee Costs	6,385,844	7,299,501

Notes to the Financial Statements (Continued)

11. Board Expenses

Description	2023-2024	2022-2023
	Kshs	Kshs
Other Allowances	396,000	28,500
Total	396,000	28,500

12. Depreciation and Amortization expense

Description	2023-2024	2022-2023
	Kshs	Kshs
Property, Plant and Equipment	6,257,076	6,164,641
Total depreciation and amortization	6,257,076	6,164,641

13. Repairs and Maintenance

Description	2023-2024	2022-2023
	Kshs	Kshs
Repairs Maint. And Improvement	5,148,868	650
Vehicle Repairs And Maintaince	707,210	244,350
Total Repairs and Maintenance	5,856,078	245,000

14. Finance Costs

Description	2023-2024	2022-2023
	Kshs	Kshs
Penalty on Loans from Commercial Banks	15,847	10,690
Total Finance Costs	15,847	10,690

15. Cash and Cash Equivalents

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Account	8,955,884	1,280,210
Cash in Hand	8,085	100,797
Total Cash and Cash Equivalents	8,963,970	1,381,007

Notes to the Financial Statements (Continued)

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

Financial Institution	Account number	2023-2024	2022-2023
		Kshs	Kshs
a) a) Current Account			
Kenya Commercial Bank-Main		1,391,846	523,346
Equity Bank		7,564,004	755,949
Kenya Commercial Bank-Development		33	915
b) Sub- Total		8,955,884	1,280,210
b) Others			
Cash in Hand		8,085	100,797
Sub- Total		8,085	100,797
Grand Total		8,963,970	1,381,007

16. Receivables from Exchange transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
	Kshs	Kshs
Current Receivables		
Student Debtors	3,059,188	5,513,060
Rent Debtors	428,020	-
Total Current Receivables	3,487,208	5,513,060

16 (b) Ageing Analysis of Receivables from Exchange transactions

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	2023-2024	% of total	2022-2023	% of total
Less than 1 year	793,953	23%	4,787,865	87%
Between 1- 2 years	1,968,060	56%	0	%
Between 2-3 years	0	%	0	%
Over 3 years	725,195	21%	725,195	13%
Total (a+b)	3,487,208	100%	5,513,060	100%

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17. Property, Plant and Equipment

Cost	Buildings	Motor vehicles	Furniture and fittings	Computers	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 July 2022	84,000,000	12,000,000	6,000,000	2,000,000	104,000,000
Additions	2,585,632	-	-	-	2,585,632
At 30th June 2023	86,585,632	12,000,000	6,000,000	2,000,000	106,585,632
At 1 July 2023	86,585,632	12,000,000	6,000,000	2,000,000	106,585,632
Additions	3,697,408	-	-	-	3,697,408
At 30th June 2024	90,283,040	12,000,000	6,000,000	2,000,000	110,283,040
Depreciation					
At 1 July 2021	2,100,000	3,000,000	750,000	250,000	6,100,000
Depreciation	2,164,641	3,000,000	750,000	250,000	6,164,641
At 30 Jun 2022	4,264,641	6,000,000	1,500,000	500,000	12,264,641
At 1 July 2022	2,257,076	3,000,000	750,000	250,000	6,257,076
Depreciation	6,521,717	9,000,000	2,250,000	750,000	18,521,717
At 30th Jun 2023					
Net Book Values					
At 30th Jun 2024	83,761,323	3,000,000	3,750,000	1,250,000	91,761,323
At 30th Jun 2023	82,320,991	6,000,000	4,500,000	1,500,000	94,320,991

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Notes to the Financial Statements (Continued)
Valuation

The Assets are yet to be valued.

17 (a) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Buildings	90,283,040	6,521,717	83,761,323
Motor Vehicles including Motorcycles	12,000,000	9,000,000	3,000,000
Office Equipment, Furniture, And Fittings	6,000,000	2,250,000	3,750,000
Computers and Related Equipment	2,000,000	1,500,000	1,250,000
Total	110,283,040	18,521,717	91,761,323

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Notes to the Financial Statements (Continued)

18. Trade and Other Payables

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Trade payables	8,745,825		22,026,241	
Gratuity	-		3,937,278	
Salary arrears	25,085,452		14,857,120	
Other Payables-Gawasco	4,289,263		0	
Total Trade and Other Payables	38,120,540		40,820,639	
Ageing analysis:	2023-2024	% of the Total	2022-2023	% of the Total
Under one year	4,289,263	11%	4,282,410	10%
1-2 years	-	%	-	%
2-3 years		%		%
Over 3 years	33,831,277	89%	36,538,229	90%
Total (to tie to totals above)	38,120,540	100%	40,820,639	%

19. Borrowings

Description	2023-2024	2022-2023
	Kshs	Kshs
Balance at beginning of the year	6,956,614	8,447,317
Repayments of domestic borrowings during the year	(1,490,703)	(1,490,703)
Balance at end of the year	5,465,911.00	6,956,614

19 a) Analysis of External and Domestic Borrowings

Description	2022-2023	2021-2022
	Kshs	Kshs
Kenya shilling loan	5,465,911	6,956,614
Total balance at end of the year	5,465,911	6,956,614

19 b) Breakdown of Long and Short-Term Borrowings

Description	2022-2023	2021-2022
	Kshs	Kshs
Long Term Borrowings	5,465,911	6,956,614
Total	5,465,911	6,956,614

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Retirement benefit Asset/ Liability

Garissa Teachers Training College contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The College's obligation under the scheme. Other than NSSF Garissa Teachers Training College has no defined contribution scheme.

20. Cash generated from operations.

	2023-2024	2022-2023
	Kshs	Kshs
Surplus for the year before tax	7,188,245	(5,224,943)
Adjusted for:		
Depreciation	6,257,076	6,164,641
Working Capital Adjustments		
Increase in Receivables	(1,519,148)	(3,927,859)
Increase/(Decrease) in Payables	860,748	(4,294,669)
Net Cash Flow from Operating Activities	12,786,921	1,306,508

21. Financial Risk Management

The College's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The company's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to 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 College's financial risk management objectives and policies are detailed below:

(i) Credit risk

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

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

The carrying amount of financial assets recorded in the financial statements representing the College's maximum exposure to credit risk without taking account of the value of any collateral obtained.

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 College has significant concentration of credit risk on amounts due.

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

The table below represents cash flows payable by the company under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed

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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.

(iii) Market risk

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

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

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

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

a) Foreign currency risk

The College 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 College 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.

22. Events After The Reporting Period

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

23. Ultimate And Holding Entity

The College is a Teachers College under the Ministry of Education.

24. Currency

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

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20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

There are no prior audit recommendations.



Noor Aden Dahir

Principal

Date

17/6/24