

REPUBLIC OF KENYA



Enhancing Accountability



THE NATIONAL ASSEMBLY
REPORT PAPERS LAID

DATE: 30 APR 2025

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TABLED
OF

Hon George Muogara
MP

CLERK-AT
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P Muiga

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

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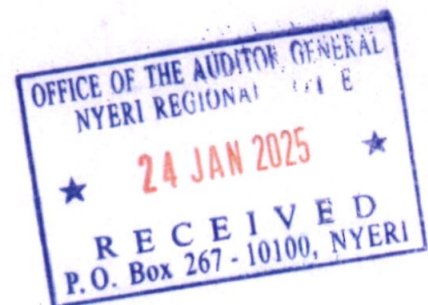
MURANG'A TEACHERS TRAINING COLLEGE

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



MURANG'A TEACHERS TRAINING COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30TH JUNE 2023

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



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

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KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(h) Entity Bankers

Kenya Commercial Bank – Thika Branch
Co-operative Bank, Thika – Makongeni Branch

(i) Independent Auditors

Auditor General
Office of Auditor General
Anniversary Towers, Institute Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(j) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

3. THE BOARD OF GOVERNORS



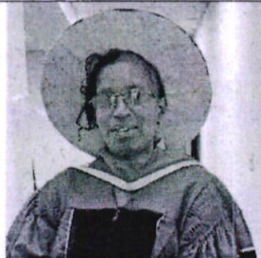
Mrs Irene M. Kibandi

She holds a Masters in Library and Information Science from Kenyatta University and a Bachelor of Education Degree in English/Literature from the University of Nairobi. She is currently Librarian, St. Paul's University. She was born on 27th February, 1959. She is the Chairperson, Board of Management and also Chairs the Executive Board of Management Committee



Mr. Peter Macharia Kagi

He holds a Masters Degree in Social Entrepreneurship from Catholic University of Milan and Bachelor of Arts Degree in Political Science and Geography from the University of Nairobi. He is currently the Principal, Christian Industrial Training College (Thika). He was born on 4th January 1970, He is the Vice Chairman, Board of Management, Vice Chairman, Executive Board of Management Committee and Chairs the Discipline, Ethics, Integrity, Human Rights and students Welfare committee



Dr. Grace Njeri Wahinya

She holds a PhD in Administration. She is currently a Lecturer in the School of Business and Economics at Murang'a University of Technology. She was born in 1972 and a member of the Finance, Procurement and General Purpose Committee.



He holds a PhD in Education (Curriculum Studies) from the University of Nairobi and Masters of Education (Curriculum Studies) from University of Nairobi. He is currently a Senior Lecturer, Technology Education Department, School of Engineering at Dedan Kimathi University of Technology. He was born on 6th June 1972. He Chairs the Academic Standards, Quality and Environment Committee

Dr. Anthony Mungai Gathumbi



Ngure Purity K. K.

She holds a Masters of Education and Bachelor of Education degree in History & Government/CRE from Kenyatta University. She was born on 17th November 1968. She is the Principal and Secretary to the Board of Governors.



Mr. Edward Kinyungu

He holds a Masters in Strategic Management, and Bachelor of Arts Degree in Economics from the University of Nairobi. He is currently the Chairman Honey Plus Sacco- Nairobi. He was born in 1962. He chairs the Finance, Procurement and General Purpose Committee.



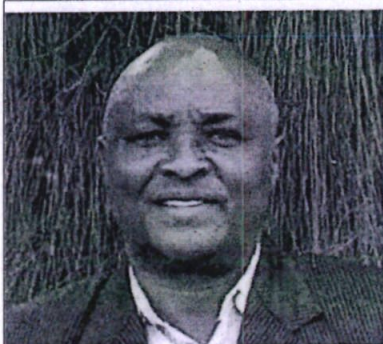
He holds a PhD in Christian Counselling and Masters in Theology from Beacon University, USA and Director Jubilee Counselling Centre. He is currently the Pastor, Soul Harvesters Church International. He was born on 14th March 1968. He is a member of the Discipline, Ethics, Integrity, Human Rights and Students Welfare Committee.

Dr. Gonye P. M. Joseph



She holds a Doctor of Philosophy degree in Education and Masters of Education degree in Honours, Research and Evaluation from the Catholic University of Eastern Africa. She was born on 9th March 1979. She is a member of the Discipline, Ethics, Integrity, Human Rights and students Welfare committee.

Dr. Njageh Ann Rita Karimi



He holds a Bachelor of Science degree in Horticulture from Egerton University. He is currently a Group Manager in Horticulture and Out growers Kakuzi PLC. He was born in 1966. He is a member of the Discipline, Ethics, Integrity, Human Rights and students Welfare committee

Mr. Nyamu Hamilton Githinji



She holds a Bachelor of Education (Science) Degree from Kenyatta University. He is a retired Principal/Teacher. She was born on 20th March 1955. She is a member of the Academic Standards, Quality and Environment Committee

Mrs Venanzia Kaari Njihia



She holds a Diploma in Housekeeping and Accommodation, a Trained Event Manager from Technical Institute and a Diploma in Theology. She is currently the Housekeeper and Events Planner at Kabete National Polytechnic. She was born in 1969. She is a member of the Finance, Procurement and General Purpose Committee

Mrs Rose NjeriGachoki



He holds a Diploma in Human Resource Management from the Kenya Institute of Management. He is a retired Labour Officer. He was born on 1st January 1959. He is a member of the Executive Board of Management and Discipline, Ethics, Integrity, Human Rights and students Welfare committee

Mr. Peter MainaKamau



Mrs Gladys N. Kaburu

She holds a Bachelor of Education Degree (Arts) from Kenyatta University. She is a retired teacher and currently working in the private sector. She was born on 28th April 1962. She is a member of the Finance, Procurement and General Purpose Committee.

4. MANAGEMENT TEAM



She holds a Masters of Education and Bachelor of Education Degree in History & Govt/CRE from Kenyatta University. She is the Principal and Secretary to the Board of Management

Ngure Purity K.



He holds Bachelor of Science Degree in Agriculture/Biology from Egerton University. He is the Deputy Principal.

Mr. David Kariuki Gichuki



She holds Masters in Gender and Development and Bachelor of Education Degree (Arts) CRE/Geography) from Kenyatta University. She is the Dean of Curriculum.

Nancy W. Waweru



She holds a Bachelor of Education degree (Arts) in Kiswahili/Geography from Moi University. She is The Dean of Students.

Mrs Esther Robi Ombaso

5. Chairperson's Statement

During the financial year 2022/2023 Murang'a Teachers Training College maintained good financial records including the annual budget, annual procurement plan, payment vouchers, trial balances and final accounts presented to the BOM on time. It is noted that over the years there has been tremendous improvements as indicated in the following areas; Adherence to proper procurement procedures, Increased farm output unlike the previous years when losses were recorded, Rent collection has doubled in the last three years and debt collection has improved, Savings have been realized and used in funding major project in the college i.e. the construction of a new 300 bed capacity hostel and there are no pending bills.

Our main capital project during the year was construction of a 300 beds capacity hostel which is still ongoing. There has also been general renovations in the hostels.

During the year the college faced challenges such as low enrolment, inflation, insufficient grants from the Ministry of Education and draught. Despite the challenges the college maintained a sound financial outlook. All essential services were offered and salaries for non-teaching staff paid. There are no pending court cases or past creditors not paid.

The college expects to have an increased enrolment in the financial year 2023/2024 and to receive sufficient grants from the Ministry of Education. We look forward for better performance in the financial year 2023/2024.



.....
Irene Muthoni Kibandi (Board Chair)

6. Report of the Chief Principal

The core mandate activity has been training of teachers. About 289 teachers have graduated with Diploma in Primary Teacher Education Certificate.

The college also carried out extensive afforestation. About 2000 trees were donated by Equity Bank and contractor who is constructing Kenol-Marua Highway. Kenya Commercial Bank donated 300 trees. The college hired labour to plant the tree seedlings. However, due to prolonged drought, only 30% are surviving.

The 300 bed capacity hostel is under construction. This is done under the college Infrastructure Committee of the Board of Management. By 30th June 2023 about 60% of the works had been done.

The college has hosted many seminars and workshops. This included Kenya National Examinations Council workshops (December 2022/ April 2023), Independent Electoral and Boundaries Commission (July/August 2022), County Government (May 2023) and Junior Secondary School training (March 2023). These workshops are heavily relied upon for revenue.

Farming has been ongoing. The college grew sweet potatoes, bananas, maize and kales for consumption within the institution. There was a challenge of draught hence irrigation costs were high in terms of power to pump water from the borehole. A few cows and sheep are reared. They provide milk and meat for use in the institution.

The college also participated in Corporate Social Responsibility by cleaning Kenol town during the World Environmental Day on 5th June 2023. The water kiosk within the college provided water to the local community.

Students were able to join the President's Award program on 18th November 2022 under my leadership and M/s Lucy Mugambi as the teacher guide. This is intended to enhance personal development and promote community outreach.

The challenges encountered in 2022/2023 financial year include: Prolonged draught which affected farming, a lot of insecurity and theft by local community; vandalism of college and individual property, stealing from the farm and vandalism of fence for scrap metals, Non remittance of government grants which led to stalling of some activities, Low student enrolment- only 20% of total capacity was utilized, Deficit of tutors in some subjects e.g. Art, Agriculture and Home science, Too high power bills which negatively impact on expenditure, Non-payment of college fees by the trainees because of inability to meet the obligation, Drop out of college for lack of fees and Facilities are in disrepair due to lack of funds.

Despite the challenges encountered, the college maintained a sound financial outlook. We look forward for better performance in the financial year 2023-2024.



.....
Ngure P.K. (Chief Principal)

7. Statement of Performance against Predetermined Objectives

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

Murang'a Teachers College has three strategic pillars and objectives within current Strategic Plan for the FY 2019- FY 2023. These strategic pillars are as follows:

Pillar 1: Academic

Pillar 2: Development

Pillar 3: Finance

Murang'a Teachers college develops its annual work plans based on the above three pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The institution achieved its performance targets set for the FY 2022/2023 period for its three strategic pillars, as indicated in the diagram below:

Strategic Pillar		Objective	Key Performance Indicators	Activities	Achievements
Pillar 1	Academic	100% course completion	All admitted students complete course	Continuous monitoring of students' class attendance	99.5% completion.
Pillar 2	Development	Construction a 300 bed capacity hostel	Completion to habitable status.	Supervision of construction works by the college management and county works architects.	60% completion.
Pillar 3	Finance	Prudent financial management and financial reporting	Audit reports	Monitoring of financial transactions by the accounting officer Report to the finance, audit and general purpose committee.	Approved monthly trial balances, financial budget and annual procurement plan.

8. Corporate Governance Statement

The Board of Management established under section 55 of the Basic Education Act No 14 of 2013. Members appointed by the County Education Board. The Board of Management may from time to time co-opt into its membership such persons as it is satisfied possess skills and experience to assist in the discharge of the Board's functions.

The members of the Board of Management shall elect their chairperson from amongst themselves in their first meeting.

The conduct and affairs of the Board of Management shall be as set out in the Fourth Schedule. In appointing persons as members of a board of management, the nominating and appointing authority shall observe and respect the ethnic and regional diversity of the people of Kenya, impartiality and gender equity and Article 10 and Chapter Six of the Constitution.

The functions of the Board of Management of a basic education institution shall be to: promote the best interests of the institution and ensure its development, promote quality education for all students in accordance with the standards set under this Act or any other written law, ensure and assure the provision of proper and adequate physical facilities for the institution, manage the institution's affairs in accordance with the rules and regulations governing the occupational safety and health, advise the County Education Board on the staffing needs of the institution, determine cases of pupils' discipline and make reports to the County Education Board, prepare a comprehensive termly report on all areas of its mandate and submit the report to the County Education Board, facilitate and ensure the provision of guidance and counselling to all learners, provide for the welfare and observe the human rights and ensure safety of the pupils, teachers and non-teaching staff at the institution, encourage a culture of dialogue and participatory democratic governance at the institution, promote the spirit of cohesion, integration, peace, tolerance, inclusion, elimination of hate speech, and elimination of tribalism at the institution, encourage the learners, teachers and non-teaching staff and other, allow reasonable use of the facilities of the institution for community, social and other lawful purposes, subject to such reasonable and equitable conditions as it may determine including the charging of a fee, administer and manage the resources of the institution, receive, collect and account for any funds accruing to the institution, recruit, employ and remunerate such number of non-teaching staff as may be required by the institution in accordance with this Act; and perform any other function to facilitate the implementation of its functions under this Act or any other written law.

There exists no Board Charter at the moment. The succession plan is after three years retaining a third of the members for continuity. Members of the Board of Management are paid sitting and mileage allowances when they attend meetings. This is purely based on realistic and affordable rates. Below is a table showing Board meetings attended during the year.

S/NO	NAME	24 th October 2022 (INAUGURATION)	9 th December 2022	19 th May 2023
1	Purity Ngure Kihara	Present	Present	Present
2	Dr. Ann Rita Njageh	Present	Present	Present
3	Dr. Anthony Gathumbi	Present	Present	Present
4	Peter M. Kamau	Present	Absent with apology	Present

5	Gladys N. Kaburu	Present	Present	Present
6	Hamilton G. Nyamu	Present	Present	Present
7	VenanziaKaariNjihia	Present	Present	Present
8	Edward Kinyungu	Present	Present	Present
9	Dr. Grace Wahinya	Present	Present	Present
10	Peter MachariaKagi	Present	Absent with apology	Present
11	Irene MuthoniKibandi	Present	Present	Present
12	Rose NjeriGachoki	Present	Present	Present
13	Anne Kiiru – CDE Murang,a	Present	Absent with apology	Absent with apology
14	Dr.Gonye Joseph	Absent with apology	Present	Present
15	Kariuki D.G- Deputy principal (Taking minutes)	Present	Present	Present

9. Management Discussion and Analysis

Operational and financial performance

During the year the college hosted a graduation ceremony for the class 2018-2020 PTE students. A group of 9 students for the DECTE upgrade 2021/2022 reported back in September 2022 for their fourth term to complete their course. Additionally, a total of 366 DPTE students (2021/2022 group) commenced their teaching practice during their fourth term in September 2022. In October 2022, the college admitted students for UDPTE, UDECTE, DPTE and DECTE. Submission of returns to the Ministry of Education was done. Teacher trainees registered with KNEC for assessment and school based assessment was done by KNEC.

The college has grown financially from revenue collected from admission of students, increase in production of bananas and vegetables in the farm and improvement in house repairs and therefore an upward trend in rent collection. There has also been increased afforestation and improvement in general repairs of college facilities.

Challenges facing the college include: low students' enrolment, insecurity due to hostility from local community and inadequate grants from the Ministry of Education for payment of Non-teaching staff salaries.

Opportunities: The College stands on 100 acres and this enables farming and gradual afforestation, the college is located on a highway and therefore attracts tenants. A pool of labour is available from the local community for capital projects.

Demands: Failure of rains demands that our farming be either stopped or increased production cost especially electricity for pumping water for irrigation. A lot of finances are demanded for the face lift of the institution.

Compliance with statutory requirements

The college adhered to all statutory requirements. All statutory payroll deductions were filed on time.

Key projects and investment decisions the college is planning/implementing

Construction of a 300 bed capacity new hostel has been the main capital project during the year.

Major risks facing the college

There has been no major risk facing the college.

Material arrears in statutory/financial obligations

There are no pending bills and no outstanding staff & pension obligations.

10.Environmental And Sustainability Reporting Statement

Sustainability strategy and profile

Offering good services to the community eg.affordable prices for college facilities for hire eg.thehall,field and the guest hostiles.In return the college collect good amount of funds hence promoting smooth running of the day to day activities due to availability of funds.

The college promotes democracy on remaining neutral in matter relating to politics which might cost the college heavily if not well checked as the college accomodates almost all tribes of Kenya who also in terms of political difference and due to the college neutrality in politics the college is able to have everything in order.Inclusion of all people in offering employment ie.PWD and all ethnic community.

Environmental performance

Use of environmental microorganismsdisinfectant in cleaning to remove bad smell and germs and directing the chemical to the main sewer thereby reducing bad smell.

Disposal- use of incinerators at staffs quarters and sudents for disposing sanitary towels and diasposable diapers for children.

Afforestation- The college target every year is to plant 4000 tree seedlings ie fruits trees,indenogenous trees and exotic trees.

Increased use of organic manure is preffered to fertilizers,chemicals are discouraged.

Employee welfare

The human resource policy document guiding the hiring process, gender ratios and improvement of skills and management of careers, appraisal and reward systems was developed and was officially launched on 21st August 2023. The college has accomplished the one third gender rule by at least one third of either gender for both teaching and non-teaching staff population.

Market place practices-

a) Responsible competition practice.

The college respects each person's political opinion and follows the public procurement guidelines during procurement of goods, works and services.

b) Responsible Supply chain and supplier relations-

Ensuring prompt payment for all goods, works and services supplied, issuance of award and regret letters to potential bidders.

c) Responsible marketing and advertisement-

The college provides all information on existing training programs through KUCCPS and Ministry of Education.

d) Product stewardship.

Both teaching and non-teaching staff are free to join labour unions in the country.

Corporate Social Responsibility / Community Engagements

The college has built a water canteen point which provides water to the local community at a subsidised fee. Additionally the college availed its facilities for free for use by groups like Alcohol and drug abuse. Casual labour is also sourced from the local community especially during the construction of the new hostel and during seminars and occasional trainings.

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, 2023, which show the state of the Murang'a Teachers Training College affairs.

Principal activities

The principal activities of the entity are (continue to be): Developing competent and adaptable primary school teachers through effective and efficient training based on contemporary pedagogical skills and practices

Results

The results of the entity for the year ended June 30, 2023 are set out on pages 1 - 4

Board of Management

The members of the Board who served during the year are shown on pages vii – x.

Auditors

The Auditor General is responsible for the statutory audit of Murang'a Teachers Training College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of Murang'a Teachers Training College for the year ended June 30, 2023, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



.....
Secretary of the Board/Council

Nairobi

Date:

12. Statement of Board of Governors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 - require the Board members to prepare financial statements in respect of Murang'a Teachers Training College which give a true and fair view of the state of affairs of Murang'a Teachers Training College at the end of the financial year and the operating results of Murang'a Teachers Training College for that year. The Board members are also required to ensure that Murang'a Teachers Training College keeps proper accounting records which disclose with reasonable accuracy the financial position of Murang'a Teachers Training College. The Board members are also responsible for safeguarding the assets of Murang'a Teachers Training College.

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

The Board members accept responsibility for Murang'a Teachers Training College financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the State Corporations Act, and the TVET Act. The Board members are of the opinion that Murang'a Teachers Training College financial statements give a true and fair view of the state of Murang'a Teachers Training College transactions during the financial year ended June 30, 2023, and of Murang'a Teachers Training College financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for Murang'a Teachers Training College, which have been relied upon in the preparation of Murang'a Teachers Training College financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Principal has assessed Murang'a Teachers Training College ability to continue as a going concern. Nothing has come to the attention of the Board members to indicate that Murang'a Teachers Training College will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

Murang'a Teachers Training College financial statements were approved by the Board on 18th May 2022 and signed on its behalf by:



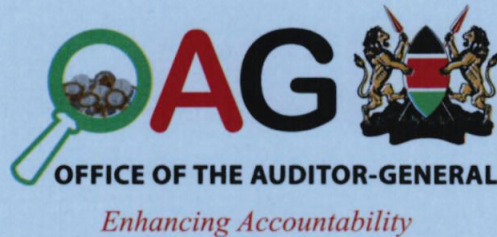
.....
Irene Muthoni Kibandi
Chairperson of the Board



.....
Ngure P.K
Accounting Officer/Principal

REPUBLIC OF KENYA

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



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

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

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on the Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- 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 Murang'a Teachers Training College set out on pages 1 to 34, which comprise the statement of financial position as

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

at 30 June, 2022 and statement of financial performance, statement of cashflows, statement of changes in net assets, 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 Murang'a Teachers Training College as at 30 June, 2022 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Misstatement of Property Plant and Equipment

Note 21 to the financial statements reflects Kshs.848,656,317 as the historical value for property plant and equipment as at 1 July, 2022. It was however noted that the reported amount was inaccurate since motor vehicles and other equipment purchase date was before the 2021/2022 reporting period. The depreciation on assets before the reporting period was also omitted.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs 848,656,317 could not be confirmed.

2. Unsupported Receivables from Exchange Transactions

The statement of financial position and notes to the financial statements reflects current portion of receivables from exchange transactions amount of Kshs 10,776,459 for the year as disclosed in Note 19 to the financial statements. However, the amount was not supported with documents indicating the composition.

In the circumstances, the accuracy and completeness of current portion of receivables from exchange transactions amount of Kshs 10,676,315 could not be confirmed.

3. Unsupported Capital Fund

The statement of financial position reflects Kshs.875,913,723 in respect of capital fund. However, the amount did not have an explanatory note to the financial statements. Further, a schedule in support of the reported balance was not provided for audit review.

In the circumstances, the accuracy and completeness of the amount of Kshs 875,913,723 in respect of capital fund could not be confirmed.

4. Variance Between Financial Statement and Ledgers

The statement of financial performance and as disclosed in Note 12 to the financial statements reflects Kshs. 28,112,560 in respect of use of goods and services which includes amounts in respect of 2 items whose values did not agree with the respective ledger.

Component	Amount as per Ledger (Kshs)	Financial Statements (Kshs)	Variance (Kshs)
Teaching and Learning Materials	905,924	911,724	5,800
Administration Cost	1,821,427	564,245	(1,257,182)

In the circumstances, the accuracy of the reported component amounts could not be confirmed.

5. Unsupported Financial Statement Amounts

During the Financial year 2022/2023, it was noted that some payments and amounts recorded in the financials statement were not supported with ledgers as per the table below.

Component	Amount as per Financial Statements
Legal Expenses	15,000
Trade and Other Payables	1,323,113
Total	1,338,113

In the circumstances, the accuracy and completeness of financial statement amountt of Kshs.1,338,113 could not be confirmed.

6. Failure to Carry Out Quarterly and Annual Stock Take

The statement of financial position and as disclosed in Note 20 to the Financial Statements reflects Kshs.1,022,860 in respect to inventories. However, Management did not undertake quarterly and annual stock takes contrary to Section 162(2) of the Public Procurement and Asset Disposal Act, 2015 which requires the head of procurement function to conduct quarterly and annual inventory and stock taking in order to ensure compliance with all respective governing laws and submit the report to the accounting officer.

In the circumstances, the accuracy and completeness of inventory balance of Kshs.1,022,860 as at 30 June, 2023 could not be confirmed.

7. Valuation and Disclosure of Biological Assets

The statement of financial position and as disclosed in Note 23 to the financial statements reflects Kshs.720,000 in respect of biological assets. However, there was no valuation report to show the basis of the values disclosed. Further, the Management did not disclose the methods and significant assumptions applied in determining the fair value of each group of biological assets as required under paragraph 45 of IPSAS 27.

In the circumstances, the financial statements do not comply with the provisions of IPSAS 27 on accounting for biological assets.

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

Key Audit Matters

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

Other Information

Conclusion

The Management is responsible for the Other Information set out on page iii to xxi which comprise of Key College Information and Management, The Board of Governors, Key Management Team, Chairperson's Statement, Report of the Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Board of Governors and Statement of Council Members Responsibilities.

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

Basis for Conclusion

In connection with my audit on the 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 and I am required to report that fact.

Based on the audit procedures performed and the matters described in my Basis for Qualified Opinion, I confirm that Other Information is not materially inconsistent with the financial statements

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Unbalanced Budget

The statement of comparison of budget and actual amounts reflects budgeted income of Kshs.46,143,600 against budgeted expenditure of Kshs.62,636,125 resulting to a budget deficit of Kshs.16,492,525. This is contrary to Regulation 33(c) of the Public Finance Management (National Government) Regulations, 2015 which states that 'unless provided otherwise in the Act, these Regulations or any other guidelines developed in furtherance of the Act or these Regulations, that at all times during budget formulation and approval it must be ensured that the budget shall be balanced.

2. Access to Government Procurement Opportunities (AGPO) - Reservation of 30% of Contracts for the Marginalised

The report on Preference and Reservation Contracts Awards to Youth, Women and Persons with Disability (PWD) for the period July, 2021 to June, 2022 was not provided for audit review. This is contrary to the Public Procurement and Assets Disposal Act, 2015 Section 53(6) which requires all procurement and asset disposal planning to reserve a minimum of thirty per cent of the budgetary allocations for enterprises owned by women, youth, persons with disabilities and other disadvantaged groups. Further, Section 157(5) states that, an accounting officer of a procuring entity shall, when processing procurement, reserve a prescribed percentage of its procurement budget, which shall not be less than thirty per cent, to the disadvantaged group and comply with the provisions of this Act and the Regulations in respect of preferences and reservations. Further,

Section 157(6) states that to qualify for a specific preference or reservation, a candidate shall provide evidence of eligibility as prescribed.

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

3. Failure to Comply with Approved Staff Establishment

During the course of audit in the month of December, 2024, it was observed that the students' enrollment in the college was 209 in the financial year 2022/2023.

Further, staff established by the Ministry of Education (MOE) via circular Ref: PTTC/GEN.3/1/VOL.1(4) dated 27 October, 2021 provided for staffing requirements according to number of enrolled students. However, the College's in post staff provided for review did not adhere to the provisions of the circular as shown below.

S/No.	Designation	MOE	In Post	Variance
1	Finance Officer	1	0	1
2	Accounts Clerk	2	1	1
3	Secretary	4	1	3
4	Messenger	1	0	1
5	Lab tech	3	1	2
6	ICT Tech	2	1	1
7	Groundsman	3	0	3
8	Cook	4	6	(2)
9	Kitchen Hand	5	1	4
10	Nurse	2	1	1
11	Store Keeper	1	1	0
12	Artisan	2	0	2
13	Cateress	1	1	0
14	Driver	2	2	0
15	Librarian	1	0	1
16	Security	8	7	1
17	Bursar	0	1	(1)
18	Procurement Officer	0	1	(1)

S/No.	Designation	MOE	In Post	Variance
19	Receptionist	0	1	(1)
20	Plant operator	0	1	(1)
21	House keeper	0	1	(1)
22	Cleaner	0	2	(2)
23	Farm hand	0	2	(2)
		42	32	10

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

1. Failure to Observe Ethnic Diversity Requirements

The staff bio data provided for audit review revealed that the College had 33 members of staff, out of which, 23 or 70% were from one ethnic community. This is contrary to Section 7(1) and (2) of 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, (2) No public establishment shall have more than one third of its staff from the same ethnic community.

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

2. Payment of Net Salaries Below a Third of Basic Pay

The financial statements reflects Kshs.11,468,178 in respect to employee costs as disclosed under Note 13 to the financial statements. However, the payrolls provided for audit review indicated that the College was paying net salaries below a third of basic to some of the non-teaching staff members. This is contrary to Section 19(3) of the Employment Act, 2007 which states that without prejudice to any right of recovery of any debt due, and notwithstanding the provisions of any other written law, the total amount of all the deductions which under the provisions of subsection (1), may be made by the employer from the wages of his employee at any one time shall not exceed two thirds of such wages or such additional or any other amount as may be prescribed by the Minister either generally or in relation to specified employer or employee or class of employers or employees or any trade or industry.

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

3. Failure to Give Notice Following Resignation and Retirement

The staff bio data provided for audit review revealed that 3 staff members exited the College without notice as provided in the Human Resource Policies and Procedures Manual 2016 clause D.19(1) which states that an officer may resign his appointment by giving one (1) month notice or by paying one month's gross salary in lieu of such notice. An officer on contract may resign his appointment in accordance with the terms of the contract.

In addition, the College's Human Resource Policies and Procedures Manual 2022, clause 9.3.2 also states that any employee who considers resignation shall be free to give a one month notice on the same. Request to resign shall be in writing. When resignation is accepted the employee may be entitled to corresponding terminal benefits depending on years of service. In addition, Clause 9.3.3 a) on mandatory retirement states that an employee will retire upon attainment of the mandatory retirement age as per the agreement between KUDHEIHA Trade Union and Ministry of Education and the Employment Act 2007. The principal will inform the employee of the impending retirement by giving a reasonable notice of not less than six months. In addition, on voluntary retirement an employee on attaining the age of fifty years may opt to retire anytime thereafter or may be required to retire anytime upon approval of the principal on the recommendation by the BOM. An employee will normally be required to give three months written notice of his/her intention to retire.

In the circumstances, Management did not adhere to the laid down procedures as regards staff exits.

4. Incomplete Employment Records

Review of personnel files for the non-teaching staff indicated that KRA tax PIN, Certificate of good conduct and bank account details were missing from the files. Some did not have copies of birth certificates and passport size photos. In addition, forms for initial declaration of income, assets and liabilities were not included in the personal files. This is contrary to stipulations in Human Resource Policy and Procedures Manual 2016 B.12 (1) provides that a candidate on first appointment shall provide the following documents: (i) National identity card; (ii) Birth Certificate; (iii) KRA tax PIN; (iv) Original academic and professional certificates duly authenticated by the issuing authority; (v) Certificate of good conduct from the Directorate of Criminal Investigations; (vi) Color Passport size photograph; and (vii) Bank account details.

2) In addition, Authorized Officers shall ensure that all newly appointed officers are duly vetted as per the existing vetting policy. (3) The officer shall also make an initial declaration of income, assets and liabilities by completing the prescribed form.

In the circumstances, Management did not adhere to the laid down procedures as regards staff and human resource practices.

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 comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect 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

1.0 Asset Management

Note 21 to the financial statements reflects property, plant and equipment balance of Kshs.844,562,671. The following observations were made in regard to asset management.

1.1 Failure to Tag Non- Current Assets

Although the College maintains an asset register, some assets under the categories of computers, furniture and fittings had not been tagged. In the circumstances, the Institution's assets may not be easily traced. This is contrary to Public Finance Management Regulations 2015 Section 132(1) provides that the Accounting Officer of a county government entity shall take full responsibility and ensure that proper control systems exist for assets and that:

- (a) preventative mechanisms are in place to eliminate theft, security threats, losses, wastage and misuse;
- (b) movement and conditions of assets can be tracked; and
- (c) stock levels are at an optimum and economical level.

1.2 Failure to Carry Out Revaluation of Land and Buildings

The property, plant and equipment balance include freehold land and buildings whose Net Book Values (NBV) as at 30 June, 2023 was Kshs.300,000,000 and Kshs.494,032,500 respectively. However, the institution has not revalued the assets since the time they were purchased. This is contrary to Section 15 of the International

Accounting Standards 1 (IAS) provides that financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the framework.

The application of IFRSs, with additional disclosure, when necessary, is presumed to result in financial statements that achieve a fair presentation.

1.3 Failure to Insure Immovable Assets

The property plant and equipment indicated includes both movable and immovable assets of Kshs.844,562,671. However, immovable assets including buildings and structures and office equipment, furniture and fittings worth Kshs.838,487,671 were not insured against risks. This is contrary to Public Finance Management Act 2012 section 72. (1) states that, the accounting officer for a national government entity shall:

- (a) be responsible for the management of the entity's assets and liabilities.
 - (b) manage those assets in a way which ensures that the national government entity achieves value for money in acquiring, using and disposing of those assets.
- Regulation 139. (1) of the public finance management (National Regulations) states that, he Accounting Officer of a national government entity shall take full responsibility and ensure that proper control systems exist for assets and that,
- (a) preventative mechanisms are in place to eliminate theft, security threats, losses, wastage and misuse.
 - (b) movement and conditions of assets can be tracked.
 - (c) stock levels are at an optimum and economical level.

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

2.0 Anomalies in Governance by the Board of Governors

2.1 Failure to Induct Board Members

A review of document provided for audit indicated that new members of the Board began service and drew allowances before being inducted against the corporate governance guidelines.

2.2 Failure to Sign the Code of Ethics

Review of the personal files provided for review revealed non-adherence to the constitution and the Mwongozo code of Conduct for Board Members.

It was noted that all the members of the Board did not sign the code of ethics hence commitment to the tenets of the code could not be determined.

2.3 Failure of the Members of The Board to Declare Wealth

Scrutiny of personal files for the directors of the board provided for audit revealed that the directors did not fill the wealth declaration forms prior to taking the post of director against chapter six of the constitution.

2.4 Failure to report on Board Performance and Remuneration

The College's financial statements for the year ended 30 June 2022 did not disclose the remuneration of the Directors individually and collectively as required. Further, the Board did not carry out annual performance evaluation as required.

2.5 Failure to Fill the Fit and Proper Test Forms

Scrutiny of personal files submitted for audit review revealed that, the Board of Governors did not fill and submit the fit and proper test forms contrary to clause 3.4.4 of the corporate governance guidelines on eligibility criteria for directors of the Board

In the circumstances, the effectiveness of the governance system in place could not be confirmed.

3.0 Lack of Risk Management Policy and Strategy

During the year under review, the College did not have a Risk Management Policy and risk register to mitigate against risk. This is in contravention of Regulation 165(1)(a) and (b) of the Public Finance Management (National Government) Regulations, 2015, which requires an accounting officer of national government entity to develop a risk management strategy, which includes fraud prevention mechanism and a system of risk management and internal control that builds robust business operations. This is contrary to Regulation 165(1) of the Public Finance Management (National Government) Regulations, 2015 which states that The Accounting Officer shall ensure that the national government entity develops—(a) risk management strategies, which include fraud prevention mechanism; and (b) a system of risk management and internal control that builds robust business operations.

In the circumstances, existence of effective risk management measures could not be confirmed.

4.0 Lack of an Information and Communication Technology (ICT) Policy

Review of information technology systems in use revealed that the College had not established an Information Technology (IT) Strategy Committee and did not have an approved IT strategic plan which should provide governance on information technology matters, IT strategic plan and IT security policy to ensure data confidentiality, integrity and availability. Further, there was no approved disaster policy, back up and retention plan, Secure offsite storage facility to enable organization recover from disaster, Program

for training and transfer of skills and list of active users on the system for accountability purpose. This is contrary to Regulation 165 of the Public Finance Management (National Government) Regulations, 2015 which states that; (1) The Accounting Officer shall ensure that—

(a) The national government entity develops risk management strategies, which include fraud prevention mechanism; and

(b) The national government entity develops a system of risk management and internal control that builds robust business operations

In the circumstances, the effectiveness of the Information and Communication Technology system in place could not be confirmed.

5.0 Lack of Controls for Imprest Management

The financial statements reflect an amount of Kshs 28,112,560 in respect to use of goods and services as disclosed in Note 12 to the financial statements. Included in this amount is Kshs. 1,410,216 incurred on travelling and accommodation. However, imprest warrants and the imprest register was not provided for audit review. This is contrary to Section 92. 93 of the Public Finance management Regulations 2015 which states that the Accounting Officer shall approve the establishment of an imprest facility including the maximum amount for the specific purpose of that facility.

In the circumstances, the effectiveness of the imprest management control system in place could not be confirmed.

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

Responsibilities of the Management and the Board of Governors

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

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

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

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

The Board of Governors 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 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

28 January, 2025



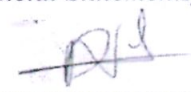
Murang'a Teachers Training College
Annual Report and Financial Statements for the year ended 30th June 2023

14. Statement of Financial Performance for the Year Ended 30th June 2023

	Notes	Year ended 30 th June 2023	Year ended 30 th June 2022
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government—grants	6	11,128,545	12,690,914
		11,128,545	12,690,914
Revenue from exchange transactions			
Rendering of services	7	16,997,924	24,689,934
Sale of goods	8	1,711,299	2,347,058
Hire of facilities and equipment	9	7,021,159	7,073,818
Interest income from fixed deposits	10	2,079,518	1,583,488
Other income (seminars and occasional training)	11	13,697,754	11,659,071
Revenue from exchange transactions		41,507,654	47,353,369
Total revenue		52,636,199	60,044,283
Expenses			
Use of goods and services	12	28,112,560	24,891,225
Employee costs	13	11,468,178	12,145,856
Board of Governors expenses	14	1,257,182	889,994
Repairs and maintenance	16	2,707,877	5,635,050
Expense on interest income	17	315,711	0
Depreciation expense	15	17,045,625	17,285,625
Total expenses		60,907,133	60,847,750
Other gains/(losses)			
Gain on sale of assets			
Unrealized gain on fair value of investments			
Impairment loss			
Total other gains/(losses)			
Net Surplus/Deficit for the Period		(8,238,531)	(803,467)

(The notes set out on pages 5 to 29 form an integral part of the Annual Financial Statements).

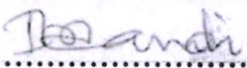
The Financial Statements set out on pages 1 to 6 were signed by:

.....   
Irene Muthoni Kibandi (Board chair) 24/01/2025	Esther K. Gachugu Bursar ICPAK NO.25635 24/01/2025	Purity Ngure K. (Principal) 24/01/2025
Date	Date	Date

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

	Notes	Year ended 30 th June 2023	Year ended 30 th June 2022
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	18	11,676,315	5,261,022
Current portion of receivables from exchange transactions	19	10,776,459	3,467,959
Receivables from non-exchange transactions		0	0
Inventories	20	1,022,860	930,603
		23,475,634	9,659,584
Non-current assets			
Property, plant and equipment	21	844,562,671	831,610,692
Investments			
Intangible assets	22	240,000	240,000
Biological assets	23	720,000	0
Long term receivables from exchange transactions			
Total Non-current assets		845,522,671	831,850,692
Total assets		868,998,305	841,510,276
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	24	1,323,113	382,647
		1,323,113	382,647
Non-current liabilities			
Non-current provisions			
Deferred tax liabilities			
Total liabilities		1,323,113	382,647
Net assets		867,675,192	841,127,629
Reserves			
Accumulated surplus/deficit		(8,238,531)	(803,467)
Capital Fund		875,913,723	841,931,096
Total net assets and liabilities		867,675,192	841,127,629

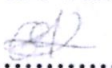
The Financial Statements set out on pages 1 to 6 were signed by:


.....

Irene Muthoni Kibandi
(Board chair)

24/01/2025

Date


.....

Esther K. Gachugu
Bursar
ICPAK NO.25635

24/01/2025

Date


.....

Purity Ngure K.
(Principal)

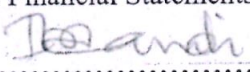
24/01/2025

Date

16. Statement of Cash Flows for the Year Ended 30th June 2023

	Note	Year ended 30 th June 2023 Kshs	Year ended 30 th June 2022 Kshs
Cashflows from operating activities			
Receipts			
Transfers from Ministries, departments and agencies		11,128,545	12,690,914
Rendering of services		16,997,924	24,689,934
Sale of goods		1,711,299	2,347,058
Hire of facilities and equipment		7,021,159	7,073,818
Interest income on fixed deposits		2,079,518	1,583,488
Other income (seminars & occasional trainings)		13,697,754	11,659,071
Total Receipts		52,636,199	60,044,283
Payments			
Use of goods and services		28,112,560	24,891,225
Employees' costs		11,435,775	12,145,856
Board of management expenses		1,257,182	889,994
Repairs and maintenance		2,707,877	5,635,050
Expense on interest income		315,711	0
Total Payments		43,829,105	43,562,125
Net cash flows from operating activities		8,807,094	16,482,158
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(13,120,382)	(14,788,073)
Proceeds from sale of property, plant and equipment		0	0
Net cash flows used in investing activities		(13,120,382)	(14,788,073)
Cash flows from financing activities			
Repayment of borrowings			
Net cash flows used in financing activities			
Net increase/(decrease) in cash and cash equivalents		(4,313,288)	1,694,085
Cash and cash equivalents at 1 st July 2022		1,694,085	0
Cash and cash equivalents at 30th June' 2023		(2,619,085)	5,261,022

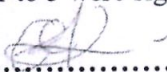
The Financial Statements set out on pages 1 to 3 were signed by:



Irene Muthoni Kibandi
(Board chair)

24/01/2025

Date




Esther K. Gachugu

Bursar
ICPAK NO.25635

24/01/2025

Date



Purity Ngure K.

(Principal)

24/01/2025

Date

17. Statement of Changes in Net Asset For The Year Ended 30 June 2023

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2021				
Revaluation gain	831,610,692	-	-	831,610,692
Surplus/(deficit) for the year	-	(803,467)	-	(803,467)
Capital grants received during the year	-	-	12,690,914	12,690,914
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	0	0	0
At June 30, 2022	831,610,692	(803,467)	12,690,914	843,498,139
At July 1, 2022	831,610,692	(803,467)	12,690,914	843,498,139
Revaluation gain	844,562,671	-	-	844,562,671
Surplus/(deficit) for the year	-	(8,238,531)	-	(8,238,531)
Capital grants received during the year	-	-	11,128,545	11,128,545
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	0	0	0
At June 30, 2023	844,562,671	(8,238,531)	11,128,545	847,452,694

Murang'a Teachers Training College
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18. Statement of Comparison of Budget & Actual amounts For Year Ended 30th June 2023

	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	Utilization Difference
Revenue	Kshs	Kshs	Kshs	Kshs	Ksh	%
Transfers from Ministry of Education	7,686,750	1,792,310	9,479,060	11,128,545	-1,649,485	117.4
Rendering of services	11,500,000	3,670,540	15,170,540	16,997,927	-1,827,387	112
Sale of goods	800,000	1,200,000	2,000,000	1,711,299	288,701	85.6
Interest Income	360,000	840,000	1,200,000	2,079,518	-879,518	173.3
Other Income (seminars & occasional training)	6,500,000	5,500,000	12,000,000	13,697,754	-1,697,754	114.1
Hire of facilities and equipment	4,680,000	1,614,000	6,294,000	7,021,159	-727,159	111.6
Total income			46,143,600	52,636,202	-6,492,602	
Expenses						
Repairs and maintenance	5,300,000	(659,500)	4,640,500	2,707,877	1,932,623	53.4
Use of goods and services	29,448,190	15,258,398	44,706,588	28,112,560	3,473,646	92.2
Employee costs	11,400,000	459,878	11,859,878	11,468,178	391,700	96.7
Expense on interest income	0	180,000	180,000	315,711	-135,711	175.4
Board expenses			1,249,162	1,257,182	-8,020	
Total expenditure			62,636,128	43,861,508	5,654,238	
Surplus for the period				8,807,094		

(Budget notes)

MOE CBC trainings not budgeted for led to an increase in seminars and occasional trainings. Low students' enrolment led to increased hire of idle facilities i.e classes and buses. Savings from income generating activities deposited in fixed deposit account led to increase in interest income and consequently increased the expenditure on withholding tax. Prolonged draught led to reduced production of farm produce hence the reduction in sale of goods.

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

19. Notes to the Financial Statements

1. GENERAL INFORMATION

Murang'a Teachers College is established by and derives its authority and accountability from Education Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is teacher training.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

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

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

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

3. Adoption of New and Revised Standards

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2023.

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

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Standard	Effective date and impact:
	<p>the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</p> <p>(No impact)</p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the Entity.</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.</p> <p>(No impact)</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p>(No impact)</p>
<p>Other improvements to IPSAS</p>	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008). • <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023. <p>(No impact)</p>

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

Standard	Effective date and impact:
IPSAS 43	<p><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. (No impact)</p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><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. (No impact)</p>

iii. Early adoption of standards

Murang'a Teachers Training College did not early-adopt any new or amended standards in year 2022/2023.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Rental income

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

b) Budget information

The original budget for FY 2022/2023 was approved by the Board on *17th June 2022*. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the revised budget was approved by the Board on *28th November 2022*. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 4 under section *Notes to the financial statements* of these financial statements.

c) Taxes

Current income tax

Murang'a Teachers Training College is exempt from paying taxes as per the Basic Education Act.

Sales tax/ Value Added Tax

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

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

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an xx-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.(entity to amend appropriately). Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

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

f) Leases

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Murang'a Teachers Training College
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measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability.

Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset.

However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible assets

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

h) Research and development costs

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

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

Murang'a Teachers Training College
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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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

i) Financial instruments

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

Financial assets

Classification

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

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Financial liabilities

Classification

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

j) Inventories

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

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

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

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

Inventories

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

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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 entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability

m) 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.

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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

o) 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.

p) 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.

q) Related parties

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

Murang'a Teachers Training College
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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

r) 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.

s) 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

Comparative figures

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

t) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2023.

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the 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 Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the 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

Murang'a Teachers Training College
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Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

(a) Transfers from other Government entities (Categorized)

Name of the 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 2023	Year ended 30th June 2022
	Kshs	Kshs	Kshs	Kshs	Kshs
EDUCATION Ministry/State Department for Early and Basic Education	11,128,545			11,128,545	12,690,914
Total	11,128,545			11,128,545	12,690,914

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7. Rendering of Services

Description	Year ended 30th June 2023	Year ended 30th June 2022
	KShs	KShs
Tuition fees	611,866	1,556,678
Activity fees	451,238	944,777
Examination fees(PTE)	0	0
Library fees	0	185,112
Facilities and materials	15,806,320	21,928,967
Registration fees	128,500	74,400
Total revenue from the rendering of services	16,997,924	24,689,934

Notes to the Financial Statements (Continued)

8. Sale of Goods

Description	Year ended 30th June 2023	Year ended 30th June 2022
	KShs	KShs
Sale of goods		
Sale of farm produce	1,711,299	2,347,058
Total revenue from the sale of goods	1,711,299	2,347,058

9. Rental revenue from facilities and equipment

Description	Year ended 30th June 2023	Year ended 30th June 2022
	KShs	KShs
Hire of facilities and equipment	531,345	927,576
Rent on staff houses	6,489,814	6,146,242
Total	7,021,159	7,073,818

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10. Interest Income

Description	Year ended 30th June 2023	Year ended 30th June 2022
	KShs	KShs
Interest on fixeddeposits	2,079,518	1,583,488
Totalinterestincome	2,079,518	1,583,488

11. Other Income

Description	Year ended 30th June 2023	Year ended 30th June 2022
	KShs	KShs
Seminars and occasional trainings	13,697,754	11,659,071
Totalotherincome	13,697,754	11,659,071

Murang'a Teachers Training College
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12. Use of Goods and Services

Description	Year ended 30th June 2023	Year ended 30th June 2022
	KSh	KSh
Teaching and learning materials&T.Plesson plan	911,724	1,702,655
Electricity & water	2,399,465	1,985,668
Subscriptions	1,031,172	970,616
Examination fees	0	0.00
Catering, Conferences, and delegations	19,332,513	14,790,170
Travelling and accommodation,Fuel,&Oil &insurance	1,410,216	953,735
Fuel and oil	0	680,172
Insurance	0	65,514
Legal expenses	15,000	42,000
Administration costs	564,245	722,418
Farm expenses	747,388	513,823
Hire charges	349,029	175,585
Rent expenses	46,470	23,265
Medical expenses	114,530	116,589
Expenditure on vision 2030 projects	0	0.00
Internet expenses	439,776	202,044
Training expenses	0	5,000
Fees refunds	82,555	50,100
Sundry creditors	668,477	1,891,871
Totalgood and services	28,112,560	24,891,225

Administration cost of ksh.1,821,427 comprised of Board Expenses and other Administration cost in the ledger.

Travelling and accommodation of ksh.1,410,216 comprised of ,Fuel,&Oil&insurance in the ledger

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13. Employee Costs

	Year ended 30th June 2023	Year ended 30th June 2022
	KShs	KShs
Salaries and wages	6,017,033	6,644,215
Employee related costs-contribution to pensions and medical aids	1,302,423	1,380,068
Travel, motor car, accommodation, subsistence and other allowances	1,489,000	1,645,000
Housing benefits and allowances	1,199,500	1,408,660
Gratuity paid to retired employees	1,458,052	1,065,047
Salary processing charges	2,170	2,866
Employee costs	11,435,775	12,145,856

14. Board Expenses

Description	Year ended 30th June 2023	Year ended 30th June 2022
	KShs	KShs
Chairman's Honoraria	-	
Directors emoluments	-	
Travel and subsistence allowances	1,257,182	889,994
Total B.O.M expenses	1,257,182	889,994

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15. Depreciation and Amortization expense

Description	Year ended 30 th June 2023	Year ended 31 st December 2022
	KShs	KShs
Plant and equipment, Motor vehicles Furniture and fittings Computers ,Buildings	17,045,625	17,045,625
Intangible assets	240,000	240,000
Total	17,285,625	17,285,625

16. Repairs and Maintenance

Description	Year ended 30 th June 2023	Year ended 30 th June 2022
	KShs	KShs
Property, equipment, machinery, furniture and computers	2,436,557	4,985,638
Vehicles	271,320	649,412
Totalrepairsandmaintenance	2,707,877	5,635,050

17. Expense on interest income

Description	Year ended 30 th June 2023	Year ended 30 th June 2022
	KShs	KShs
Bank charges	6,900	0
Withholding tax on interest income	308,811	0
Totalexpenditure on interest income	315,711	0

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18. Cash and Cash Equivalents

(a). Detailed Analysis of Cash and Cash equivalents

		Year ended 30th June 2023	Year ended 30th June 2022
Financial institution	Account number	KShs	KShs
a) Current accounts			
Kenya Commercial bank	1108781381	1,310,931	496,260
Kenya Commercial bank	1108781136	5,940,836	3,319,670
Kenya Commercial bank	1101954604	2,306,524	357,742
Kenya Commercial bank	1208580574	68,505	339,373
Sub- total		9,626,796	4,513,045
b) Savings account			
Kenya Commercial bank	1101954868	1,729,338	0
Sub- total		1,729,338	0
c) Fixed deposit accounts			
Kenya Commercial bank	1271339307	21,832	1000
Co-operative bank	01129820083900	6,258	6258
Sub- total		28,090	7,258
d) Others			
Cash in hand		292,091	740,719
Sub- total		292,091	740,719
Grand total		11,676,315	5,261,022

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19. Receivables from Exchange transactions

(a) Current Receivables from Exchange transactions

Description	Year ended 30 th June 2023	Year ended 30 th June 2022
	KShs	KShs
Currentreceivables		
Student debtors	1,068,036	802,433
Rent debtors	116,502	320,700
Other exchange debtors (seminars & facilities hire)	9,591,921	2,344,826
Less: impairment allowance	-	-
Totalcurrentreceivables	10,776,459	3,467,959

Ageing Analysis of Receivables from Exchange transactions

Description	Year ended 30 th June 2023		Year ended 30 th June 2022	
	Kshs		Kshs	
	2023	% of the total	2022	% of the total
Less than 1 year	10,776,459	100	3,467,959	100
Between 1- 2 years	xxx	%	xxx	%
Between 2-3 years	xxx	%	xxx	%
Over 3 years	xxx	%	xxx	%
Total (a+b)	10,776,459	100	3,467,959	100

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20. Inventories

Description	Year ended 30th June	Year ended 30th June 2022
	2023	
	KShs	KShs
Consumable stores (hardware, stationery and farm)	570,360	423,455
Health unit stores	-	11,706
Cleaning materials stores	19,925	43,083
Catering stores	432,575	452,359
Total inventories at the lower of cost and net realizable value	1,022,860	930,603

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21. Property, Plant and Equipment

	Land	Motor vehicles	Furniture and fittings	Computers	Building	Plant and equipment	Capital Work in progress	Total
Cost	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
As at 1 st July 2022	300,000,000	8,100,000	10,945,000	1,200,000	506,700,000	5,000,000	16,711,317	848,656,317
Additions during the period							12,951,979	12,951,979
Disposals during the period								
Transfers/adjustments during the period								
As at 30 th June 2023	300,000,000	8,100,000	10,945,000	1,200,000	506,700,000	5,000,000	29,663,296	861,608,296
Depreciation and impairment								
As at 1 st July 2022								
Depreciation for the period	-	2,025,000	1,368,125	360,000	12,667,500	625,000	-	17,045,625
Impairment for the period								
As at 30 th June 2023	-	2,025,000	1,368,125	360,000	12,667,500	625,000		17,045,625
Net book values								
As at 30 th June 2023	300,000,000	6,075,000	9,576,875	840,000	494,032,500	4,375,000	29,663,296	844,562,671
As at 1 st July 2022	300,000,000	8,100,000	8,100,000	1,200,000	506,700,000	5,000,000	16,711,317	848,656,317

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Notes to the Financial Statements (Continued)

22. Intangible Assets

Description	Year ended 30 th June 2023	Year ended 30 th June 2022
	KShs	KShs
Cost		
At beginning of the year	240,000.00	240,000
Additions during the period	-	
At end of the period	-	
Additions—internal development	-	
At end of the period	-	
Amortization and impairment		
At beginning of the year	-	
Amortization during the period	-	
At end of the period	-	
Impairment loss during the period	-	
At end of the period	-	
NBV	240,000.00	240,000

23. Biological Assets

	Year ended 30 th June 2023	Year ended 30 th June 2022
	Kshs	Kshs
Cattle	520,000	0
Trees	200,000	0
Others (Specify)	-	-
Total	720,000	0

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Notes to the Financial Statements (Continued)

24. Trade and Other Payables

Description	Year ended 30 th June 2023		Year ended 30 th June 2022	
	Kshs		Kshs	
Trade payables				301,405
Fees received in advance		1,240,113		81,242
Rentreceived in advance		83,000		-
TotalTradeandOtherPayables		1,323,113		382,647
Ageing analysis:	Year ended 30th June 2023	% of the Total	Year ended 30th June 2022	% of the Total
Under one year	1,323,113	100	382,647	100
1-2 years				
2-3 years				
Over 3 years				
Total (to tie to totals above)	1,323,113	100	382,647	100

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25. Cash generated from operations.

	Year ended 30 th June 2023	Year ended 30 th June 2022
	KShs	KShs
Surplus/Deficit for the period before tax	(2,673,328)	(803,467)
Adjusted for:		
Depreciation	17,045,625	17,045,625
Non-cash grants received	-	-
Contributed assets	-	-
Impairment	-	-
Gains and losses on disposal of assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Finance income	-	-
Intangible assets	0	240,000
Working Capital adjustments		
Increase in inventory	-	-
Increase in receivables	-	-
Increase in deferred income	-	-
Increase in payables	-	-
Increase in payments received in advance	-	-
Net cash flow from operating activities	8,807,625	16,482,158

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26. Events After The Reporting Period

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

27. Ultimate And Holding Entity

Murang'a Teachers Training College is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

28. Currency

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

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Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
MOE/DSAS/S3/VOL.11/296	Sundry creditors- the management should pay trade and general creditors to avoid accumulation and possible legal actions.	Payment of creditors	Resolved	
	Sundry debtors-the management should enhance recovery of fees debtors to safeguard against risk of bad debts	Write off unrecoverable fees arrears and enhance strict collection of fees from the current students.	Resolved	
	Investment accounts- Management should invest for the intended purpose to avoid much accumulation of funds that may lead to embezzlement.	Utilization of funds in construction of the 300 bed capacity hostel.	Construction works ongoing.	

Name NGURE P.K

(Accounting Officer / Principal)

24/01/2025

Date

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Appendix II. INTER ENTITY TRANSFERS.

	ENTITY NAME:	Murang'a Teachers Training College		
	Break down of Transfers from the State Department of Basic and Early Education			
	FY 2022/2023			
	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KSh)</u>	<u>Indicate the FY to which the amounts relate</u>
		05/10/2022	2,603,765	2022/2023
		17/02/2023	2,646,856	2022/2023
		27/06/2023	2,734,143	2022/2023
		27/06/2023	3,143,781	2022/2023
		Total	11,128,545	

Name :**NGURE P.K** Sign  Date ...24/01/2025.....
 (Accounting Officer /Chief Principal)