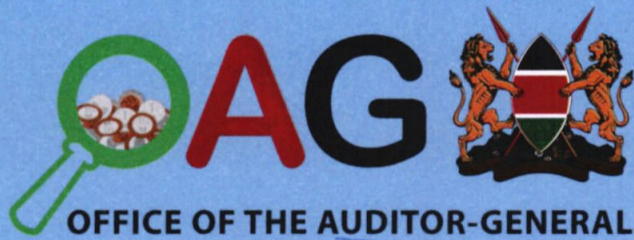


REPUBLIC OF KENYA



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REPORT

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TABLED
BY:

Hon George
Mungara, MP

CLERK-AT
THE-TABLE:

P. Muiga

OF

THE AUDITOR-GENERAL

ON

MACHAKOS TEACHERS COLLEGE

FOR THE YEAR ENDED

30 JUNE, 2021

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY

13 JAN 2025

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MACHAKOS TEACHERS COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30TH JUNE 2021**

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

MACHAKOS TEACHERS COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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1. KEY ENTITY INFORMATION AND MANAGEMENT**(a) Background information**

Machakos Teachers College (MATECO) was established on 4th March, 1958. The College was established to train female teachers. It had 64 students in four classes undertaking T3, T2 and T1 Upgrade Teacher Training Courses. In 1965 the college was made a Co-educational Institution and started offering P1 and P2 courses. From then on it continued to train P1 teachers up to December 2020. As from June, 2021, the College is offering Diploma in Primary Teacher Education (DPTE) and Diploma in Early Childhood Teacher Education (DECTE).

MATECO is a unique institution since it admits students with special needs- learners with hearing, visual and physical impairment.

Currently, MATECO has a teaching staff of 39 tutors and 43 non-teaching staff. The College students' capacity is 990.

The College is in Machakos County, Kenya. It is registered as a Diploma Teacher Training Institution under the Ministry of Education, State Department of Early Learning and Basic Education. MATECO is ISO 9001:2015 certified by Kenya Bureau of Standards (KEBS).

The College is managed by a Board of Management, appointed by the Cabinet Secretary, Ministry of Education as stipulated in the Basic Education Act No. 14 of 2013. Additionally, the day-to-day management of the College activities is undertaken by the Principal who is appointed by Teachers Service Commission.

(b) Principal Activities

The principal activity/mission of the College is to train quality Primary and Early Childhood school teachers as mandated by the Basic Education Act – 2013.

Vision

“To become a Centre of excellence in teacher education and human resource development.

Mission

“To train quality engaged, empowered and ethical teachers for basic education and offer human resource skills, knowledge, attitudes and values responsive to the challenges of a dynamic society”.

Core Values

1. Professionalism
2. Creativity and innovation
3. Integrity
4. Equity and inclusivity
5. Teamwork

Core functions

- i). To train Primary and Early Childhood school teachers.
- ii). Develop in the teacher the ability to communicate and collaborate effectively.

- iii). Provide Primary and Early Childhood teacher education that equips teachers with the following competencies and values:-
 - i. Critical thinking and problem solving skills.
 - ii. Creativity and imagination.
 - iii. Communication skills.
 - iv. Citizenship and Patriotism.
 - v. Digital literacy.
 - vi. Self-efficacy.
 - vii. Learning to learn.
 - viii. Moral and religious values.
- iv). Develop awareness of good human relationship and international consciousness.
- v). Foster in the teacher an appreciation and respect for our rich and varied cultural heritage.
- vi). Develop in the teacher awareness and appreciation for good health and environmental conservation.

(c) Key Management

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

- (i) Board of Management (BoM).
- (ii) Principal, the Accounting Officer and Secretary to the BoM.
- (iii) Deputy Principal.
- (iv) Dean of Students.
- (v) Dean of Curriculum.
- (vi) Head of Departments.
- (vii) Heads of Subjects.
- (viii) Heads of Sections.

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chairman of the BoM	Mr. Tito Musyoka
2.	Principal	Joyce Mabwai
3	Deputy Principal	Mutia Waema
4	Dean of Students	Muema Elizabeth
5	Dean of Curriculum	Silvia Mino Kiko
6	Head of Finance	Justin Mwairirie Kariuki
7	Head of Procurement	Harrison Mutiso
8	PC Coordinator	Titus Kituka
9	ISO Quality Manager	Joshua Mutie

(e) Fiduciary Oversight Arrangements

1. General Purpose Committee of the Board

The committee exercise powers of the Board of Management including financial matters.

The role of the committee shall be to monitor the college programs, projects and financial status on behalf of the Board of management

2. Executive Board of Management

The committee shall monitor the financial status of the college and implementation of the college programmes and projects. Receive reports from the Principal that informs effective management of the College Human Resource.

3. Academic Committee of the Board

The academic committee is entrusted with the responsibility of:

- a) Monitoring the implementation of the Curriculum as provided by Kenya Institute of Curriculum Development.
- b) To ensure learners are subjected to assessment as provided by Kenya National Examination Council.

4. Senior Management Committee

The main duty and responsibility of Senior Management is to:

- a) Implement the board of management strategic decisions
- b) To provide leadership in communicating Machakos teachers College vision, mission and values and ensure their effective and consistent achievement.
- c) Be accountable for effective implementation of the Curriculum and development projects
- d) Make recommendations to the Board on the implementation and achievement of the Board of management Strategic framework.

5. Audit and Risk Management Committee

The mandate of the committee is:

- a) To review and provide oversight on governance initiatives of the Board.
- b) Review and provide oversight on the College internal control framework.
- c) Review and provide oversight on establishment, implementation, maintenance and effectiveness of risk assessment, risk management and risk reporting practices.
- d) Audit the College systems.

6. Government Oversight Activities

The Government of Kenya Provide oversight role by providing the regulatory framework. Audit of College activities is done internally by the Directorate of Audit of the Ministry of Education. Audit is also undertaken by the Office of Auditor General.

KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(f) Entity Headquarters

Machakos Teachers College
P.O. Box 124-90100
Machakos Teachers College
College Road
Machakos, KENYA

(g) Entity Contacts

Telephone: (254) 700393590
E-mail: machakosteacherscollege@rocketmail.com
Website: www.mateco.ac.ke

(h) Entity Bankers

Kenya Commercial Bank
Machakos Branch
Fund Account 1107139120
Project Account 1106322991
Main Account 1106308166
Savings Account 1104105217









(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

2. THE BOARD OF MANAGEMENT






No.	Member	Title	Photograph	Age	Qualification	Independent/ Executive Member	Current Occupation
1.	Mr. Tito Musyoka Kitulu	Chairperson		63	Msc	Independent	Business Man
2.	Dr. Joyce M. Mutinda	Deputy Chairperson		62	PhD	Independent	Chairperson of National Gender and Equality Commission.
3.	Mr. Phillip M. Mulwa	Member		63	Degree	Independent	Private Advocate
4.	Prof. Mathooko	Member		55	PhD	Independent	Professor at Machakos University
5.	Architect Petrovic Muthusi	Member		52	Bachelor of Architecture	Independent	Private Practice.
6.	Mrs. Joyce Muve Muasa	Member		52	M.ED	Independent	Lecturer – Scott Theological College
7.	Mrs. Beatrice Nzou	Member		53	Master in Counselling Psychology	Independent	Mediator Counsellor
8.	Mrs. Ruth Mumo	Member		72	Diploma	Independent	Business Woman

MACHAKOS TEACHERS COLLEGE

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9.	Mrs. Benedicter N. Musau	Member		60	Diploma	Independent	Business Woman
10.	Mrs. Ruth Kalee	Member		51	Master's Degree in Community Health	Independent	Working at JKIA Nairobi
11.	Mr. James Mwisu	Member		60	Higher National Diploma in Histopathology	Independent	Senior Lecturer KMTC Machakos
12.	Mrs Mabwai Joyce	Secretary		55	Master of Education, Bachelor of Education, Diploma – School Leadership and Administration	Independent	Lecturer

3. ANAGEMENT TEAM

No.	Member/ Director	Prof/Academic Qualification	Main area of Responsibility	Passport size photo
1.	Mrs Joyce Mabwai	Master of Education, Bachelor of Education, Diploma – School Leadership and Administration	Principal. Lead person in implementation of the College strategic activities to ensure the college delivers on its mandate. Motivates and develops the College staff highest standards of performance and customer service	
2.	Mr Waema Mutia		Deputy Principal. Work in liaison with the principal in implementing the BoM strategic decisions, in charge of students discipline	
3.	Mrs Sylvia K. Mutunga	Master of Education in Linguistic	Dean of Curriculum. In charge of implementation of the core functions of the college	
4.	Mrs Muema Elizabeth	Master of Education, B.ED Education	Dean of Students. In charge of students welfare and students governance, ensure and make recommendations for provision of conducive environment for teacher trainees	
5.	CPA Justin Kariuki	BBA/CPA (K)	Administering routine financial functions ensuring all works is carried out in accordance with established procedures and systems.	

4. CHAIRMAN'S STATEMENT

In the Financial Year 2020/2021 operations in institutions were affected by Covid-19. As the Pandemic swept across the globe it affected lives and this forced institutions to adopt new ways of living and working. In addition, Teacher Training Colleges did not admit students in 2019 because of the transition from Certificate to Diploma in teacher education. This resulted in the College having one cohort of students totalling Four hundred and thirty nine (439).

Yet, despite this uniquely challenging environment, Machakos Teachers College delivered on her mandate. 90% of the 439 candidates who sat for Primary Teacher Education Examination in December, 2020 passed.

Acknowledging the vulnerability of the College Community to the deadly Covid-19 virus, the Board of Management undertook two main projects; renovation of hostel washrooms, and erection of water towers.

While 2020 was not a record year in terms of financial performance, the College took a deliberate path to manage costs and improve efficiency.

In addition to students' fees, which is the main source of income, the College explored other sources of income such as hosting of activities which earned the College Kshs. 3,583,845.30 and fixing of funds which earned the College Kshs. 1,116,210.95.

Looking forward, the College's priorities for this coming year and beyond, is to focus on improvement of learning and training environment by upgrading existing facilities, provision of equipment and developing additional physical facilities.

The College takes cognizance of the important role Information Technology plays in enhancing service delivery. Access to online learning is critical during the current pandemic hence the College plans to invest on E-learning as well as digitize service delivery.

Following the expiry of the 2015-2020 Strategic Plan, the Board of management has embarked on the formulation of 2021-2025 strategic plan.



.....
Tito Musyoka
Chairperson –Board of Management

Date... 31.12.2024

5. REPORT OF THE PRINCIPAL

I take this opportunity to present the College's Annual report and financial statements for the financial year 2020/2021. The report focuses on the College's strategic intent as outlined in the College Strategic Plan which includes improvement in physical facilities, delivery of the Core mandate and prudent financial management.

Financial Year 2020/2021 was unique for three reasons. Firstly, the College did not admit first year students because of the transition from P1 Certificate to Competency Based Teacher Education - Diploma. Secondly, the Covid-19 pandemic resulted in delay, rescheduling and suspension of some College activities. Thirdly, the College admitted its first cohort of Diploma students towards the end of the financial year 2020/2021; 2nd June, 2021.

However, in spite of these emerging issues, the College was able to deliver on its mandate of training quality engaged, empowered and ethical teachers for basic education.

Some of the achievements of the College include:-

- i). Out of the 439 candidates who sat for Primary Teacher Education Examination in December, 2020, 90% passed.
- ii). Renovation of students' washrooms in eleven (11) hostels.
- iii). Erection of two water towers, each with 10,000 litres water tank to supply water to the washrooms.
- iv). Payment of non-teaching staff salaries, despite low students enrolment.
- v). Timely remittance of statutory deductions.
- vi). Teaching staff training on the new Curriculum; Competency Based Teacher Education.
- vii). Capacity building of teaching and non-teaching staff on management of Covid-19 pandemic.
- viii). Success in the College Management of Covid-19 Pandemic.

These achievements have been made possible by the Strategic leadership of the Board of Management that has discharged its mandate as per the Basic Education Act No. 14 of 2013.

To develop an Institution with excellence in teaching, training and research among other education service, Machakos Teachers College shall invest in the use of technology to facilitate learning and training. To achieve this, we commit to continue collaborating with a number of agencies both public and private in our endeavour to develop the Institution.

The College is the only teacher training institution that admits three categories of Special Needs learners; the visually and Hearing Impaired as well as the physically challenged. Despite inadequate funding from the government for provision of services for special needs teacher trainees, the Board of Management has prioritized projects that aim at making the environment conducive and more friendly to such learners.

In the year under review, in addition to threats posed by Covid-19 Pandemic, the College experienced a high turnover of tutors. A total of nine (9) tutors were promoted and deployed to other institutions. This has resulted in understaffing for some departments.

Technology is a key tool in enabling teaching and learning. Whereas, the College has embraced ICT in facilitating learning, the internet connectivity in the College is not stable. Technology is dynamic, hence the need for continuous upgrade and enhancement of the College ICT facilities, which has been quite expensive.

MACHAKOS TEACHERS COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

The transition of the College to Diploma in Primary Teacher Education requires capacity building for teaching and non-teaching staff.

Most of the college buildings are old and dilapidated. Asbestos roofing is a health hazard and this hampers water harvesting.

The new financial reporting system has also presented its challenges. This is because the Senior Management and Finance Staff have not been trained. The College has not acquired an Integrated Management System and therefore due to the short notice the reports had to be prepared manually. The College plans to procure an Integrated Management System in the next financial year to assist in students admission, registration for examination, fees processing, payments and online teaching.

Statement of Performance against Predetermined Objectives

The College's Strategic pillars with its Strategic Plan for the FY 2015-2020 are as follows:-

- i. Provide teacher education and training programmes
- ii. Diversify financial sources and ensure efficient utilization of resources
- iii. Enhance effective management and administration of the College
- iv. Develop and enhance College infrastructure and facilities on suitable and needs basis
- v. Strengthen Capacity building on Professional skills and emerging issues.

The College achieved its Performance targets.



.....
Mrs. Mabwai Joyce

Secretary –Board of Management

Date..... 31-12-2024

6. 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.

Machakos Teachers College has four key result areas within current Strategic Plan for the FY 2021- FY 2026. The College’s Strategic pillars with its Strategic Plan for the FY 2021/2026 are as follows:-

- i. Training of quality Basic Education Teachers
- ii. Wellness and personality development
- iii. Talent development
- iv. Institutional capacity

Machakos Teachers College has 5 strategic goals within the current strategic plan for the year 2021- 2026. These strategic goals are as follows:

Strategic Goal 1: Provide teacher education and training programmes.

Strategic Goal 2: Diversify financial sources and ensure efficient utilization of resources.

Strategic Goal 3: Enhance effective management and administration of the College.

Strategic Goal 4: Develop and enhance College infrastructure and facilities on suitable and needs basis.

Strategic Goal 5: Strengthen Capacity Building on Professional skills and emerging issues.

The College develops its annual work plans based on the above 5 strategic goals. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The College achieved its financial performance targets set for the FY 2021/2022 period for its 5 Strategic Goals as indicated in the diagram below.

Strategic Goal	Objectives	Key Performance Indicators	Activities	Targets	Achievements
Strategic Goal 1	I. To increase enrolment.	Number	I. Offering quality academic programmes.	450	431
	II. To increase transition rate.	%	I. Strengthen Guidance and Counselling to minimize non-completion of the course. II. Adequate provision of resources to enhance performance.	100	99

	III. To ensure 100% Curriculum Design coverage.	%	I. Attendance of class by Teaching Staff to ensure timely completion of the Curriculum Design.	100	98
	IV. Improve percentage pass in summative results.	Number	I. Adequate preparation of candidates.	Mean	actual mean to get %
Strategic Goal 2	I. To ensure efficiency in resource utilization.	%	I. Develop effective College controls system and stores. II. Sensitize the college on cost cutting measures and manage resources using schedules. III. Use of efficient Procurement Process. IV. Use of resource schedules and issuance of goods register.	100	99
	II. Develop viable financial income generating projects.	Number	I. Hosting of workshops and seminars.	5	6
Strategic Goal 3	I. Ensure professionalism, transparency, integrity among Staff in performance of duties.	%	I. Implement Quality Management System. (QMS). II. Embrace Performance Contracting. III. Form performance Indicator Committees. IV. Attendance of Workshops.	100	95

<p>Strategic Goal 4 Develop and enhance College infrastructure and facilities on suitable and needs basis.</p>	<p>I. To ensure rehabilitation of the infrastructure in the College.</p>	<p>Number</p>	<p>I. Upgrade of washrooms in the Students Hostels.</p>	<p>5</p>	<p>5</p>
	<p>II. To construct water reservoirs</p>	<p>Number</p>	<p>II. Construction of Two water towers each with 10,000 litres.</p>	<p>2</p>	<p>2</p>
<p>Strategic Goal 5 Strengthen Capacity Building on Professional skills and emerging issues.</p>	<p>I. Implementation of the Service Delivery Charter.</p>	<p>Number</p>	<p>I. Review and display the Service Delivery Charter at the Administration Block and main gate in English and Kiswahili.</p>	<p>2</p>	<p>3</p>
	<p>II. Competence Development</p>	<p>%</p>	<p>I. Carry out Staff training needs assessment, execute interventions to address the identified skill gaps. II. Training of needs through external facilitation, coaching and mentoring.</p>	<p>100</p>	<p>100</p>

7. CORPORATE GOVERNANCE STATEMENT

Machakos Teachers College affirms that good corporate governance is key to any Institution of learning. The College commits to ensure that is compliance with the legal and statutory requirements.

1. The College is managed by the Board of Management comprising of fourteen (14) Members, on behalf of the Cabinet Secretary, Ministry of Education. The Board assumed office in May, 2019.
2. The process of appointment and mandate of the Board of Management is clearly outlined in CAP 14 of The Basic Education Act of 2013

a) Appointment of Board of Management Members.

The members of the Board of Management are appointed by the Cabinet Secretary, Ministry of Education following recommendations of the Nomination Committee. The Board serves for three (3) years.

Composition of Board of Management.

The Board of Management established under section 55 of the Basic Education Act consists of the following members appointed by the County Education Board:

- i). Six persons elected to represent local community.
 - ii). One person nominated by the County Education Board.
 - iii). One representative of the teaching staff in the college elected by the teachers.
 - iv). Three representatives of the sponsors of the college.
 - v). One person to represent special interest groups in the community.
 - vi). One person to represent persons with special needs.
 - vii). A representative of the students' council who shall be an ex officio member.
- b) Roles and functions of the Board of Management.
- As stipulated in The Basic Education Act No. 14 of 2013, Section 59, the functions of the Board of Management shall be to:-
- i). Promote the best interest of the Institution and ensure its development.
 - ii). Promote quality education for all pupils in accordance with the standards set under this Act or any other written law.
 - iii). Ensure and assure the provision of proper and adequate physical facilities for the Institution.
 - iv). Manage the Institution's affairs in accordance with the rules and regulations governing the occupational safety and health.
 - v). Advise the County Education Board on the staffing needs of the Institution.
 - vi). Determine cases of pupils' discipline and make reports to the County Education Board.
 - vii). Prepare a comprehensive termly report on all areas of its mandate and submit the report to the County Education Board.
 - viii). Facilitate and ensure the provision of guidance and counselling to all learners.
 - ix). Provide for the welfare and observe the human rights and ensure safety of the pupils, teachers and non-teaching staff at the Institution.
 - x). Encourage a culture of dialogue and participatory democratic governance at the Institution.
 - xi). Promote the spirit of cohesion, integration, peace, tolerance, inclusion, elimination of hate speech and elimination of tribalism at the Institution.
 - xii). Encourage the learners, teachers and non-teaching staff and other parents and the community, and other stakeholders to render voluntary services to the Institution.
 - xiii). 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.

- xiv). Administer and manage the resources of the Institution.
 - xv). Receive, collect and account for any funds accruing to the Institution.
 - xvi). Recruit, employ and remunerate such number of non-teaching staff as may be required by the Institution in accordance with this Act.
 - xvii). Perform any other function to facilitate the implementation of its functions under Basic Education Act No. 14 of 2013 or any other written law.
- c) Board of Management Induction and Training.
Members of the Board are inducted by officers from the Ministry of Education during or immediately after inauguration. Further training may be organised by the College.
- d) Board and members allowances.
The College pays allowances to Board members to facilitate their travel to and from the College.
- e) Meetings.
- i). Full Board meetings – Held once a term, but if there is an urgent need, a meeting can be convened.
 - ii). Board Committee meetings – Once every term.
 - iii). Executive Board meetings – Once every term.
 - iv). Special Board of Management meeting may be held on need basis.

8. MANAGEMENT DISCUSSION AND ANALYSIS

a) Operational Performance

Machakos Teachers College has continued to demonstrate great resilience, as reflected in our operational and financial performance in FY2020/2021. The College was able to deliver on its mandate despite the threats caused by Covid-19 Pandemic. Below are some notable achievements;

- (i) Renovation of washrooms by tiling and upgrading the plumbing works in eleven (11) hostels.
- (ii) Erection of two (2) steel water towers. Each tower carries a 10,000 litres water tank.
- (iii) Timely payment of non-teaching staff salaries throughout the year.
- (iv) Compliance with the government's statutory requirement through timely remittance of deductions.

During the year, the College prepared well to adapt to the crisis and implemented rapid adjustments guided by the Ministry of Health Covid-19 protocols and the Ministry of Education Covid-19 guidelines and containment measures. The College has taken extensive measures to ensure the health and safety of all students, teaching and non-teaching staff who are an integral human resource to the College operations. The College took proactive measures to secure essential protective medical supplies. This was aimed at ensuring customer confidence in our commitment to ensure the safety and reliability of our operations.

b) Financial Performance

The College operates on fees received from students and government's grants. The College targeted to have income amounting to Kshs. 18,937,540.00. By the end of the financial year, the total revenue was Kshs. 20,666,641.95. The College did not receive the third and fourth quarter grants from the government: The pending bills at the close of the FY 2020/2021 was Kshs. 154,345.00.

c) Compliance with statutory requirements

The College complies with various statutory requirements by deduction and timely remittance of P.A.Y.E., N.S.S.F and N.H.I.F.

d) Major risks facing the College

Some of the major risks facing the College are:-

- (i) About 95% of the College buildings have asbestos roofs which is a health risk to the Community. The cost of removal and disposal of asbestos is quite high; approximately Ksh.30 Million.
- (ii) Late disbursement of the government grants. The College did not receive the 3rd and 4th quarter grants for the year ending 30th June, 2021.
- (iii) Low enrolment of students for the new Diploma course due to the high qualification requirements.
- (iv) Insecurity due to the porous boundary.
- (v) Encroachment by the Machakos Golf Club Limited.

e) Material arrears in Statutory/Financial obligations

At the end of the Financial Year 2020/2021, the pending bills totalled Kshs. 154,345.00.

9. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Sustainability strategy and profile

Machakos Teachers College is located in close proximity to Machakos town which is the headquarters of Machakos County. In addition, it is about 65 km from Nairobi. Its location thus provides opportunities for its growth. To ensure the College meets expectation as it delivers on its mandate, the College:

- a) Undertakes an annual tree planting exercise.
- b) Sensitizes the college community on the importance of conserving water.
- c) Harvests water from the few iron roofed buildings.
- d) Uses energy saving jikos
- e) Makes orders based on approved requisition to minimise wastages.

Environmental performance

The College has two parcels of land; Machakos Block 1/27 and Block 1/26. The Land Parcel Block 1/26 was donated by the Machakos Golf Club to the College in 1970's. However, FY 2020/2021, Golf Club took the College to Court to restrain the college from carrying out any activity on the aforementioned piece of land.

Employee welfare

The College uses guidelines and regulations provided by the Ministry of Education to hire and manage its employees. The number of staff recruited is as per the Non-teaching staff establishment approved by the Ministry of Education. The Board of Management hires the services of non-teaching staff on permanent basis according to the College needs and ability to pay salaries. The non-teaching staff salaries is funded by the government grants and students fees.

On recruitment, the Board of Management seeks to ensure highest standard of efficiency, competence and integrity without discrimination based on gender, religion, ethnic origin or disability. The Board commits and upholds the equal opportunity principle. The recruitment is carried out in a competitive basis that results in recruitment of suitable employees.

The Board provides a conducive working environment for its staff by providing equipment, tools and staff uniforms.

The Board has put in place measures to ensure compliance with occupational safety and Health Act of 2007. Staff are provided with protective gears and clothing.

Market place practices-

The College values all suppliers. To build trust, procurement procedures are fully adhered to.

The College advertises its annual tenders through the Local dailies, College Websites and various notice boards to ensure accountability and to selection of the most suitable supplier. Opening, evaluation and awarding of tenders are conducted as stipulated in the Public Procurement and Assets disposal Act 2015.

The College has continued to maintain good relations with her suppliers by ensuring that orders are made on time. Proper documentation and quality management system procedures are followed. The inspection and acceptance committee verifies the quantity and quality of goods.

Corporate Social Responsibility / Community Engagements

During the year under review, the college engaged the Community as follows:-

- i). Covid-19 protocol messages were printed and distributed to traders along the College road.
- ii). Local entrepreneurs provided canteen services.
- iii). Neighbouring institutions and sports clubs use the College fields for their activities on request.
- iv). Neighbouring Primary Schools hosted students for Teaching Practice.
- v). Teacher trainees engaged in various games and sports activities with teams from the neighbourhood.
- vi). Teacher trainees and staff visited Machakos School for mentally challenged and donated food stuffs.

10. REPORT OF THE BOARD OF MANAGEMENT

The Board members submit their report together with the audited financial statements for the year ended June 30, 2021 which show the state of entity's affairs.

Principal activities

The mandate of the College is to train quality engaged, empowered and ethical Primary and Early Childhood school teachers by facilitating acquisition of knowledge, skills, attitudes and values to enable them be responsive to the challenges of a dynamic society.

Results

The results of Machakos Teachers College for the year ended 30th June, 2021 are set out on page 2 to 27

BOARD OF MANAGEMENT

The members of the Board who served during the year are shown on page xiii

Auditors

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

By Order of the Board



.....
The secretary- Board of Management

Machakos

Date... **31-12-2024**

11. STATEMENT OF BOARD OF MANAGEMENT MEMBERS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and Section 14 of Education Act, 2013 require the Board of Management members to prepare financial statements in respect of Machakos Teachers College which give a true and fair view of the state of affairs of the College at the end of the financial year 2020/2021 and the operating results of Machakos Teachers College for that year 2020/2021. The Board members are also required to ensure that the College keeps proper accounting records which disclose with reasonable accuracy the financial position of Machakos Teachers College. The Board members are also responsible for safeguarding the assets of the College.

The Board members are responsible for the preparation and presentation of the Machakos Teachers College financial statements, which give a true and fair view of the state of affairs of the College for and as at the end of the financial year 2020/2021 ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the College; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for the 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 Basic Education Act; 2013. The Board members are of the opinion that the College financial statements give a true and fair view of the state of Machakos Teachers College transactions during the financial year ended June 30, 2021, and of the College financial position as at that date. The council members further confirm the completeness of the accounting records maintained for the College, which have been relied upon in the preparation of the College's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

Machakos Teachers College financial statements were approved by the Board on 4th February 2022 and signed on its behalf by:

Name MR. TITO MUSTOKA

Signature 

For Chairperson of the Board of Management

Name JOYCE MABWAH

Signature 

Accounting Officer/Principal

REPUBLIC OF KENYA

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HEADQUARTERS
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NAIROBI

Enhancing Accountability

REPORT OF THE AUDITOR-GENERAL ON MACHAKOS TEACHERS COLLEGE FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Machakos Teachers College set out on pages 1 to 26, which comprise the statement of financial position as at

30 June, 2021 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Machakos Teachers College as at 30 June, 2021 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 Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Transport Payments

The statement of financial performance reflects use of goods and services amount of Kshs.16,817,386 as disclosed in Note 12 of the financial statements. Included in the expenditure is an amount of Kshs.1,378,830 which relates to local transport and travel. However, the payment vouchers were not supported by work tickets, expenditure analysis or request for facilitation for the travels.

In the circumstances, the accuracy and completeness of local transport and travel expenditure of Kshs.1,378,830 could not be confirmed.

2. Inaccuracies in Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.19,563,564 as disclosed in Note 18 to the financial statements. However, an expenditure of Kshs.6,410,867 incurred on the construction of three (3) water towers and renovation of hostels was not disclosed as work in progress. Further, the lease of the 29.1 acres piece of land where the College is constructed expired on 1 April, 1996 and another piece of land measuring approximately 13.49 acres had only a letter of allotment issued in 1967. In addition, 95% of the College buildings are old, delapidated and covered with asbestos posing health risks, the College land is not fenced and approximately 26.3 acres had been encroached resulting to a pending court case.

In the circumstances, the accuracy, completeness, presentation and disclosure of property, plant and equipment balance of Kshs.19,563,564 could not be confirmed.

3. Inaccuracies in the Statement of Comparison of Budget and Actual Amounts

The statement of comparison of budget and actual amounts did not disclose original budget amount of Kshs.19,157,562 in respect to rendering of services fees from students.

Further, the statement reflects several components with an amount of Kshs.6,227,244 which was not included in the statement of financial performance and the notes to the financial statements.

In the circumstances, the accuracy and completeness of the statement of comparison of budget and actual amounts could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects actual income of Ksh.20,666,642 and actual expenditure of Kshs.39,511,593 resulting to budget over expenditure of Kshs.18,844,951 or 29% of the budget.

The over expenditure may have resulted to implementation of programs and activities without the necessary approvals.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

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

In connection with my audit on the College's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information and I am required to report that fact. Based on the audit procedures performed, because of the significance of the matters described in my Basis for Qualified Opinion, I confirm that the Other Information is 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 THE 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 the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Late Submission of Financial Statements

During the year under review, Management submitted the financial statements to the Auditor-General on 17 May, 2022 instead of the statutory deadline of 30 September 2021. This was contrary to Section 81(4) of the Public Finance Management Act, 2012 which states that, not later than three months after the end of each financial year, the accounting officer for the entity shall submit the entity's financial statements to the Auditor-General and a copy of the statement to the Controller of Budget, The National Treasury and the Commission on Revenue Allocation.

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

2. Lack of Higher Education Loans to Students

The College admits teacher trainees both for regular and special needs which sometimes could be costly to trainees. However, the students have no access to Higher Education Loans Board (HELB) funding as they are not considered government-sponsored students despite placement by Kenya Universities and Colleges Central Placement Service (KUCCPS). Further, HELB funds Universities and Technical and Vocational Education and Training (TVET) trainees leaving out Teachers Training Colleges.

In the circumstances, the needy students may be disadvantaged and drop out due to lack of fees and contradicts the HELB Act on access to loans by all students.

3. Non-Compliance with the National Cohesion and Integration Act

The statement of financial performance reflects employee costs amount of Kshs.14,588,873 as disclosed in Note 13 to the financial statements. Review of the payroll revealed that the College had forty-six (46) staff members out of whom thirty-four (34) or 74% belonged to the dominant ethnic community in the county. This was contrary to Section 7(1) an (2) of the National Cohesion and Integration Act, 2008 that require all public establishments to seek to represent the diversity of the people of Kenya in employment of staff.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

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. Failure to Update Fixed Assets Register

The statement of financial position and as disclosed in Note 18 to the financial statements reflects property, plant and equipment balance of Kshs.19,563,564. However, the fixed asset register was not updated with details of date of purchase, cost of asset, make & model, depreciation rates, annual depreciation amounts, accumulated depreciation, source of funds, net book values and responsible officer. Further, Management did not prepare a finance manual to provide guidelines on the capitalization threshold for assets acquired.

In the absence of an updated assets register, the effectiveness of internal controls on identification, accountability and monitoring of the College's assets could not be confirmed.

2. Use of Manual System

During the year, Management had not automated the systems and relied on manual system on critical operations including student registration, billing and maintain accounting records which are prone to human errors and manipulation. Further, the manual ledgers were summarized per month instead of recording the transactions as they occur. In addition, the monthly balances in the cash books were inscribed in pencil which can be easily erased.

In the circumstances, the effectiveness of internal controls on using manual system could not be confirmed and may limit real time processing or reporting which can delay decision making.

3. Understaffing

The statement of financial performance reflects employee costs amount of Kshs.14,588,873 as disclosed in Note 13 to the financial statements. Review of the College's teaching staff revealed forty-three (43) in-post staff against an authorized establishment of one hundred and fifty-one (151) resulting to staff shortage of one hundred and eight (108). Further, the subordinate staff were forty-six (46) against an authorized establishment of sixty-six (66) resulting to staff shortage of twenty (20).

In the circumstances, due to understaffing the College is not likely to effectively and efficiently carry out its mandate.

4. Weak Information Communication and Technology Controls

Review of the College's information technology systems revealed that a structured cable network that provides network connectivity to various offices had been installed. However, the College did not have an Information Communication and Technology (ICT) steering committee to assist in the development of ICT policy framework to enable the College realize long-term ICT strategic goals.

In the circumstances, lack of effective ICT controls could affect critical operations of the College including student registration, billing and accounting books and records

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

Responsibilities of the Management and Board of Management

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

13 January, 2025


13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2020-2021
		Kshs
Revenue from non-exchange transactions		
Transfers from the National Government – grants/ gifts in kind	6	7,648,914
Total		7,648,914
Revenue From Exchange Transactions		
Rendering of services- Fees from students	7	6,189,007
Sale of goods	8	5,000
Rental revenue from facilities and equipment	9	1,705,151
Finance income - external investments	10	1,116,211
Other income	11	4,002,359
Revenue from exchange transactions		13,017,728
Total revenue		20,666,642
Expenses		
Use of goods and services	12	16,817,386
Employee costs	13	14,588,873
BOM Allowances	14	741,500
Repairs and maintenance	15	7,364,334
Depreciation and amortization expense	18	3,263,456
Total Expenditure		42,775,549
Net Surplus/ (Deficit) for the year		(22,108,907)

The notes set out on pages 19 to 26 form an integral part of the Annual Financial Statements.

The Financial Statements set out on pages 1 to 26 were signed on behalf of the Board of Management by:







Chairperson Board of Management

Finance Officer
ICPAK No 20658

Principal

Date 31.12.2024.....

Date 31/12/2024

Date 31-12-2024.....

14. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2021

	Notes	2020-2021
		Kshs
Assets		
Current assets		
Cash and cash equivalents	16	37,932,015
Current portion of receivables from exchange transactions	17	11,079,464
		49,011,479
Non-current assets		
Property, plant and equipment	18	19,563,564
		19,563,564
Total assets		68,575,043
Liabilities		
Current liabilities		
Trade and other payables from exchange transactions	19	12,278,014
		12,278,014
Non-current liabilities		
Total liabilities		12,278,014
Net assets		-
Accumulated surplus	21	78,405,936
Surplus/(Deficit) for the year		-22,108,907
Total net assets and liabilities		68,575,043

The Financial Statements set out on pages 1 to 26 were signed on behalf of the Board of Management by:

Prof. Francis Mathooko



Chairman Board of Management

Date: **31.12.2024**

Finance Officer
ICPAK No 20658



Principal



Date **31/12/2024** Date **31-12-2024**

15. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30TH JUNE 2021

	Revaluation gain	Fair value adjustment reserve	Retained Earnings	Capital/Development Grants/Fund	Total
At July 1, 2020	-	-	-	-	-
Revaluation gain	-	-	-	-	-
Surplus/(deficit) for the year	-	-	-	-	-
Capital grants received during the year	-	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-	-
Retained earnings	-	-	-	-	-
At June 30, 2021	-	-	-	-	-
At July 1, 2021	-	-	-	-	-
Revaluation gain	-	-	-	-	-
Surplus/(deficit) for the year	-	-	3,263,456	-	3,263,456
Capital grants received during the year	-	-	-	-	-
Transfer of depreciation/amortisation from capital fund to	-	-	-	-	-
Retained earnings	-	-	-	-	-
At June 30, 2021	-	-	3,263,456	-	3,263,456

16. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

		2020-2021
	NOTE	Kshs.
Cash flows from operating activities		
Deficit for the Year		(22,108,907)
Adjustments for :		
Interest income		-
Operating Profit		(22,108,907)
Add back		
Depreciation & Amortization	19	3,263,456
Interest Income		-
		(18,844,451)
Changes in working capital		
Decrease / (Increase) in Inventories		-
Increase/(Decrease) in Receivables from exchange transactions	17	(11,079,464)
(Decrease) / Increase in Trade and other payables	19	12,278,014
Prior year adjustments-Amortization		-
		1,198,550
Net cash flows from operating activities		(17,646,901)
Cash flows from investing activities		
Purchase of property, plant, equipment and intangible assets		(2,012,457)
Proceeds from sale of property, plant and equipment		-
Net cash flows from investing activities		(2,012,457)
Cash flows from financing activities		
Proceeds From Borrowing		-
Repayment Of Borrowings		-
Net cash flows used in financing activities		-
Net Increase/(Decrease) in Cash and Cash equivalents		(19,659,358)
Cash and Cash Equivalents at Beginning of Year		57,591,373
Cash and Cash Equivalents at End of Year		37,932,015

MACHAKOS TEACHER TRAINING COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2021

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilisation Difference
	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other Govt entities Govt grants	16,629,360	-	16,629,360	7,648,914	8,980,446	54
Public contributions and donations	-	-	-	0	0	0
Rendering of services- Fees from students	-	-	-	6,189,007	(6,189,007)	-100
Sale of goods	-	-	-	5,000	(5,000)	-100
Finance Income	-	-	-	1,116,211	(1,116,211)	-100
Other income	1,000,000	-	1,000,000	4,002,359	3,002,359	300
Gains on disposal, rental income and agency fees	1,308,180	-	1,308,180	1,705,151.00	396,971	30
Total income	18,937,540	-	18,937,540	20,666,642	1,729,102	9
Expenses						
Compensation of employees	16,629,360	-	16,629,360	16,816,886	(187,526)	-1
Use of Goods and services	31,499,382	-	31,499,382	14,588,873	16,910,509	54
Finance costs		-	-	-	-	-
Rent paid	1,308,180	-	1,308,180	-	1,308,180	100
BOM Allowances		-	-	741,500	(741,500)	-100
Graduation	1,000,000	-	1,000,000	-	1,000,000	100
Repairs and maintenance				7,364,334	(7,364,334)	-100
Total expenditure	50,436,922	-	50,436,922	39,511,593	10,925,329	22%
Surplus for the period		-		(18,844,951)		

Financial Year 2020/2021 the College did not admit first year students because of the transition from P1 Certificate to Competency Based Teacher Education, the College admitted its first cohort of Diploma students towards the end of the financial year 2020/2021; 2nd June, 2021.

18. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Machakos Teachers College is established by and derives its authority and accountability from Basic Education Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya.

The principal activity/mission of the College is to train quality Primary and Early Childhood school teachers as mandated by the Basic Education Act – 2013.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. ADOPTION OF NEW AND REVISED STANDARDS

- i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2021.

Standard	Impact
Other Improvements to IPSAS	<p>Applicable: 1st January 2021:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks. b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved. c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets. d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021.

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

iii. Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2021.

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

ii) Revenue from exchange transactions

Rendering of services

The 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.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the entity's right to receive payments is established.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions (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 2020/2021 was approved by the Board on 7th August, 2020.

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 a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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

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

c) Taxes

Current income tax

The entity is exempt from paying taxes as per first schedule of the Income Tax Act.

d) Taxes (continued)

Sales tax/ Value Added Tax

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

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

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Investment property

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

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition.

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

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

f) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the 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.

Depreciation is charged so as to write off the full cost of fixed assets, other than land and properties under construction, over their estimated useful lives. The College charges full depreciation on all its non-current assets in the year of purchase and no depreciation in the year of disposal.

The College has adopted the following depreciation rates for all the property, plant and equipment.

Class	Depreciation Rate	Reducing Balance
Leasehold Buildings	2%	√
Motor Vehicles	25%	√
Computer Equipment	30%	√
Office Equipment	12.5%	√
Furniture	12.5%	√
Fittings and Partitions	12.5%	√

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Leases

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

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

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the 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.

h) Intangible assets

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

i) Research and development costs

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

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

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

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

j) Financial instruments

Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Financial instruments

Financial assets (Continued)

Impairment of financial assets

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

l) Financial liabilities

Initial recognition and measurement

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

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

Loans and borrowing

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

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

m) 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 cost

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Inventories (Continued)

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

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

o) Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

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

p) *Contingent liabilities*

The Machakos Teachers 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.

The college has a land case with Machakos Golf Club but has not incurred any cost as the college is represented by the State Council.

q) *Contingent assets*

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

r) Nature and purpose of reserves

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

s) Changes in accounting policies and estimates

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

t) Employee benefits

Retirement benefit plans

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

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

u) 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.

v) 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

w) Related parties

Machakos Teachers 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 CEO/principal and senior managers.

x) Service concession arrangements

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

y) 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.

z) Comparative figures

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

aa) 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, 2021.

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and assumptions

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

Useful lives and residual values

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

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

Provisions

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

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

MACHAKOS TEACHER TRAINING COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	2020-2021	2019-2020
	KShs	KShs
Unconditional grants		
Operational grant	7,648,914.00	18,194,085.00
Total government grants and subsidies	7,648,914.00	18,194,085.00

7. RENDERING OF SERVICES

Description	2020-2021	2019-2020
	KShs	KShs
Tuition fees	450,410.00	1,315,001.00
Activity fees	323,850.00	1,917,736.00
Teaching practice	-	1,175,159.00
Medical	101,225.00	278,804.00
BES	2,194,936.00	9,531,944.00
RMI	320,025.00	891,318.00
EWC	320,000.00	2,564,823.00
LTT	486,450.00	2,230,376.00
Contingencies	421,391.95	1,972,656.02
MVR	288,000.00	1,089,461.00
Registration fee	32,000.00	-
Students council	32,000.00	208,277.00
ICT	480,000.00	1,223,738.00
Personal Emolument	160,000.00	2,517,033.00
COVID-19 Response	160,000.00	-
Students ID	48,000.00	-
Bank charges	44,000.00	-
Examination fees	327,219.00	-
Total revenue from the rendering of services	6,189,506.95	26,916,326.02

The Income was received from students as fees. During the year ended, the College had the last Cohort of PI students (437) and received 194 students for the Diploma in Teacher Education Graduation/hockey stick/track suit

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. SALE OF GOODS

Description	2020-2021	2019-2020
	KShs	KShs
Sale of goods		
Sale of farm produce	5,000.00	5,000.00
Total revenue from the sale of goods	5,000.00	5,000.00

The income is from sale of grass from the College farm

9. HIRE OF FACILITIES AND EQUIPMENT

Description	2020-2021	2019-2020
	KShs	KShs
Hire of facilities and equipment	282,095.75	242,012.50
Contingent rental	1,423,055.00	1,292,655.00
Total	1,705,150.75	1,534,667.50

The income was realised by the College by hosting seminars, workshops and Kenya National Examinations Examiners.

10. FINANCE INCOME

Description	2020-2021	2019-2020
	KShs	KShs
Cash investments and fixed deposits	1,116,210.95	338,090.40
Total finance income	1,116,210.95	338,090.40

11. OTHER INCOME

Description	2020-2021	2019-2020
	KShs	KShs
Income from sale of tender	280,000.00	33,000.00
Income from Disposal	8,100.00	611,495.00
Graduation fees	130,414.00	791,516.00
Seminars and courses, ECDE &&&	3,583,845.30	3,840,580.00
Total other income	4,002,359.30	5,276,591.00

MACHAKOS TEACHER TRAINING COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021
NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. USE OF GOODS AND SERVICES

Description	2020-2021	2019-2020
	KShs	KShs
Tuition fees	577,880.00	763,710.00
Activity fees	-	1,277,710.00
Teaching practice	90,930.00	709,950.00
Medical	46,776.00	195,305.00
BES	4,713,617.95	7,899,624.00
EWC	1,618,073.40	2,431,562.00
LTT	1,378,829.65	1,693,023.00
Contingencies	1,153,812.10	1,148,685.87
MVR	145,264.00	343,274.00
Registration fee	4,000.00	-
Students council	95,000.00	-
ICT	641,400.00	379,250.00
COVI-19-Response	1,769,045.26	-
Examination fees	373,830.00	-
Farm	88,000.00	690.00
Graduation fee	-	779,586.50
Seminars and courses, ECDE	3,353,512.50	2,358,774.50
Performance contract	303,000.00	254,240.00
Tender	275,255.00	294,464.00
PWD sponsorship	0	300,000.00
ISO 9001:2015 certification	189,160.00	60,000.00
Hire of facilities	-	8,000.00
Disposal Refund	-	91,495.00
Total good and services	16,817,385.86	20,989,343.87

MACHAKOS TEACHER TRAINING COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)**13. EMPLOYEE COSTS**

	2020-2021	2019-2020
	KShs	KShs
Salaries and wages	14,588,873.00	15,769,570.00
Employee costs	14,588,873.00	15,769,570.00

14. REMUNERATION OF DIRECTORS

Description	2020-2021	2019-2020
	KShs	KShs
Chairman's Honoraria	94,500.00	104,500.00
Board Members allowances	647,000.00	825,000.00
Total Board Member Allowances	741,500.00	929,500.00

15. REPAIRS AND MAINTENANCE

Description	2020-2021	2019-2021
	KShs	KShs
General repairs	2,309,909.53	736,664.00
Investment property – earning rentals	36,564.50	-
Hostel renovation	5,017,860.00	137,388.00
Total repairs and maintenance	7,364,334.03	874,052.00

MACHAKOS TEACHER TRAINING COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021
NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. CASH AND CASH EQUIVALENTS

Description	2020-2021	2019-2020
	KShs	KShs
Current account	37,821,686.19	56,743,880.12
Main Account	0	3,807.35
Subscription account	89,308.40	38,659.75
Cash in hand	21,020.50	1,512.00
Total cash and cash equivalents	37,932,015.09	56,787,859.22

16(b).DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

Financial institution	Account number	2020-2021	2019-2020
		KShs	KShs
a) Current account			
Fund account - KCB Bank	1107139120	25,808,516.43	39,629,060.51
Farm account - KCB Bank	1106322991	4,439,542.65	4,409,228.75
Main account - KCB Bank	1106308166	7,573,627.11	12,705,590.86
Sub- total		37,821,686.19	56,743,880.12
b) Savings account			
Main account - KCB Bank		-	3,807.35
Subscription account - KCB Bank	1104105217	89,308.40	38,659.75
Sub- total		89,308.40	42,467.10
Cash in hand		21,020.50	1,512.00
Sub- total		21,020.50	1,512.00
Grand total		37,932,015.09	56,787,859.22

17. RECEIVABLES FROM EXCHANGE TRANSACTIONS

17 Current Receivables from Exchange Transactions

Description	2020-2021	2019-2020
	KShs	KShs
Current receivables		
Student debtors	10,258,463.29	12,549,335.29
Rent debtors &&	718,600.00	599,970.00
Other receivables	102,400.34	144,219.69
Total current receivables	11,079,463.63	13,293,524.98

MACHAKOS TEACHER TRAINING COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021
NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings 2%	Motor vehicles -25%	Furniture and fittings -12.5%	Computers - 30%	Other Assets	Plant and	Capital	Total
						(Lower compound fence) and water towers - 12.5%	equipment - 12.5%	Work in progress	
Cost		Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
At 1 July 2020	0	8,990,725	11,352,337	-	-	471,500	-	-	20,814,563
Additions		618,451	-	-	-	1,394,007	-	-	2,012,457
Disposals		-	-	-	-	-	-	-	-
At 30 June 2021		9,609,176	11,352,337	-	-	1,865,507	-	-	22,827,020
Depreciation and impairment									
At 1 July 2020		-	-	-	-	-	-	-	-
Depreciation Charge for the year		192,184	2,838,084	-	-	233,188	-	-	3,263,456
Disposals		-	-	-	-	-	-	-	-
Impairment		-	-	-	-	-	-	-	-
Transfer/adjustment		-	-	-	-	-	-	-	-
At 30 th Jun 2021		192,184	2,838,084	-	-	233,188	-	-	3,263,456
Net book values At 30 th June 2021		9,416,992	8,514,253	-	-	1,632,318	-	-	19,563,564
Net book values At 30 th June 2020		8,990,725	1,352,337	-	-	471,500	-	-	20,814,563

- a) The College is in the process of acquiring the title deed for the expired lease
- b) The College is in the process of engaging a valuer to value College land, buildings and equipment

MACHAKOS TEACHER TRAINING COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

19. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2020-2021
	KShs
Trade payables	154,345.00
Students deposits	1,352,101.00
Students funded accounts	10,746,165.12
Other payables	25,403.00
Total trade and other payables	12,278,014.12.00

19 b FUNDED ACCOUNTS

Description	2020-2021
	KShs
Caution money	845,734.10
Uniform	572,187.75
Rehabilitation fund	138,469.67
VRM	6,241,997.00
Gratuity	1,183,776.60
Tracksuit	400,000.00
Club and environmental	160,000.00
Hockey stick	480,000.00
Library books	160,000.00
Set book show	64,000.00
Student guide books	32,000.00
Lesson plan book	183,000.00
College magazine	45,000.00
Teaching Practicum	240,000.00
Total deposits	10,746,165.12

20. ACCUMULATED FUND

Description	2020-2021
	KShs
Main Account	-
Fund account	-
Farm account	-
Total deposits	64,703,641.23

NOTES TO THE FINANCIAL STATEMENTS (Continued)**21. RELATED PARTY BALANCES****Nature of related party relationships**

Entities and other parties related to the entity include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

Government of Kenya

The Government of Kenya is the principal shareholder of the Machakos Teachers College, holding 100% of the College's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

- i) The National Government;
- ii) The Ministry Of Education;
- iii) The National Treasury
- iv) The Office of the Auditor General
- v) State Department of Early Learning and Basic Education
- vi) Key management;
- vii) Board of Management;

22. DEFERRED TAX LIABILITY**23. EVENTS AFTER THE REPORTING PERIOD**

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

24. ULTIMATE AND HOLDING ENTITY

Machakos Teachers College is a public the Ministry of Education. Its ultimate parent is the Government of Kenya.

25. CURRENCY

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

26. APPENDICES