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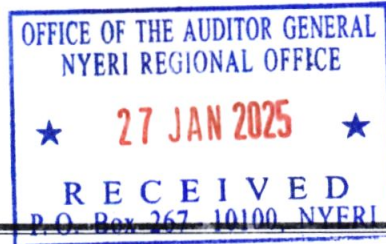
CLERK-AT	THE-TABLE:
BY:	Hon George Mungira MP P. Mungira
TABLED	
DATE:	30 APR 2023
DAY:	
THE NATIONAL ASSEMBLY PAPERS LAID	
OF	

**THE AUDITOR-GENERAL**

**ON**

**KAGUMO TEACHERS' TRAINING COLLEGE**

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



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**Kagumo Teachers' Training College**

**Annual Report and Financial Statements**

**for the Year Ended  
30<sup>th</sup> June 2023**

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

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**1. Acronyms & Glossary of Terms**

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

## 2. Key College Information and Management

### (a) Background information

Kagumo Teachers' Training College was established as a primary school in 1933 and as a Primary Teacher Training College in 1944. It was elevated to a diploma college, offering the Diploma in Teacher Education curriculum in 1982. The College, which is under the Ministry of Education, is domiciled in Kenya and is located in Nyeri County.

### (b) Principal Activities

As an institution responsible for teacher training in the country, the College is obliged to ground its operations on certain principles and values captured in the mission, vision and core values outlined hereinafter.

Vision: A centre for globally competitive teacher education and training

Mission: To provide quality teacher education and training that produces patriotic, competent, innovative and self-directing professionals.

#### Core values

God's guidance	Team Work & Team Spirit
Professionalism	Loyalty & Patriotism
Integrity & Accountability	Creativity & Innovation

### (c) Key Management

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

- Board of Management
- Chief Principal/ Accounting officer
- Deputy Principal Administration
- Deputy Principal Academics
- Registrar
- Dean of students
- Finance Officer
- Procurement Officer
- Human Resource Officer

**(d) Fiduciary Management**

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

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Chief Principal	- Dr. E.M. Muthui (PhD).
2.	Deputy Principal Administration	- Sylvia Kiko Mutunga
3.	Deputy Principal Academics	- Bakari Juma Wasilwa
4.	Registrar	- Stephen Kaburi Karimi
5.	Dean of students	- Susan Njiru Obimbo
6.	Finance Officer	- Caroline Wanjiru Githinji
7.	Procurement Officer	- Steven Ochieng'
8.	Human Resource Officer	- Margaret Njeri Mbugua

**Key College Information and Management (Continued)**

**(e) Fiduciary Oversight Arrangements**

**Functions of the Committees of Boards of Management of Basic Institutions – Under Sec.61  
(1)**

**i) Finance, Procurement and General Purposes Committee**

The function of this subcommittee is:

- a) To ensure that all expenditures are in line with the approved budget of the institution.
- b) To supervise preparation of the College budget.
- c) To monitor from time to time how funds are utilized in the College.
- d) To monitor closely all procurements and ensure due process is followed.
- e) To ensure that all suppliers strictly follow their quotation prices without varying the prices.
- f) To ensure that all books of accounts are written and are up to date.
- g) To physically check all bank slips, withdrawals against the bank statements.
- h) To handle all other matters of employment and termination of employment of all College workers.
- i) To handle all matters relating to supervising and maintaining of stores records.
- j) To handle all matters relating to hiring and maintenance of the College vehicles.
- k) Any other case which may be delegated to them by the Board of Management.

**ii) Discipline, Ethics and Integrity Committee**

The function of this committee is:

- a) To deal with all matters relating to discipline of teacher trainees.
- b) To work closely with the guidance and counseling committee to improve discipline in the College.
- c) To handle all integrity cases involving teaching and non-teaching staff.
- d) To promote ethics & integrity in the College.
- e) To carry out any other assignment which may be referred to them by the Board of Management.

**iii) Human Rights and Student Welfare Committee**

The Functions of the human rights and student welfare committee is:

- a) To receive and discuss all cases of admissions, transfers, suspensions, repetitions and replacements at the college level.
- b) To recommend to the Board of Management all cases of admissions, transfers, repetitions and replacements from the college level.
- c) To receive from teacher trainees or student leaders all cases relating to human rights abuse and their welfare in general.

d) To carry out student census in the college or any other institution of basic education and submit a report to the Board of Management.

**v) Academic Standards Quality and Environment Committee**

The function of this committee is:

a) To handle all academic matters in the College.

b) To device ways and means of improving academic standards.

c) To analyze national examination results against the FACE exams

d) To ensure that all text books purchased through government grants are received in the College and given to each deserving student.

e) To ensure that each teacher trainee has enough reference books and other learning materials.

f) To ensure that all teacher trainees are learning in safe lecture rooms, the toilets are safe, the eating place is clean and safe and the water in the College is clean and safe.

g) To ensure that all College buildings are safe and secure.

h) To ensure that the College compound is safe

i) To carry out any other assignment which may be delegated to them by the Board of Management.

**v) Audit Committee**

The function of this committee is:

a) To examine in depth all payment vouchers and receipts and report any disparity to the board.

b) To examine all used receipt books, cheque books, delivery notes, invoices and payment vouchers.

c) To examine in depth all enrollment registers for the previous year.

d) To examine all movable and immovable assets for the previous year.

e) To examine all cheque book counterfoils for the previous year.

f) To examine all tender records for the previous year.

g) To examine all procurement records for the previous year.

h) To verify all project records for the previous year.

i) To verify the audit and inspection reports for the previous year.

j) To respond to audit queries after scrutinizing the report on audited accounts.

**(f) College Headquarters**

Kagumo Teachers' Training College,  
P.O. Box 18-10100,  
Nyeri – Nairobi Highway  
Nyeri, Kenya

**(g) College Contacts**

Telephone: (254) 701 972 912(calls only)

: (254) 796 632 055

E-mail: info@kagumocollege.ac.ke

Website: www.kagumocollege.ac.ke

**(h) College Bankers**

1. Kenya commercial bank

Nyeri Branch

2. Equity Bank Limited

Nyeri Branch

**3. Independent Auditors**

Auditor-General

Office of Auditor General

Anniversary Towers, Institute Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

**4. Principal Legal Adviser**

The Attorney General

State Law Office




Harambee Avenue

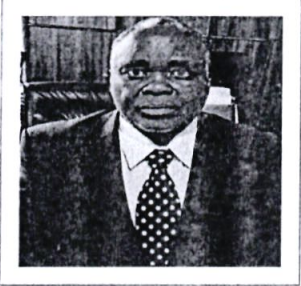




P.O. Box 40112






City Square 00200

Nairobi, Kenya




**3. The Board of Management**

SN.	Member	Details
1.		<p>Chairperson            Prof. Beatrice Warue            Doctor of Philosophy in Business Administration and Management, Banking and Finance,            Kenya Methodist University.</p>
2.		<p>Eng. Ndirangu Wangai            Master of Science in Water Engineering,            Moi University.</p>
3.		<p>Dr. Christine Waithira Njiru            Doctor of Philosophy in Environmental Planning and Management,            Kenyatta University.</p>
4.		<p>Henry G. Kinyua            Master of Science in Management and Organisation Development,            United States International University.</p>





5.		<p>Adv. Samuel Gathiga Mwangi                  Bachelor of Law, LL.B                  University of Nairobi.</p>
6.		<p>Dr. Patricia Gathia                  Doctor of Philosophy in Applied                  Mathematics,                  Egerton University.</p>
7.		<p>Joseph Kagunda Mwangi                  Master of Science in Project Planning &amp;                  Management.</p>
8.		<p>Robert Muma Olweny                  Master in Project Planning and                  Management,                  University of Nairobi.</p>
9.		<p>Ven. Joseph Gitonga Njakai                  Master of Arts in Community Pastoral Care                  and HIV/AIDS,                  University of Wales Lampete.</p>

10.		<p>Prof. Richard M. S. Mulwa                  Doctor of Philosophy in Horticulture and                  Bio technology,                  University of Illinois.</p>
11.		<p>Dr. Jaqueline Onyango                  Doctor of Philosophy in Curriculum                  Development,                  Moi University.</p>
12.		<p>Arch. Thomas Mundia                  Bachelor of Architecture,                  University of Nairobi.</p>
13.		<p>Rev. Fr. Paul Kimani                  Bachelor of Sacred Theology,                  Bachelor of Arts Philosophy,                  Christ the King Major Seminary.</p>
14.		<p>Dr. Njuguna Paul Samuel                  Master of Medicine in Obstetrics and                  Gynaecology,                  Makerere University.</p>


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15.		Mohamud Sheik Ibrahim Bachelor of Education (Science), Kenyatta University College (UoN).
16.		Dr. E.M Muthui (PhD). Doctor of Philosophy in Educational Management, Chuka University. ( February 2023)
17.		Francis Mwangi  M Sc. ( July – December 2022)

4. Key Management Team

SN.	Member	Details
1.		<p>Dr. E.M. Muthui (PhD). Chief Principal Doctor of Philosophy in Educational Management, Chuka University.</p>
2.		<p>Sylvia Kiko Mutunga Deputy Principal Administration Master of Arts in Linguistics, University of Nairobi.</p>
3.		<p>Juma Bakari Wasilwa Deputy Principal Academics Master of Education in Economics and Educational planning, Masinde Muliro University of Science and Technology.</p>
4.		<p>Stephen Kaburi Registrar Bachelor of Education ( Science), Kenyatta University.</p>

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5.		<p>Susan Obimbo          Dean of Students          Masters of Education in Educational Administration,          University of Nairobi.</p>
6.		<p>Margaret Njeri          Human Resource Officer          Bachelor of Commerce, Human Resource Management,          KCA University.</p>
7.	-	<p>CPA Caroline Githinji          Finance officer          Bachelor of Commerce, Finance          CPA (K),          Kenyatta University</p>
8.		<p>Steven Ochieng'          Procurement Officer          Bachelor of Business Management, Purchase and Supplies option,          University of Kabianga.</p>

## **5. Chairman's Statement**

Kagumo College is an institution that has played a critical role in the training of secondary school teachers who have gone on to make a significant contribution to the country's development for decades.

In a social environment where moral standards are falling, Kagumo College has taken on the important role of nurturing the youth and instilling in them values that have been the corner stone of a morally healthy society for aeons. We aim to equip our students with the knowledge, skills, and character necessary to succeed not only academically, but also socially, turning them into individuals capable of taking up their role in society successfully.

As Board of Management, we acknowledge that the key to the success of any institution lies in the direction given by its leadership and as such, we have envisioned the agenda for our institution through a strategic plan to which we have aligned all our activities.

### **Key Activities**

In the financial year 2022/ 2023 the following key activities were carried out.

#### **(i) Inauguration of a new board of management**

The term of the previous Board of Management expired and a new one was appointed and inaugurated in January 2023

#### **(ii) Academic Achievements**

##### **- Roll out of the Competency based Curriculum**

Our key mandate at Kagumo College is to train Diploma teachers for secondary school. This is done in line with the Government directives. That is why in September 2022, the College admitted 375 first year students under the Competency Based Curriculum.

##### **- Graduation Ceremony**

The College held the 38<sup>th</sup> graduation ceremony on 24<sup>th</sup> March 2023 successfully. The Chief Guest was His Excellency the Deputy President, Hon. Rigathi Gachagua represented by the Member of Parliament for Tetu constituency, Hon Geoffrey Wandeto.

##### **- Co-curricular activities**

The College aims at producing all round graduates and as such we pay keen attention to co-curricular activities. The Board supported various activities such as sports, music and drama, all of which participated at the national level. We also supported activities by societies such as Christian Union, Seventh Day Adventist, Catholic Action and Muslim Association among others.

#### **(iii) Infrastructural development**

In the year 2022/2023 we were able to construct 0.464 kms of a perimeter wall aimed at boosting security in our institution. During the same period the College carried out renovation and refurbishing of buildings in the college such as offices, hostels and staff houses. Kenya Rural Roads Authority (KeRRA) were also on-site laying ground for the re-carpetting of roads within the institution to be done in the next financial year.

These are just but a highlight of the successes of the College over the 2022/2023 financial year.

**(iv) Challenges**

Even as we celebrate our achievements in the financial year for which we are reporting, it has not come without challenges. The main challenges facing the College include the following.

**- Financial Constraints**

The College has faced a challenge of inadequate funds stemming from delayed government disbursement and also insufficient government grants. This has hampered the achievement of some of our activities. Another financial challenge we face emanates from the prices of commodities being hiked in the course of the financial year. This inadvertently interferes with the execution of the budget.

**- Incomplete Projects**

The institution has one key incomplete project - the perimeter wall. So far the institution has constructed 1.689 kms since the year 2020. There is still 1.411kms left for the project to be complete.

**- Stalled Projects**

The College has two stalled projects; Multi -Purpose Hall phase 2 which houses tuition rooms and staff offices and Burundi hostel phase 2 which if completed would increase our bed capacity substantially.

**- Income Generating Activities**

The College runs a number of income generating activities but these need revamping so as to optimise them.

**- Curriculum implementation**

There are a few challenges facing the implementation of the curriculum especially so the CBC curriculum. These include the shortage of teaching staff, inadequate facilities and old and insufficient vehicles and this causes a problem during the teaching practice exercise.

Despite these challenges, we appreciate the government for the support it gives us in terms of grants as these have gone a long way in maintaining the college as it is today. As a Board we are committed to following government procedures as recommended, in the management of these resources.

**(v) Future Outlook**

As a Board we envision the following for Kagumo Teachers' Training College.

**- Introduction of new courses**

We intend to introduce new courses in line with the dictates of the market. This will reduce our reliance on government funding.

**- Improved learning, living and working environment**

We seek to improve the learning, living and working environment through maintenance, development and expansion of the physical infrastructure in the College.

**- Institutional Capacity Development**

We plan to enhance various capacities in the College. These are such as the Human resource, leadership, financial matters and the process of operations with the end goal of enhancing service

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delivery. We have identified various activities in our strategic plan to be effected through action plans and work plans to help us achieve this vision.

**Conclusion**

We attribute the successes of the financial year 2022/2023 to team work and team spirit and look forward to an even more successful financial year 2023/24.

.....  
  
Prof. Beatrice Warue

**Chairperson- Board of Management**

27-1-25

## 6. Report of the Chief Principal

Kagumo College is a goal-oriented institution whose aspirations are well articulated in its vision and mission. It is an institution which, by tradition, is guided by specific core values. Our College is renowned for producing highly skilled and professional teachers who adapt very easily to any school environment. Teachers who competently meet the demands of the 21<sup>st</sup> Century. Indeed with the support of the Board of Management we aspire to constantly maintain an environment conducive for the churning of high calibre graduates.

### (i) Key Activities

In order to fulfil the above-mentioned aspiration, we have, through our strategic plan, identified driving objectives and key activities to address them. During the 2022/ 2023 financial year, the following key activities were carried out towards this end.

#### - Inauguration of a new board of management

The term of the previous Board of Management expired and a new one was appointed and inaugurated on 26<sup>th</sup> January 2023 under the chairmanship of Professor Beatrice Warue. We note also that there was a change in the Secretary from Mr. Francis Mwangi to Dr. Eustace Muthui (PhD). The members were carefully selected to seat in the various sub committees as per their area of expertise.

#### - Academic Achievement

##### (a) Roll out of the Competency based Curriculum

In September 2022, the College admitted 375 first year students under the Competence Based Curriculum. Though with a few challenges as we shall outline herein after, we have embraced the CBC curriculum and seek to produce teachers with soft skills such as communication, teamwork, critical thinking, adaptability and leadership. These skills coupled with pedagogical content knowledge will ensure the teachers will take up instruction in the CBC curriculum seamlessly.

##### (b) Graduation Ceremony

The College held a very successful graduation ceremony on 24<sup>th</sup> March 2023 which saw 361 graduands awarded diplomas. By the end of the ceremony, the total number of teachers who have graduated from Kagumo College over the years rose to 12, 542.

**- Co-curricular activities**

In our bid to produce an all-round teacher, the College engages the trainees in extra-curricular activities such as music, drama and sports in which they participate competitively; many times scooping top positions at the nationals. In the financial year 2022/2023 we participated in the National drama festivals in Shanzu TTC; National Music festivals in Dedan Kimathi University of Science and Technology; National ball games at Thogoto TTC and Regional Athletics at Murang'a TTC where our college was ranked 1<sup>st</sup> overall. We also have societies like the Christian Union, Catholic Action, Seventh Day Adventist and the Muslim Association which address the spiritual aspect of our trainees. During the same period the College organised a cultural night where the teacher trainees were able to show case their talents in different areas and during which Mr. and Ms. Kagumo were chosen.

**- Infrastructural development**

The College over the years has had a serious insecurity problem occasioned by a porous fence. It is thus one of the main reasons why we embarked on the construction of a perimeter wall in the year 2020. This has been done progressively stretch by stretch since then. In the year 2022/2023 we were able to construct 464 m of the wall. Worth mentioning is the anticipated re-carpeting of roads by Kenya Rural Roads Authority (KeRRA) who were on the ground to carry out a feasibility study, followed by public participation. This was in preparation for the work to be done in the 2023/2024 Financial Year. These are just but a highlight of the successes of the College over the 2022/2023 financial year.

**(ii) Challenges**

The institution has however faced several challenges. The main challenges include the following.

**- Financial Constraints**

The College has faced a challenge of inadequate funds stemming from delayed government disbursement. We note that the funds for the FY 2022/2023 were disbursed in the 2023/2024 FY. This delay caused a serious challenge in the day to day operations of the College.

Another challenge is insufficient government grants. This has been reducing every year. In the FY 2022/2023 the college received Ksh. 72,200,000.00. This results in a situation where some of the planned activities cannot be achieved. Another financial challenge we face stems from the prices of basic commodities like food stuff being hiked in the course of the financial year. Take for instance the cost of sugar. At the time of tendering it was retailing at Ksh. 112 per Kg but by the end of the financial year it was retailing at Ksh. 200 per Kg. This, in the long run, interferes with the execution of the budget.

- **Incomplete Projects**

The institution has been in the process of constructing a perimeter wall. So far, 1.689 of the 3.1 Kms has been done with a total of 1.411kms remaining. Once complete, problems such as insecurity emanating from a porous fence will be alleviated.

- **Stalled Projects**

The College has two stalled projects; Multi -Purpose Hall phase 2 which houses tuition rooms and Burundi hostel phase2. Completing Burundi phase 2 would increase our bed capacity and this would have a direct impact on enrolment which as we stand is pegged on bed capacity.

- **Curriculum implementation**

There are a few challenges facing the implementation of the curriculum especially so the CBC curriculum. These include the shortage of teaching staff stemming from the fact that there are more teaching areas, some of them completely new. Another challenge is lack of adequate facilities such as lecture halls, computers, projectors and reliable internet connectivity. These are a prerequisite for the successful implementation of the curriculum. As teacher trainers, it is expected that our trainees should undergo practicum. One challenge we face when planning for this exercise is that our vehicles are old and insufficient and therefore not reliable.

(iii) **Future Outlook**

Our projections for the future encompass the following:

- **Introduction of new courses**

We intend to introduce new market driven courses as another way of generating income. We also intend to increase our subject combinations to integrate new learning areas like mechatronics and aviation.

- **Improved learning, living and working environment**

We seek to improve the learning, living and working environment through maintenance, development and expansion of the physical infrastructure in the college. We envision for example a modern canteen where staff and students can be provided with a variety of services.

- **Institutional Capacity Development**

We plan to enhance various capacities in the college. These are such as the Human resource targeting competences so as to improve productivity; leadership for effective management; financial matters to facilitate sustainability and the entire process of operations to enhance service delivery. The activities to help us achieve this are clearly laid out in our strategic plan whose implementation is being monitored closely.

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**Conclusion**

Our strong belief as an institution is that if we stay focused on the strategic plan and also look for ways to mitigate the challenges, we have been experiencing we shall without a doubt achieve our goals for the 2023/2024 financial year.



.....  
Mrs. Irene Mwangi

Chief Principal/Secretary Board of Management

27-1-25



**7. Statement of Performance against Predetermined Objectives**

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the Chief Principal to include in the financial statement, a statement of the performance of the College against predetermined objectives.

In the FY 2018- FY 2023 Strategic Plan, Kagumo Teachers' Training College has identified 1 strategic pillar and 5 strategic objectives. The strategic pillar is;

To Train a Competent Professional Diploma Teacher

Kagumo Teachers' Training College develops its annual work plans based on the above pillar. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The College achieved the 2022/23 FY performance targets for the identified strategic pillar vide the 5 strategic objectives as indicated in the diagram below:

Strategic Pillar	Strategic Objective	Activities	Performance Indicator	Achievements
To Train a Competent Professional Diploma Teacher	(1) To Train a Competent Professional Diploma Teacher Meet the 21st Century Demand	<ul style="list-style-type: none"> <li>Write teaching materials for secondary schools</li> <li>Create models and teaching aid materials for Teaching</li> <li>Pack relevant teaching kits for secondary schools</li> <li>To acquire through procurement, reference materials for the library</li> <li>To improve status of the laboratories</li> </ul>	<ul style="list-style-type: none"> <li>Professional documentation</li> <li>Analysed internal exams</li> <li>Increased reference materials</li> <li>Lab. Record inventories</li> <li>Improved mean index Resource materials</li> <li>Models,</li> <li>Teaching aids, teaching kits</li> <li>Reference materials on shelves</li> <li>Increased equipment in the lab</li> <li>Increased student involvement in the laboratories</li> </ul>	<ul style="list-style-type: none"> <li>-Schemes of work, Course outlines, Records of work covered and timetables were prepared</li> <li>-DTE mean improved from 5.51 to 5.49, an improvement index of +0.02</li> <li>-Graduation ceremony was held on 24<sup>th</sup> March 2023</li> </ul>
	2) To Enhance the Motivation and Capacity of the Human Resource for Effective and Efficient Management	<ul style="list-style-type: none"> <li>Communicate effectively by informing members via SMS to achieve 100 % attendance</li> <li>Drawing up a programme for co-curricular activities</li> <li>Capacity build the SRC/Class representatives on leadership skills</li> <li>Enhance security within the college.</li> </ul>	<ul style="list-style-type: none"> <li>Minutes of meetings</li> <li>Records showing initial communication and reminders</li> <li>Records of sent emails and acknowledgement</li> <li>Programme for Co-curricular activities</li> <li>Approved budget for training</li> </ul>	<ul style="list-style-type: none"> <li>- College participated in co-curriculum activities: National ball games held in Thogoto TTC on 11<sup>th</sup> to 12<sup>th</sup> April 2023. Drama was held in Shanzu TTC from 20<sup>th</sup> to 29<sup>th</sup> 2023.</li> </ul>
		<ul style="list-style-type: none"> <li>Provide all non-teaching staff with WIBA facility</li> <li>Initiate an award scheme</li> <li>Prompt payment of service gratuity and salaries.</li> <li>Benchmarking activities</li> <li>Invite motivational speakers</li> <li>Initiate activities that enhance team spirit e.g. setting departmental and college targets talks and trips</li> </ul>	<ul style="list-style-type: none"> <li>Letters received by members signed delivery book</li> <li>Finance records</li> <li>Minutes of meetings</li> </ul>	<ul style="list-style-type: none"> <li>Non -Teaching staff provided with WIBA</li> </ul>

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Strategic Pillar	Strategic Objective	Activities	Performance Indicator	Achievements
To Train a Compete Professional Diploma Teacher	(3) To maintain, develop and expand college infrastructure and housing for improved service delivery	<b><u>College Buildings</u></b> <ul style="list-style-type: none"> <li>Assessment of damage/Repair works</li> <li>Prepare BQs</li> <li>Budget for repairs</li> <li>Procurement process</li> <li>Repair and maintain all the college buildings</li> </ul>	<ul style="list-style-type: none"> <li>Request letters</li> <li>BoM minutes</li> <li>BQs and minutes from Public Works</li> <li>Adverts</li> <li>Quotations</li> <li>Minutes from tender committee</li> </ul>	-Construction of 464m of Perimeter wall was done.
		<b><u>Roads, Paths and Pavements</u></b> <ul style="list-style-type: none"> <li>Prepare BQs</li> <li>Budget for repairs</li> <li>Source for funding</li> <li>Procurement process</li> <li>Re-carpet all roads, paths and widen pavements in the college</li> </ul>	<ul style="list-style-type: none"> <li>Request letters</li> <li>BoM minutes</li> <li>BQs and minutes from Public Works</li> <li>Adverts</li> <li>Quotations</li> <li>Minutes from tender committees</li> </ul>	Construction of 1.5 km internal roads and parking bay of 0.3km by KERRA ongoing
		<b><u>Repaint College Buildings and Houses</u></b> <ul style="list-style-type: none"> <li>Prepare BQs</li> <li>Budget for repairs</li> <li>Source for funding</li> <li>Procurement process</li> <li>Repaint all college buildings and houses</li> </ul>	<ul style="list-style-type: none"> <li>Request Letters</li> <li>BoM Minutes</li> <li>BQs and Minutes from Public Works</li> <li>Adverts</li> <li>Quotations</li> <li>Minutes from tender committees</li> </ul>	Repair of three staff houses was done
		<b><u>Drainage in the Hostel Area</u></b> <ul style="list-style-type: none"> <li>Prepare BQs</li> <li>Budget for repairs</li> <li>Source for funding</li> <li>Procurement process</li> </ul> Construct proper drainage in the hostel area	<ul style="list-style-type: none"> <li>Request Letters</li> <li>BoM Minutes</li> <li>BQs and Minutes from Public Works</li> <li>Adverts</li> <li>Quotations</li> <li>Minutes from tender committees</li> </ul>	Drainage in hostel are not done
		<b><u>Men's Hostel</u></b> <ul style="list-style-type: none"> <li>Prepare BQs</li> <li>Budget for Repairs</li> <li>Source for Funding</li> <li>Procurement process</li> <li>Complete the ongoing men's hostel</li> <li>Procure Furniture</li> </ul>	<ul style="list-style-type: none"> <li>Request Letters</li> <li>BoM Minutes</li> <li>BQs and Minutes from Public Works</li> <li>Adverts</li> <li>Quotations</li> <li>Minutes from tender committees</li> </ul>	Renovation of men's hostel not done in The FY
		<b><u>MPH Phase II</u></b> <ul style="list-style-type: none"> <li>Prepare BQs</li> <li>Budget for repairs</li> <li>Source for funding</li> <li>Procurement</li> <li>Process</li> <li>Complete construction of MPH Phase II</li> <li>Procure Furniture</li> </ul>	<ul style="list-style-type: none"> <li>Request Letters</li> <li>BoM Minutes</li> <li>BQs and Minutes from Public Works</li> <li>Adverts</li> <li>Quotations</li> <li>Minutes From tender committees</li> </ul>	Construction of MPH Phase II not done

		<p><b><u>Dining Hall</u></b></p> <ul style="list-style-type: none"> <li>• Prepare BQs</li> <li>• Source for funding</li> <li>• Procurement process</li> <li>• Re-paint, tile and expand the D/H Capacity</li> <li>• Procure Furniture</li> </ul>	<ul style="list-style-type: none"> <li>• Request Letters</li> <li>• BoM Minutes</li> <li>• BQs and minutes from Public Works</li> <li>• Adverts</li> <li>• Quotations</li> <li>• Minutes from tender committees</li> </ul>	Furniture not procured
		<p><b><u>Games Facilities</u></b></p> <ul style="list-style-type: none"> <li>• Prepare BQs</li> <li>• Budget for construction</li> <li>• Source for funding</li> <li>• Procurement process</li> <li>• Construct, maintain and modernize the games facilities e.g. Swimming pool,</li> <li>• basketball courts</li> </ul>	<ul style="list-style-type: none"> <li>• Request Letters</li> <li>• BoM Minutes</li> <li>• BQs and Minutes from Public Works</li> <li>• Adverts</li> <li>• Quotations</li> <li>• Minutes from tender committees</li> </ul>	Fields were maintained as part of routine college maintenance work
		<p><b><u>Harvesting Rain Water</u></b></p> <ul style="list-style-type: none"> <li>• Identify intake areas</li> <li>• Budgeting</li> <li>• Procurement Process</li> </ul>	<ul style="list-style-type: none"> <li>• Request letters</li> <li>• Budget</li> <li>• BoM Minutes</li> </ul>	Not done
		<p><b><u>Firewood Shed</u></b></p> <ul style="list-style-type: none"> <li>• Prepare BQs</li> <li>• Budget for construction</li> <li>• Source for funding</li> <li>• Procurement</li> <li>• Process</li> <li>• Construct a general store,</li> <li>• Food store,</li> <li>• DH Canopy&amp; firewood Shed</li> </ul>	<ul style="list-style-type: none"> <li>• Request letters</li> <li>• BoM minutes</li> <li>• BQs and minutes from public works</li> <li>• Adverts</li> <li>• Quotations</li> <li>• Minutes from tender committees</li> </ul>	Not done
		<p><b><u>Motor Vehicles</u></b></p> <ul style="list-style-type: none"> <li>• Budget for procurement</li> <li>• Source for funding</li> </ul>	<ul style="list-style-type: none"> <li>• Request letters</li> <li>• BoM minutes</li> <li>• Adverts</li> <li>• Tender documents</li> <li>• Minutes from tender process committees</li> </ul>	Not done
		<p><b><u>Other Projects</u></b></p> <ul style="list-style-type: none"> <li>• Construct an ablution block for the staff</li> <li>• Procure a chopper for the farm</li> <li>• Construct a Welding shade</li> <li>• Construct a canopy at the housekeeping department</li> <li>• Construct outside benches for discussion</li> <li>• Procure Micro-teaching digital recorder</li> <li>• Subscribe to Online library Service</li> <li>• Procure digital Interactive boards</li> <li>• Construct a modern toilet at the gate</li> </ul>	<ul style="list-style-type: none"> <li>• Request Letters</li> <li>• BoM Minutes</li> <li>• Specification</li> <li>• Quotations</li> <li>• Minutes from tender committees</li> </ul>	Not done

Strategic Pillar	Strategic Objective	Activities	Performance Indicator	Achievements
To Train a Competent Professional Diploma Teacher	(4) To strengthen the college financial Management to achieve its financial obligations	<ul style="list-style-type: none"> <li>• Enroll more students</li> <li>• Ensure 100% fee collection</li> <li>• Seek more grants</li> <li>• Popularize the college</li> <li>• Renovate college facilities</li> <li>• Make use of unutilized land</li> <li>• Place adverts in time</li> <li>• conduct market surveys</li> <li>• Place requisition in time</li> <li>• Make prompt payments</li> <li>• Dispose idle assets annually</li> <li>• Reserve some categories for the special group</li> </ul>	<ul style="list-style-type: none"> <li>• Increased student population</li> <li>• Increased fee collection</li> <li>• Bank statements</li> <li>• Receipts</li> <li>• Farm ledger</li> <li>• Request letters</li> <li>• Work plan for disposal of items</li> <li>• Adverts</li> <li>• Tender documents</li> </ul> Certificates of the PWDs.	100%

Strategic Pillar	Strategic Objective	Activities	Performance Indicator	Achievements
To Train a Competent Professional Diploma Teacher	(5) To enhance conducive environment for working and learning to enable the human resource fulfil the college mandate	<ul style="list-style-type: none"> <li>• Provide adequate resources and broaden the use and integration of technology within the college</li> <li>• enhance security in the college (burglar proofing doors, security lights, perimeter fence)</li> <li>• Provide working gear.</li> <li>• Cleaning of offices and maintenance of lawns and hedge</li> <li>• Enhance college aesthetics (planting of flowers, construction of modern gate, painting and signage, adding seating benches around Fanaka fountain)</li> <li>• Provide basic necessities like clean water and sanitation access to good food, security etc</li> <li>• Management of e-waste</li> <li>• Segregation of waste by using different coloured bins</li> <li>• Extension of internet to cover the whole college.</li> <li>• Installing an interactive website.</li> <li>• Purchase of computers and their software.</li> <li>• Fix projectors in the tuition rooms</li> <li>• Expand the intercom to all offices</li> <li>• Improve information sharing for example by enhancing the management information system (MIS) and local area network (LAN).</li> <li>• Acquire security devices e.g mirror/metal detectors, CCTV</li> <li>• Enhance security personnel</li> <li>• Insure college facilities against fire, burglary and theft</li> <li>• Initiate a biometric system</li> <li>• Purchase a vegetable and meat chopper</li> <li>• Decongest the staff offices</li> <li>• Insure on public indemnity</li> </ul>	<ul style="list-style-type: none"> <li>• Documentation on provision of working gear</li> <li>• Reports of</li> <li>• assessment of</li> <li>• facilities by the relevant stakeholders</li> <li>• Bins for separating waste</li> <li>• Sensitization on waste segregation programme</li> <li>• Issue of computers and projectors to users after process of procurement and evidence for their use</li> </ul>	100%

## 8. Corporate Governance Statement

### Roles and functions of the Board

The College Board of Management functions through 5 subcommittees:-

- (i) Finance, procurement and General purposes
- (ii) Academic Standards Quality and Environment Committee
- (iii) Discipline, Ethics and Integrity Committee
- (iv) Academic Standards Quality and Environment Committee
- (v) Audit subcommittee

Functions of the above mentioned subcommittees are as indicated on page iii.

### Process of appointment and removal of Board members

The College Board of Management members are appointed/removed from the Board as guided by the Basic Education Act, 2013.

### Board Meetings

In the FY2022/2023 the Board of Management held 4 meetings whose attendance was as follows:

1. Prof. Beatrice N. Warue	-	4 meetings
2. Francis Mwangi	-	2 meetings
3. Dr. Eustace Muthui	-	2 meetings
4. Adv. Samuel Gathiga Mwangi	-	4 meetings
5. Rev. Fr .Paul Kimani	-	4 meetings
6. Dr. Patricia W.Gathia	-	4 meetings
7. Prof. Richard M.S Mulwa	-	2 meetings
8. Eng. Ndirangu Wangai	-	4 meetings
9. Mr. Henry G Kinyua	-	1 meeting
10. Mr .Mohamud Sheik Ibrahim	-	2 meetings
11. Mr. Joseph Kagunda Mwangi	-	3 meetings
12. Mrs. Jacqueline Onyango	-	2 meetings
13. Mr. Robert Muma Olweny	-	4 meetings
14. Ven. Joseph Gitonga Njakai	-	4 meetings
15. Dr. Christine Njiru	-	4 meetings
16. Mr. Mainje N Titus	-	1 meeting
17. Arch. Thomas Mundia	-	2 meetings
18. Dr. Paul S Njuguna	-	3 meetings

**9. Management Discussion and Analysis**

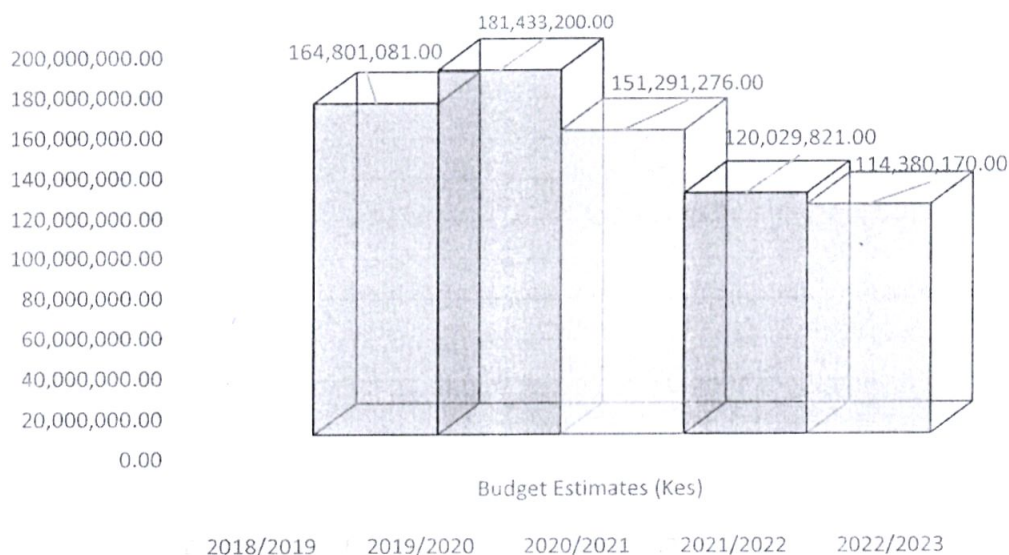
**Key Projects**

<b>Financial Year</b>	<b>Project Name</b>	<b>% of Completion</b>
<b>2020-2021</b>	Perimeter Wall Construction-1000m	100%
<b>2021-2022</b>	Cabro Upgrading -Men Hostel side	100%
	Perimeter Wall extension-225m	100%
	Refurbishment of Tanzania Men Hostel Roofs	100%
	Removal of Asbestos and Replacing with Iron Sheets on the 4 Men's Hostel & 7 Residential areas	100%
<b>2022-2023</b>	Perimeter Wall extension-464m	100%

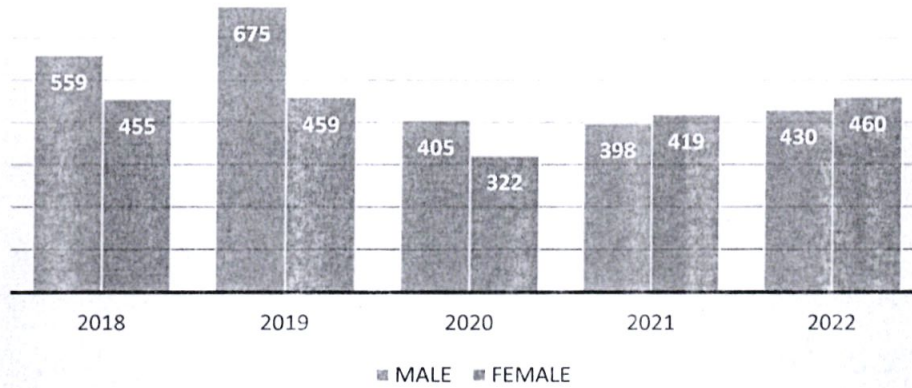
**Kagumo TTC's compliance with statutory requirements**

In FY 2022/2023 the College complied with all the legal and statutory requirements.

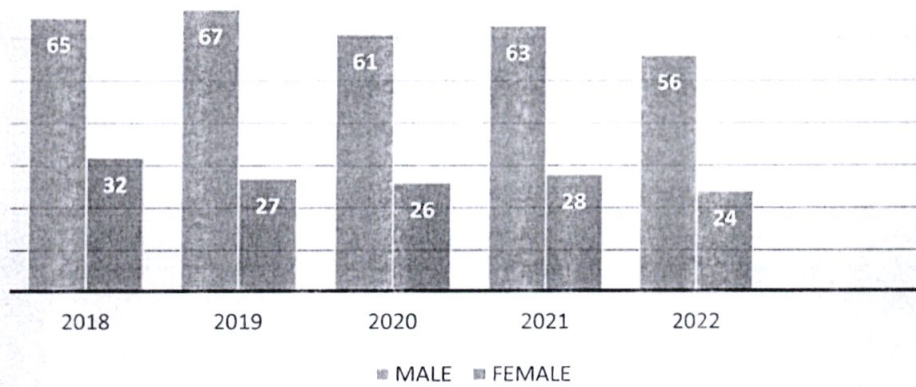
**Budget Estimates**



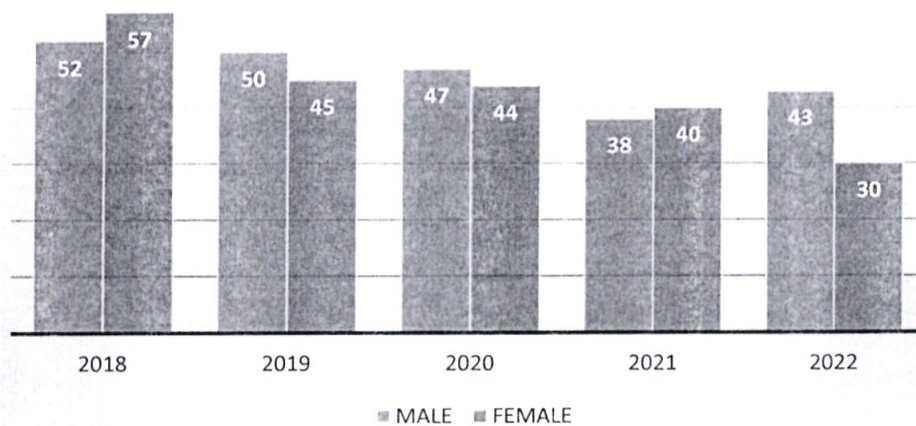
### Student Enrolment in the past 5 Years



### Non teaching staff for the last 5 years



### Teaching staff for last 5 years



**DTE Performance For The Past 6 Years**

Year	Entry	Distinction		Credit			Pass		Ref	Absent	CRNM	Fail	Mean	Deviation
		1	2	3	4	5	6	7						
2023	186	0	1	7	60	53	26	4	32	1	1	1	5.28	+0.21
2022	323	0	0	25	93	78	31	1	88	4	1	2	5.49	+0.02
2021	367	0	1	32	91	96	43	2	97	0	1	4	5.51	+0.28
2020	394	0	0	24	84	111	27	1	137	4	2	4	5.79	+0.31
2019	517	0	0	2	60	144	126	16	144	9	2	14	6.10	+0.31
2018	381	0	0	29	30	85	19	15	182	6	3	12	6.41	+0.34

## **10. Environmental and Sustainability Reporting Statement**

### **Environmental performance**

#### **Disposal of Wastes**

The College strives to promote and maintain a healthy environment by ensuring that all waste materials known to have negative impact on the environment are properly segregated and disposed.

#### **Environmental Policy**

The College commits itself to and endorses the need to protect the environment.

The College acknowledges and accepts its responsibility to conduct its business in compliance with applicable environmental laws and regulations.

#### **Environmental Statement**

Kagumo Teachers Training College has a vital interest in ensuring a clean and healthy environment.

The College also relies on a healthy environment so that you, the customer, can enjoy the standard of living and healthy lifestyle that mean so much to us today.

#### **Shortcomings of waste management**

- Soil Contamination. Ideally, we would like our plastic, glass, metal and paper waste to end up at a recycling facility.
- Water contamination.
- Extreme weather caused by climate change.
- Air contamination.
- Human damage.

#### **Successes of waste management**

- Reduces the amount of waste sent to landfills.
- Conserves natural resources such as timber, water and minerals.
- Increases economic security by tapping a domestic source of materials.
- Prevents pollution by reducing the need to collect new raw materials.
- Saves energy.

#### **Employee welfare**

#### **Recruitment Guiding Principles**

The following shall guide recruitment within Kagumo TTC:

- a) Recruitment shall be done against approved establishment. Recruitment and selection on all arising vacancies shall be filled competitively. This applies to both internal and external

recruitment. In all cases, the focus of this process shall be to ensure that Kagumo TTC is staffed with the best skills and competencies available both internally and in the labour market. The Board of Management shall be responsible for recruitment of staff in all positions. Consideration for appointment shall be based on relevant qualifications, experience, merit, competency and attitude desired to perform in the roles effectively;

- b) Any additional position required outside the approved structure and establishment shall be submitted to the Board of Management for consideration and approval before implementation and structure amended accordingly;
- c) The Board of Management shall provide Job Descriptions and person specifications.
- d) Recruitment shall be based on approved Job Descriptions. All employees and their supervisors shall ascent to a current Job Description, a copy which shall be kept by the Human Resource Department.
- e) All potential employees shall be interviewed by relevant organs.
- f) Recruitment of staff shall be guided by the approved staff projection.

### **Selection Guiding Principles**

#### **-Initial Appointment**

The Board of Management shall appoint all employees of the College. Potential employees shall be expected to accept/reject an offer within the period stipulated in the offer.

#### **-Types of Appointment**

An employee may be appointed on any of the following Terms of Service:

- i. Permanent
- ii. Contract;
- iii. Temporary;
- iv. Casual.

### **Employee Reward and Recognition**

#### **Policy Statement**

The College recognizes that certain employees in the course of their duties have acted or behaved in an exceptional manner leading to safe guarding of the corporate image furthering the Vision and Mission of the College. Such employees may have displayed exemplary performance either in their work performance or their general conduct. Others have offered dedicated service to the organization for many years. The Service therefore will strive to recognize these employees in order to not only boost their morale but also set a good example of employee reward.

#### **Policy Objectives**

The objectives of this policy are:

- a. Reward work beyond the call of duty;
- b. Improve employee morale;
- c. To reward long Service;

- d. To encourage and motivate employees to strive for higher level of productivity;
- e. Promote integrity within the College;
- f. Encourage problem solving behaviour;
- g. Reward agreed targets.

### **Occupational Health, Safety and Environment**

#### **Philosophy of the College on Safety Issues**

- a. It is the policy of the College to ensure that its activities are conducted in a healthy and safe environment taking into consideration the Occupational Health and Safety of employees, stakeholders and employees, clients. The College recognizes its corporate responsibility under the Constitution of Kenya, Occupational Safety and Health Act of 2007 (OSHA 2007), Employment Act of 2007 and the Work Injury Benefits Act of 2007 (WIBA) and related legal notices.
- b. In fulfilling this responsibility, the College undertakes to observe Occupational Safety, Health and Environment standards well beyond the minimum statutory requirement. The management shall adopt all reasonable and proactive measures to:
  - i. Create a safe working environment;
  - ii. Uphold environmentally friendly practices;
  - iii. Provide appropriate training and awareness to its employees;
  - iv. Take responsibility for Occupational Safety, Health and Environment of the work place;
  - v. Continuously monitor Occupational Safety, Health and Environment through regular inspection and Audits.
- a) The College shall, whenever possible and appropriate, participate in National and International Occupational Health and Safety Programmes.

#### **Objectives of the Policy**

The implementation of Occupational Safety, Health and Environmental policy enables the College to save its revenue through reduction of accidents, loss of property and medical bills. This is achieved through: -

- i. Committed involvement of all employees in full implementation of this policy;
- ii. Full application of Occupational Health, Safety and Environment Standards;
- iii. Development and maintenance of procedures in co-operation with Organizations and Departments rendering
- iv. Working with the Government and other bodies in the development of improved regulations and industry standards that relate to Occupational Health, Safety and Environment matters.

#### **Responsibility for Occupational Health, Safety and Environment**

- i. Institution Responsibilities:

- ii. Employees Responsibilities

### **Thematic Areas in Occupational Health Safety and Environment**

- i. Housekeeping
- ii. Sanitary Facilities
- iii. Work Place Ventilation
- iv. Lighting System
- v. Hot and Cold
- vi. First Aid Management within the College
- vii. Clean Water
- viii. Occupational Health Check-ups

### **Market place practices-**

- a) Responsible competition practice; how the organization ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors

#### **i. Anti-corruption**

The College ensures fair competition on this aspect by first having yearly tendering where bidders are given fair chance to bid for supply of various items fairly and tenders are opened in the presence of the supplier representatives and evaluation done fairly by the requisite number of committee members and according to the guiding procurement laws.

The College has also an anti-corruption committee in its Performance Contracting structure that ensures fairness, declaration of interest and receiving complains of corruption and solving the disputes arising, continued sensitization of staff and even students on matters anti-corruption to create more awareness and how to handle such in case any arises and the reports submitted per quarter to ethics and anticorruption commission (EACC) to ensure compliance.

#### **ii. Political involvement**

The College encourages democracy and free elections for student representative body. Non-teaching staff welfare as well as teaching staff held SRE election (2022-2023) whose tenure is ending this October 2023 and fresh elections to be held immediately.

This results in fairness as people selected in various positions are endorsed by members, thus promoting responsible competition resulting in peaceful co-existence and unity for both students, staff and non-teaching staff and the administration.

#### **iii. Fair competition and respect for competitors**

Refer to paragraph 1

There is always democracy thus anyone has the freedom to compete for any position and also all views are considered.

All information from competitors, suppliers, students, staff are all kept confidential thus ensuring respect for all and ensures fairness so as not to use one's information to benefit another competitor and to disadvantage the opponent.

- b) Responsible supply chain and supplier relations; how the organization maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.

**Good business practices**

The organization believes in acquiring genuine goods from authentic suppliers who are duly registered to obtain quality products that are at acceptable market rates.

The college ensures that it engages on genuine business with legally allowed documents for purchase and contracts thus resulting in lasting supplier relationships as this contributes to nice reputation for the college hence attracting more suppliers willing to engage in business with the college.

The college has a 14-day policy within which once items /works are procured goods supplied in good quantity and quality the payments are done according to the LPO/LSO value without any deduction apart from where applicable the mandatory deductions like VAT and withholding tax are done. This increases supplier confidence for more contracts and readiness to supply on credit due to good reputation of honouring contracts promptly.

To ensure this is achieved the college ensures every beginning of the financial year they undertake a supplier / stakeholder meeting to brief them on what to expect from the college as well as what the college expects from them. (FY 2022-2023, On 28<sup>th</sup> June 2022)

- c) **Responsible marketing and advertisement; efforts to maintain ethical marketing practices**

Ethical marketing practices

The College believes in ethical marketing thus uses the legally available channels for marketing i.e. print media, television, radio, registered website and other authentic social media channels.

Also, the College does not permit use of defamatory language to do its marketing neither does it allow such to be used by the stakeholders wishing to engage in contracts with the College

- d) **Product stewardship**

Efforts to safeguard consumer rights and interests

First, the College has an inspection and acceptance committee charged by responsibility of checking quality of products for conformity with the specification stated by users / customers in various departments.

The procurement office also tasks itself of getting samples for products during sourcing to ensure they meet the set standards and above all, the products must be certified by the Kenya Bureau of Standards (KEBS) to ensure quality that guarantee the customer rights are taken care of both in terms of health and needs addressed by bringing items meeting their specifications.

The College provides for a suggestion / complain box where customers can put notes on how they find the College services and way of improving.

There are also visitors' books in every office and access areas where all can comment on their handling and this is therefore acted upon on areas receiving more complain to ensure customer satisfaction and customer needs are put as priority.

The College provides variety that can accommodate the diverse cultures/religions and interests within the College in all items and works procured.

### **Corporate Social Responsibility / Community Engagements**

1. Donating 230 old mattresses to King'ong'o Prison.
2. Opening up its facilities for hosting events, training and other public activities e.g., tallying centre for IEBC Tetu constituency August 2022 General Elections, Tetu sub county Shujaa day of 2022 celebrations and World Parliamentary Scouts Conference in June 2023. Tree planting in the environment to ensure more forest cover.
3. Offering free accommodation and financial support raised by both staff and non-teaching staff to a most needy student to ensure he is retained in the college to complete his studies.

## 11. Report of the Board of Management

The Board members submit their report together with the audited financial statements for the year ended June 30, 2023, which show the state of the college affairs.

### Principal activities

The principal activity of the college is to train a Competent Professional Diploma Teacher.

### Results

The results of the college for the year ended June 30<sup>th</sup> are set out on page ~~28~~ 29

### Board of Management

The members of the Board who served during the year are shown on page 1-4. Members No. 17-21 retired from the Board of Management while members no.1-16 were appointed.

### Auditors

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

By Order of the Board



.....  
Secretary of the Board  
Kagumo Teachers' Training College  
Date: 27-1-25



## **12. Statement of Board of Management Responsibilities**

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

The Board members are responsible for the preparation and presentation of the college 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 (period) ended on June 30, 2023. This responsibility includes:

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the college;
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safeguarding the assets of the college
- (v) Selecting and applying appropriate accounting policies;
- (vi) Making accounting estimates that are reasonable in the circumstances.

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

**Kagumo Teachers' Training College**  
**Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2023**

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**Approval of the financial statements**

The college financial statements were approved by the Board on 10/11/23 and signed on its behalf by:



.....  
**Prof. Beatrice Warue**  
**Chairperson of the Board**

27-1-25



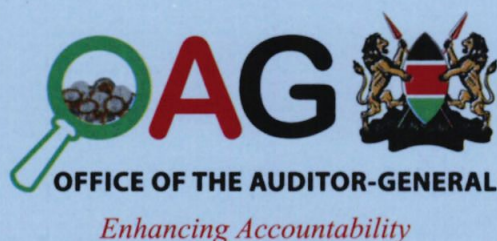
.....  
**Mrs. Irene Mwangi**  
**Accounting Officer/Chief Principal**

27-1-25



# REPUBLIC OF KENYA

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



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

## **REPORT OF THE AUDITOR-GENERAL ON KAGUMO TEACHERS' TRAINING COLLEGE FOR THE YEAR ENDED 30 JUNE, 2023**

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### **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.

An Adverse Opinion is issued when the Auditor-General determines that the financial statements are materially misstated and are not fairly presented in accordance with the applicable financial reporting framework. The Report on the 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**

#### **Adverse Opinion**

I have audited the accompanying financial statements of Kagumo Teachers' Training College set out on pages 1 to 23, which comprise of the statement of financial position as

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

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, in all material respects, the financial position of Kagumo Teachers Training College as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and do not comply with comply with the Public Finance Management Act, 2012.

### **Basis for Adverse Opinion**

#### **1. Inaccuracies of Balances in the Financial Statement**

Audit of comparison balances reflected in the revised audited financial statement and trial balance for the year ended 30 June, 2023 and the initial audited financial statement balances results to unreconciled variances which were not supported with adjusting journal entries, vouchers and documentary as tabulated below;

##### **(i) Statement of Financial Performance**

<b>Description</b>	<b>Amount as per Revised Audited Financial Statement (Kshs)</b>	<b>Amount as per Initial Audited Financial Statement (Kshs)</b>	<b>Variances (Kshs)</b>
<b>Revenue</b>			
<b>Revenue from Non-Exchange transactions</b>			
Transfers from other National Government Entities	80,949,999	80,949,999	-
<b>Total Revenue from Non-Exchange Transactions</b>	<b>80,949,999</b>	<b>80,949,999</b>	-
<b>Revenue from Exchange Transactions</b>			-
Rendering of Services-fees from Students	85,590,473	85,780,473	190,000
Sale of Goods	3,058,459	3,119,689	61,230
Rental Revenue from Facilities and Equipment	3,119,690	3,058,458	(61,232)
Miscellaneous Income	209,357	19,357	(190,000)

Finance Income	619,068	619,068	-
<b>Total Revenue from Exchange Transactions</b>	<b>92,597,047</b>	<b>92,597,045</b>	<b>(2)</b>
<b>Total Revenue</b>	<b>173,547,046</b>	<b>173,547,044</b>	<b>(2)</b>
<b>Expenses</b>			-
Use of Goods and Services	100,476,278	124,952,172	24,475,894
Employee Costs	43,386,449	31,880,174	(11,506,275)
Board /Council Expenses	1,024,656	-	(1,024,656)
Repairs and Maintenance	3,975,159	-	(3,975,159)
Capital Expenditure	7,921,184	-	(7,921,184)
Depreciation	17,793,681		(17,793,681)
<b>Total Expenses</b>	<b>174,577,406</b>	<b>156,832,346</b>	<b>(17,745,060)</b>
<b>Net surplus/(deficit) for the year</b>	<b>(1,030,360)</b>	<b>16,714,698</b>	<b>17,745,059</b>

(ii) Statement of Financial Position

Description	Amount as per Revised Audited Financial Statement (Kshs)	Amount as per Initial Audited Financial Statement (Kshs)	Variances (Kshs)
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	15,906,086	15,906,085	(1)
Receivables from Exchange Transactions	8,568,000	10,278,041	1,710,041
Investments in Financial Assets	10,278,042	8,568,000	(1,710,042)
<b>Total Current Assets</b>	<b>34,752,128</b>	<b>34,752,126</b>	<b>(2)</b>
<b>Non-Current Assets</b>			-
Property, Plant and Equipment	1,113,033,359		(1,113,033,359)
Intangible Assets	5,532,000		(5,532,000)
Biological Assets	5,161,558		(5,161,558)
<b>Total Non-Current Assets</b>	<b>1,123,726,917</b>	<b>-</b>	<b>(1,123,726,917)</b>
<b>Total Assets (A)</b>	<b>1,158,479,045</b>	<b>34,752,126</b>	<b>(1,123,726,919)</b>
<b>Liabilities</b>			-
<b>Current Liabilities</b>			-
Social Benefit Liability			-
Trade and Other Payables from Exchange Transactions	13,805,401	13,805,401	-
Fees Received in Advance	4,091,496	4,093,368	(1,873)
Refundable Deposits from Customers	1,873		1,873

<b>Total Current Liabilities</b>	<b>17,898,769</b>	<b>17,898,769</b>	<b>0</b>
<b>Non-Current Liabilities</b>			-
<b>Total Liabilities (B)</b>	<b>17,898,769</b>	<b>17,898,769</b>	<b>0</b>
<b>Net Assets (A-B)</b>	<b>1,140,580,276</b>	<b>16,853,357</b>	<b>(1,123,726,919)</b>
<b>Represented By:</b>			-
Revenue Reserves			-
Accumulated Surplus	16,853,358	34,752,127	17,898,769
Capital Fund	1,123,726,917		(1,123,726,917)
<b>Net Assets</b>	<b>1,140,580,275</b>	<b>34,752,127</b>	<b>(1,105,828,148)</b>
<b>Variances</b>	<b>0</b>	<b>(17,898,770)</b>	<b>(17,898,771)</b>

In the circumstances, accuracy and completeness of balances in the financial statement could not be confirmed.

## 2. Inaccuracies in the Statement of Cash Flows

The statement of cash flows reflects inaccurate disclosures and amounts as below;

- (i) The statement reflects receipts of Kshs.155,621,269 as cash flows from operating activities. However, the amounts include Kshs.5,574,417 as cash inflow from social benefit liability which ordinarily is a cash outflow and non-cash receipt. In addition, the receipts include Kshs.12,512,360 described as prepayment inflow without specified the classification of the source of receipts. Further, the receipts include negative receipts of Kshs.98,354 for employee costs which do not constitute part of cash inflow.
- (ii) The statement reflects payments of Kshs.159,780,324 as cash out flows from operating activities. However, included in the amount is Kshs.415,159 in respect of trade and other payables which relating to non-cash items and included in the reported payments under use of goods and services
- (iii) The statement of cashflows omits disclosures column for the corresponding Notes to the financial statements for the receipts and payments.
- (iv) The statement reflects cash and cash equivalent balances at the end of the year of Kshs.18,107,221 which differs with the reported balance of Kshs.15,906,086 in the statement of financial position resulting to unexplained variance of Kshs.2,201,135.

In the circumstances, accuracy and fair presentation of the effects of transactions in the statement of cash flows could not be confirmed.

## 3. Inaccuracies on the Statement of Comparison of Budget and Actual Amounts

The statement of comparison of budget and actual amount reflects original and final budget amount of Kshs.144,469,752. However, the statement reflects expenditures of Kshs.156,783,726 which exceeds the final budget of Kshs.144,469,752 resulting into unexplained and unreconciled variance of Kshs.12,313,974.

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

#### **4. Unsupported Non-Current Assets**

##### **4.1 Property, Plant and Equipment**

The statement of financial position reflects balance of Kshs.1,113,033,359 in respect of property, plant and equipment and as disclosed in Note 21 to the financial statement. However, the balance includes for land, building, motor vehicles, furniture and fittings, computers and plant and office equipment reflects Kshs.1,131,007,040 resulting to variance of Kshs.17,973,681 reported in the statement of financial performance as depreciation amount. Further, the computed amount relating to depreciation and net book value for each class of asset has not been disclosed in the property, plant and equipment schedule.

##### **4.2 Intangible Assets**

The statement of financial position reflects Kshs.5,532,000 as disclosed in Note 22 to the financial statement in respect of cost of intangible assets. However, according to contract between the College and ABNO Software International dated 2 November, 2021 for the supply, installation, configuration, testing and commissioning an integrated enterprise resource planning solution the cost value was Kshs.Kshs.5,472,000 resulting unexplained variance of Kshs.60,000. Further, the amount has been disclosed at cost value instead of net book value. In addition, the amortization policy, the corresponding amortization values and net book value has not been disclosed in the financial statement

##### **4.3 Biological Assets**

The statement of financial position reflects Kshs.5,161,558 as disclosed in Note 23 to the financial statement in respect of cost of biological assets. However, the balances were not supported by valuation reports. Physical verification of farm activities revealed that the College has biological assets which includes; livestock, mature trees, coffee, banana, vegetable and maize plantation. In addition, physical verification revealed that the College has other biological assets which includes mature trees whose numbers and corresponding values has not been disclosed in the financial statement.

##### **4.4 Lack of Valuation Report and Land Ownership Documents**

The statement of financial position reflects 1,121,927,869 as balance for property, plant and equipment as disclosed in Note 21 to the financial statements. The balance includes cost amount of Kshs.559,700,000 in respect of land. Verification of documents provided indicate that the College has four (4) parcels of land. However, no valuation report was provided for audit. In addition, Management provided land certificates for two (2) parcels of land which are in the name of a bank, one (1) green card document in the name of Chief Secretary (Incorporation) and one (1) green card document in the name of a limited company nominee. It was not clear, under what circumstances the parcels of land are in the name of nominees.

Further, according to Gazette Notice Vol.CXXI-No.27 No.878 of 1 March, 2019 for Case No.NLC/HLI/184/2018, the Chief Land Registrar was directed to effect the changes on the land and amend the green card and all land records to be titled to Kagumo Teachers Training College. However, as at the time of audit the said land title had not been transferred to the name of Kagumo Teachers Training College.

In the circumstances, the accuracy, completeness and ownership of property plant and equipment could not be confirmed.

## **5. Unsupported and Unaccounted Revenue**

The statement of financial performance reflects Kshs.173,547,046 in respect of total revenue composed of Kshs.80,949,999 for revenue from non-exchange transactions and Kshs.92,597,047 for revenue from exchange transactions. The following unsatisfactory observations were noted;

### **5.1 Unsupported Rental Revenue from Facilities and Equipment**

Note 8 to the financial statements reflects rental revenue from facilities and equipment amounting to Kshs.3,058,459. The balance includes rent income of Kshs.1,755,545. Documents provided for audit indicate the College has rental facilities composed of twenty-eight (28) teaching staff houses, thirty-five (35) non-teaching staff houses and four (4) business units. However, based on the rates charged per unit the total collectable rent during the year is Kshs.1,794,600 which differs with the reported amount resulting to under collection of rent by Kshs.39,055. Further, Management did not provide a monthly movement schedule showing how rent was collected. In addition, Management did not provide the board committee minutes that outlined the rent rates to be charged for each rental unit.

### **5.2 Unaccounted Revenue from Sale of Goods**

Note 9 of the financial statements reflects revenue of Kshs.3,119,690 in respect of sale of goods. The revenue includes bee farming of Kshs.13,600, coffee income of Kshs.350,568, dairy income of Kshs.2,250,386, banana income of Kshs.15,000, pig income of Kshs.285,400 and vegetables income of Kshs.204,737. However, the records for sale of farm produce were not provided for audit verification. Additionally, the College did not have an approved selling price list for farm produce. Without an approved price list, there is a possibility of price manipulation leading to loss of revenue.

In the circumstances, accuracy, validity and completeness of revenue from sale of goods and rental revenue from facilities and equipment could not be confirmed.

## **6. Unsupported Use of Goods and Services**

Note 12 to the financial statement reflects Kshs.100,476,278 in respect of use of goods and services. Expenditure amounting to Kshs.1,468,817 was not supported with the documentation required by the Public Procurement and Disposal Act, 2015 and Regulations, 2020. Further, the College spent Kshs.893,000 on fuel and oil for motor vehicles for the

financial year under review but records on fuel consumption records such as requisition and register were not provided for audit.

In the circumstances, the accuracy and completeness of use of goods and services balance of Kshs.100,476,278 could not be confirmed.

## **7. Unsupported Capital Expenditure**

The statement of financial performance reflects Kshs.7,921,184 in respect of capital expenditure as disclosed in Note 16 of the financial statement. However, no ledger analysis and documents supporting the expenses was provided for audit. In addition, capital expenditure should be not be disclosed in the statement of financial performance instead should be accounted and disclosed in the statement of financial position under non-current assets.

## **8. Anomalies in Cash and Cash Equivalent**

### **8.1 Unsupported Cash and Cash Balances**

The statement of financial position reflects balance of Kshs.15,906,086 in respect of cash and cash equivalents as disclosed in Note 18 to the financial statement. However, board of survey report for all the bank accounts including mpesa holding account were not provided for audit review. Also, bank statements, cashbook and reconciliations for Mpesa holding account were not provided for audit review. Further, Mpesa holding account balances were not disclosed in the financial statements. In addition, cashbooks for the main account, fund account and farm account were not provided for audit review.

In addition, Cashbook, bank reconciliation, bank statements of the fixed deposit account with balance of Kshs.8,568,000 and as disclosed at note 20 to the financial statement were not provided for audit verification.

### **8.2 Overdrawn Bank Account**

The cash and cash equivalents balance of Kshs.15,906,086 includes a negative Equity bank balance of Kshs.1,029,056 and negative cash balance of Kshs.167,128 in respect of the KCB bank account. No explanation was provided for the overdrawn cash book balances. Inclusion of the negative cashbook balance has understated the reported cash and cash equivalents balances.

### **8.3 Unconfirmed Unpresented Cheques**

The cash and cash equivalent balance of Kshs.23,599,454 includes Kshs.24,205,544 for bank account balances held at one bank, Kshs.2,120,979 balance held at another bank account, Kshs.612,448 held at 3<sup>rd</sup> bank account and a negative balance of Kshs.3,389,795 in respect of the fourth bank account.

Further, a review of bank reconciliation for the two (2) bank accounts for the month of June, 2023 revealed payments in cashbook not yet recorded in the bank statement (unpresented cheque) amounting to Kshs.9,194,071. No schedule was provided to show how the cheques were subsequently cleared.

In the circumstances, the accuracy, validity and completeness of cash and cash equivalents could not be confirmed.

## **9. Unsupported Trade Receivables**

Note 19 of the financial statements reflects balance of Kshs.10,278,042 as receivables from exchange transactions. The balance includes student debtors balance of Kshs.9,943,282 and sundry debtors amounting to Kshs.334,760. However, the amounts of Kshs.334,760 relate to arrears of rent due but did not include the period under which the debts were incurred, and there was also no ageing analysis of the outstanding receivables.

In the circumstances, the accuracy of the disclosures for the receivables from exchange transactions could not be confirmed.

## **10. Inaccuracies in Trade and Other Payables**

### **10.1 Variance Between the Financial Statement, Ledger and the Aging Analysis**

Statement of financial position reflects Kshs.13,805,401 as disclosed in the Notes 24 to the financial statements. However, the schedule provided for audit verification reflect Kshs.13,026,242 while the aging analysis schedule amounted to Kshs.13,982,662. The differences between the financial statement balance, the schedule balance and the aging analysis balance was not reconciled nor explained.

### **10.2 Unsupported Deposit**

Trade and other payable balance from exchange transaction of Kshs.13,805,401 includes retention fees of 10% amounting to Kshs.779,159. The deposit bank statement was however not provided for audit to confirm the existence of the retention monies.

In the circumstances, the accuracy and completeness for the trade and other payable balances could not be confirmed.

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

## **Key Audit Matters**

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

## **Other Information**

### **Conclusion**

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

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

### **Basis for Conclusion**

In connection with my audit on the College's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this Other Information and I am required to report that fact.

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

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

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution and based on the audit procedures performed because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Lawfulness and Effectiveness in The Use of Public Resources, I confirm that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **1. Non-Compliance of the National Cohesion and Integration Act on Ethnicity**

The College had seventy-two (72) staff members out of which sixty-two (62) or 86% of the staff members are from the dominant ethnic community. This is contrary to Section 7(2) of the National Cohesion and Integration Act, 2008 which states that all public establishments shall seek to represent the diversity of the people of Kenya in the

employment of staff and that no public establishment shall have more than one third of its staff from the same ethnic community.

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

## **2. Staff Over Establishment**

As at 30 June, 2023, the College had seven-two (72) staff. This is exceeding by thirty (30) the stipulated forty-two (42) permanent employees required by the Ministry of Education State Department for Early Learning and Basic Education Circular Number PTTC/GEN. 3/1/VOL/1 (4) dated 27 October, 2021 which stipulates the standard establishment required of training colleges.

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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, I confirm that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

#### **1. Lack of Updated Asset Register and Asset Tagging**

The College's assets register lacks appropriate details of the asset such serial number, tag number, make & model, date of delivery/installation, purchase amount, depreciation rate, annual depreciation, accumulated depreciation and net book values. Further, the College's assets which include furniture & fittings, computers and other equipment were also not tagged for proper identification and reconciliation to the asset register.

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

#### **2. Monthly Bank Reconciliation Statements**

The College's bank reconciliations for the financial year under review were not dated and signed. This is contrary to Regulation 90(1) of Public Finance Management which

requires bank reconciliation statements to be completed every month for each Bank account held and to be submitted to The National Treasury with a copy to Auditor General by 10<sup>th</sup> of subsequent month.

In the circumstances, the effectiveness of the bank reconciliation controls in place could not be confirmed.

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

### **Auditor-General's Responsibilities for the Audit**


My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards 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 IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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



**FCPA Nancy Gathungu, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**28 January, 2025**


**Kagumo Teacher's Training College**  
**Annual Report and Financial Statements for the year ended 30th June 2023**


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

	Note	2022/2023	2021/2022
		KES	KES
<b>Revenue from Non exchange transactions</b>			
Transfer from the National Government-grants	6	80,949,999	84,700,000
<b>Total Revenue from Non exchange transactions</b>		<b>80,949,999</b>	<b>84,700,000</b>
<b>Revenue from exchange transactions</b>			
Rendering of services	7	85,590,473	31,792,207
Rental revenue from facilities and equipment	8	3,058,459	3,048,850
Sale of Goods	9	3,119,690	1,560,624
Miscellaneous Income	10	209,357	84,518
<b>Total Revenue from exchange transactions</b>		<b>91,977,979</b>	<b>36,486,199</b>
<b>FINANCE INCOME</b>			
Finance income	11	619,068	0
<b>Total FINANCE INCOME</b>		<b>619,068</b>	<b>0</b>
<b>Total Revenue</b>		<b>173,547,046</b>	<b>121,186,199</b>
<b>Expenses</b>			
Use of Goods and Services	12	100,476,278	112,933,099
Employee Costs	13	43,386,449	26,925,050
Board expenses	14	1,024,656	466,000
Repairs and maintenance	15	3,975,159	10,840,418
Capital Expenditure	16	7,921,184	8,882,055
Depreciation	17	17,793,681	
<b>Total Expenses</b>		<b>174,577,406</b>	<b>160,046,622</b>
<b>Other Gains/(Loss)</b>		<b>0</b>	<b>0</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>-1,030,360</b>	<b>-38,860,423</b>

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

  
 .....  
 Chairman of Board

  
 .....  
 Finance Officer  
 ICPAK No. 30948

  
 .....  
 Chief Principal

Date 27-1-25

Date 27-1-25

Date 27-1-25

CHIEF PRINCIPAL  
 KAGUMO TEACHERS TRAINING COLLEGE  
 P. O. Box 18 - 10100, NYERI  
 CELI - 0701972912  
 info@kagumocollege.ac.ke  
 DATE:.....SIGN:.....

**Kagumo Teachers' Training College**  
**Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2023**

**15. Statement of Financial Position as at 30th June 2023**

	Note	2022/2023	2021/2022
		KES	KES
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash Equivalents	18	15,906,086	23,745,135
Receivables from exchange transactions	19	10,278,042	8,089,451
Investments in financial assets	20	8,568,000	0
<b>Total Current Assets</b>		<b>34,752,128</b>	<b>31,834,586</b>
<b>Non- Current Assets</b>			
Property, Plant and equipment	21	1,113,033,359	
Intangible Assets	22	5,532,000	
Biological Assets	23	5,161,558	
<b>Total Non- Current Assets</b>		<b>1,123,726,917</b>	
<b>Total Assets</b>		<b>1,158,479,045</b>	<b>31,834,586</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Social benefit liability		0	253,074
Trade and other payables from exchange transactions	24	13,805,401	10,948,470
Fees received in advance	25	4,091,496	24,634,412
Refundable deposits from customers	26	1,873	398,018
<b>Total Current Liabilities</b>		<b>17,898,769</b>	<b>36,233,974</b>
<b>Total Liabilities</b>			<b>36,233,974</b>
<b>Net Assets</b>		16,853,358	-4,399,388
Capital fund		1,123,726,917	
<b>Total Net Assets</b>		<b>1,140,580,275</b>	<b>-4,399,388</b>
<b>Total net assets and liabilities</b>		<b>1,158,479,044</b>	<b>31,834,586</b>

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

.....  
 Chairman of Board

.....  
 Finance Officer

.....  
 Chief Principal

ICPAK No.30948

Date 27-1-25

Date 27-1-25

Date 27-1-25



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

	Accumulated Fund	Capital Fund	Revenue Reserves	Total
Balance at July, 01 2021	49,248,885	-	-7,406,790	41,842,095
Additions in the year	1,818,018	-	-9,199,078	- 7,381,060
Surplus for the year	-	-	-38,860,423	-38,860,423
<b>Balance at June, 30 2022</b>	<b>51,066,903</b>	-	<b>-55,466,291</b>	<b>- 4,399,388</b>
Balance at July, 01 2022	51,066,903	-	-55,466,291	- 4,399,388
Additions in the year	44,566,212	-	-22,283,106	22,283,106
Surplus for the year	-	-	-1,030,360	- 1,030,360
<b>Balance at June, 30 2023</b>	-	-	<b>-28,598,248</b>	<b>16,853,358</b>

**17. Statement of Cash Flows for the Year Ended 30 June 2023**

	<b>2022/2023</b>	<b>2021/2022</b>
	<b>KES</b>	<b>KES</b>
<b>Cash and Cash Equivalents at Beginning of the Year</b>	23,745,135	40,488,427
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Social benefit liability	5,574,417	5,354,187
Employee Costs	-98,354	0
Transfer from the National Government	72,200,000	72,200,000
Rendering of services	59,885,384	44,652,999
Rental revenue from facilities and equipment	2,609,534	2,491,885
Sale of Goods	2,718,328	1,950,087
Miscellaneous Income	219,600	87,317
Prepayment Inflow	12,512,360	16,166,343
	<b>155,621,269</b>	<b>142,902,817</b>
<b>Payments</b>		
Social benefit liability	0	1,213,706
Trade and other payables from exchange transactions	415,159	551,548
Employee Costs	41,018,292	29,118,098
Rendering of services	13,920,600	17,818,800
Use of Goods and Services	99,139,147	100,120,329
Board expenses	1,024,656	466,000
Repairs and maintenance	4,259,970	10,180,816
Prepayment Outflow	2,500	12,750
	<b>159,780,324</b>	<b>159,482,047</b>
<b>Cash flows from operating activities</b>	<b>-4,159,055</b>	<b>-16,579,230</b>
<b>Cash flows from financing activities</b>		
<b>Receipts</b>		
Reserves	728	1,825,218
Transfer from the National Government	8,750,000	12,500,000
	<b>8,750,728</b>	<b>14,325,218</b>
<b>Payments</b>		
Capital Expenditure	7,921,184	8,882,055
<b>Net cash flows from financing activities</b>	<b>829,544</b>	<b>5,443,163</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>-3,329,511</b>	<b>-11,136,068</b>
<b>Cash and Cash Equivalents at End of the Year</b>	<b>18,107,221</b>	<b>24,219,880</b>

## 18. Statement of Comparison of Budget &amp; Actual amounts For Year Ended 30 June 2023

	ORIGINAL BUDGET	ADJUSTMENTS	FINAL BUDGET	ACTUAL ON COMPARISON BASIS	VARIANCE
	KES	KES	KES	KES	KES
<b>INCOME</b>					
<b>Revenue from Non exchange transactions</b>					
Transfer from the National Government	72,200,000	8,750,000	80,950,000	80,950,000	
<b>Total Revenue from Non exchange transactions</b>	<b>72,200,000</b>	<b>8,750,000</b>	<b>80,950,000</b>	<b>80,949,999</b>	
<b>Revenue from exchange transactions</b>					
Rendering of services	59,813,352	0	59,813,352	85,590,473	25,777,121
Rental revenue from facilities and equipment	2,676,400	0	2,676,400	3,058,459	382,059
Sale of Goods	1,030,000	0	1,030,000	3,119,690	2,089,690
Miscellaneous Income	0	0	0	209,357	209,357
<b>Total Revenue from exchange transactions</b>	<b>63,519,752</b>	<b>0</b>	<b>63,519,752</b>	<b>91,977,979</b>	<b>28,458,227</b>
<b>FINANCE INCOME</b>					
Finance income	0	0	0	619,068	619,068
<b>Total FINANCE INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>619,068</b>	<b>619,068</b>
<b>TOTAL INCOME</b>	<b>135,719,752</b>	<b>17,500,000</b>	<b>144,469,752</b>	<b>173,547,046</b>	<b>29,077,294</b>
<b>EXPENSES</b>					
<b>Expenses</b>					
Employee Costs	51,359,270	0	51,359,270	43,386,449	7,972,821
Use of Goods and Services	80,352,882	0	80,352,882	100,476,278	-20,123,396
Board expenses	800,000	0	800,000	1,024,656	-224,656
Repairs and maintenance	3,177,600	0	3,177,600	3,975,159	-797,559
Capital Expenditure	0	8,750,000	8,750,000	7,921,184	-828,816
<b>Total Expenses</b>	<b>135,689,752</b>	<b>8,750,000</b>	<b>144,439,752</b>	<b>156,783,726</b>	<b>-14,001,606</b>
<b>TOTAL EXPENSES</b>	<b>135,689,752</b>	<b>8,750,000</b>	<b>144,439,752</b>	<b>156,783,726</b>	<b>-14,001,606</b>
	<b>30,000</b>	<b>0</b>	<b>30,000</b>	<b>16,763,320</b>	<b>15,075,688</b>

## **19. Notes to the Financial Statements**

### **1. General Information**

Kagumo Teacher Training 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 college's principal activity is teach diploma in teacher Education.

### **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 accounting policies. The areas involving a higher degree of judgement 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 Kagumo Teacher Training 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 2023.

Standard	Effective date and impact:
<p><b>IPSAS 41:</b> Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2023:</b> 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"> <li>• 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;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• 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.</li> </ul>
<p><b>IPSAS 42:</b> Social Benefits</p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b> The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the Entity. (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.</p>
<p>Amendments to Other IPSAS resulting from</p>	<p><b>Applicable: 1st January 2023:</b> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently</p>

**Kagumo Teacher's Training College**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 41, Financial Instruments	<p>omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
Other improvements to IPSAS	<p><b>Applicable 1<sup>st</sup> January 2023</b></p> <ul style="list-style-type: none"> <li>• <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008).</li> <li>• <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</li> <li>• <b>IPSAS 29: Financial instruments: Recognition and Measurement.</b> Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1<sup>st</sup> January 2023.</li> </ul>

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

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

**iii. Early adoption of standards**

The Board did not early-adopt any new or amended standards in year 2022/2023

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Transfers from other government entities**

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

**ii) Revenue from exchange transactions**

**Rendering of services**

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

**Sale of goods**

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

**Notes to the Financial Statements (Continued)**

**Rental income**

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

**b) Budget information**

The original budget for FY 2022/2023 was approved by the Board on **28<sup>th</sup> June 2022**. No subsequent revisions or additional appropriations were made to the approved budget.

The college budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page **xx** under section **xxx** of these financial statements.

**c) Taxes**

***Current income tax***

The entity is exempt from paying taxes as per schedule **xxx** of the **xxx** Act.

***Sales tax/ Value Added Tax***

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

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

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

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**d) Property, plant and equipment**

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

**Trade and other receivables**

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

**e) 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.

**f) Comparative figures**

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

**g) Subsequent events**

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

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

**Estimates and assumptions.**

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

**Useful lives and residual values**

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

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

**Provisions**

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

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

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

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

Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

	FY2022/2023	FY2021/2022
	KES	KES
Recurrent Grant	72,199,999	72,200,000
Development Grant	8,750,000	12,500,000
<b>Total Revenue from non-exchange transactions</b>	<b>80,949,999</b>	<b>84,700,000</b>

7. Rendering of Services

	FY2022/2023	FY2021/2022
	KES	KES
Students Registration	133,200	14,550
Student Council	381,600	30,000
Co-Curricular Activities	1,950,600	259,300
Medical Fund	993,883	346,050
Teaching Practice Administration	2,567,640	2,559,550
Boarding Equipment & Stores	37,414,224	7,055,700
Tuition, Equipment & Stores	6,574,750	2,523,613
Repair, Maintenance & Improvements	2,726,410	2,170,200
Electricity, water & Conservancy	6,614,182	2,346,350
Local Transport and Travel	4,481,421	2,770,582
Administration Cost	11,465,367	1,266,808
KNEC	7,876,000	4,228,000
KUCCPS	943,500	75,000
PE Kits	1,383,800	110,000
Service cost	0	332,000
Facilitation Fees	13,000	559,030
PE Non-Teaching Staff	70,896	5,000,000
	<b>85,590,473</b>	<b>31,646,733</b>

8. Rental revenue from facilities and equipment

	FY2022/2023	FY2021/2022
	KES	KES
Water charges	0	116,441
Rent Income	1,755,545	1,661,207
Hire of Facilities	1,302,914	1,271,202
	<b>3,058,459</b>	<b>3,048,850</b>

9. Sale of Goods

	FY2022/2023	FY2021/2022
	KES	KES
Bee Income	13,600	0
Coffee Income	350,568	921,123
Dairy Income	2,250,386	455,528
Banana Income	15,000	62,157
Pig Income	285,400	24,000
Farm Income	0	6,580
Vegetables Income	204,737	97,817
	<b>3,119,690</b>	<b>1,567,204</b>

**Kagumo Teacher's Training College**  
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**10. Miscellaneous Income**

	<b>FY2022/2023</b>	<b>FY2021/2022</b>
	<b>KES</b>	<b>KES</b>
Administration Cost Income (Fund)	0	192
Boarding Equipment & Stores Income (Fund)	0	65,970
Facilitation Income (Fund)	0	71,420
Registration Income (Fund)	0	7,892
Administration Cost Income (Farm)	0	175
Bee Income (Farm)	0	401
staff trip	190,000	0
Catholic Action Income	0	25,500
Disposal	19,357	51,862
	<b>209,357</b>	<b>223,412</b>

**11. Finance Income**

	<b>FY2022/2023</b>	<b>FY2021/2022</b>
	<b>KES</b>	<b>KES</b>
Interest on Fixed Deposit	619,068	0.00
<b>Total FINANCE INCOME</b>	<b>619,068</b>	<b>0.00</b>

**Kagumo Teacher's Training College**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

**Notes To the Financial Statements (Continued)**

**12. Use of Goods and Services**

	FY 2022/2023	FY 2021/2022
	KES	KES
Performance Contract Expenses	2,252,095	821,234
Retention Fee Expenses	161,523	212,778
Services Cost Expenses	0	1,514,500
Boarding Equipment & Stores (Fund)	0	810,340
Repair Maintenance & Improvement (Fund)	0	1,246,975
Farm Machinery (Farm)	0	5,800
Repair Maintenance & Improvement (Farm)	0	92,610
Rent Expenses	0	213,840
Bank Charges Expense	95,493	0
Facility Hire Expense	659,260	803,000
Withholding Tax	59,102	371,318
Christian Union Expense	20,000	0
Farm Expenses	0	542,439
Administration Cost (Fund)	0	5,000,000
Rent (Fund)	0	179,200
Teaching Practice Administration (Fund)	0	4,998,890
Administration Cost (Farm)	255,170	9,842
Banana (Farm)	3,100	32,050
Bee (Farm)	1,180	15,010
Coffee (Farm)	186,141	368,292
Dairy (Farm)	2,134,511	2,805,693
Electricity Water & Conservancy (Farm)	0	4,000
Maize (Farm)	65,450	111,650
Pig (Farm)	17,600	18,000
PE NTS (Farm)	458,385	0
Vegetables (Farm)	111,580	201,400
Staff Water Charges	8,137	1,344
Activity Expenses	1,973,167	1,463,060
BES	34,401,628	29,814,961
Administration costs	20,605,890	21,348,861
Local Transport and Travel Expense	5,889,266	6,505,067
Medicare	1,217,880	776,729
PE Uniform	0	922,300
Electricity Water & Conservancy Expense	5,225,131	5,539,210
Teaching Practice Administration Expense	12,157,370	6,012,626
TES Expense	6,399,463	4,633,876
KUCCPS Expense	393,000	576,000
KNEC EXPENSES	3,792,800	14,564,300
CO Curricular Activities Expense	1,487,350	0
Students Representative Council Expense	444,606	395,905
<b>Total Use of Goods and Services</b>	<b>100,476,278</b>	<b>112,933,099</b>

**Kagumo Teacher's Training College**  
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**Notes To the Financial Statements (Continued)**

**13. Employee Costs**

	<b>FY2022/2023</b>	<b>FY2021/2022</b>
	<b>KES</b>	<b>KES</b>
Basic Salary	21,173,413	11,685,615
Commuter Allowance	3,395,000	1,942,477
House Allowance	3,138,025	1,766,552
Extraneous Allowance	1,000,000	525,000
Medical Allowance	596,775	340,056
Risk allowance	157,850	80,850
Employer NSSF	902,516	189,000
NITA Levy	0	54,050
Non-Teaching Staff Welfare Expenses	0	233,000
Leave Allowance	328,000	354,000
Salary Arrears	1,188,595	0
Service Gratuity Expenses	1,222,159	3,848,277
Personal Emoluments	10,284,116	5,906,173
<b>Total Employee Costs</b>	<b>43,386,449</b>	<b>21,018,877</b>

**14. Board Expenses**

	<b>FY2022/2023</b>	<b>FY2021/2022</b>
	<b>KES</b>	<b>KES</b>
Board Allowances	1,024,656	466,000
<b>Total Board Expense</b>	<b>1,024,656</b>	<b>466,000</b>

**15. Repairs and Maintenance**

	<b>FY2022/2023</b>	<b>FY2021/2022</b>
	<b>KES</b>	<b>KES</b>
RMI Expense	3,975,159	10,840,418

**16. Capital Expenditure**

	<b>FY2022/2023</b>	<b>FY2021/2022</b>
	<b>KES</b>	<b>KES</b>
Development	3,431,557	8,882,055
DEVELOPMENT GRANT.EXPENSE	4,489,627	0
<b>Total Capital Expenditure</b>	<b>7,921,184</b>	<b>8,882,055</b>

**17. Depreciation expense**

	<b>FY2022/2023</b>	<b>FY2021/2022</b>
	<b>KES</b>	<b>KES</b>
Property, plant and equipment	17,793,681	
<b>Total depreciation</b>	<b>17,793,681</b>	<b>xxx</b>

18. Cash and Cash Equivalents

(a) Detailed Analysis of Cash and Cash equivalents

	FY2022/2023	FY2021/2022
	KES	KES
KCB Bank A/C 1101874422	14,276,888	24,351,226
KCB Fund A/c 1101874589	2,261,584	2,120,980
KCB Farm A/C 1101877960	168,416	612,448
Equity Bank A/c 0110297070907	- 1,029,056	- 3,389,795
Undeposited Funds	6,600	6,600
Cash - Equity A/c	14,686	102,909
Cash - KCB Main A/c	373,680	- 92,740
Cash - KCB Farm A/c	- 167,128	27,093
Cash - KCB Fund A/c	415	6,415
<b>Total Cash and Cash Equivalents</b>	<b>15,906,086</b>	<b>23,745,135</b>

19. Receivables from Exchange transactions

	FY2022/2023	FY2021/2022
	KES	KES
Student Debtors	9,943,282	7,801,989
Sundry Debtors	334,760	287,462
<b>Total Receivables from exchange transactions</b>	<b>10,278,042</b>	<b>8,089,451</b>

Ageing Analysis of Receivables from Exchange transactions

	Kshs		Kshs	
	FY 2022/2023	% of the total	FY 2021/2022	% of the total
Less than 1 year	4,141,764	42	4,807,825	62
Between 1- 2 years	3,255,192	33	2,994,164	38
Between 2-3 years	2,546,325	25		
	<b>9,943,281</b>		<b>7,801,989</b>	

20. Investments in financial assets

Description	2022-2023	2021-2022
	KShs	KShs
Equity Bank Fixed Deposit	8,568,000	
<b>Grand total</b>	<b>8,568,000</b>	

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**21. Property, Plant and Equipment**

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>At July 2021</b>	559,700,000	540,787,437	9,123,480	1,070,366	8,733,586	2,513,000	1,121,927,869
Additions	-	-	-	1,286,365	472,450	-	1,758,815
Disposals	-	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-	-
<b>At 30<sup>th</sup> June 2022</b>	<b>559,700,000</b>	<b>540,787,437</b>	<b>9,123,480</b>	<b>9,198,587</b>	<b>9,206,036</b>	<b>2,513,000</b>	<b>1,130,528,540</b>
Additions	-	-	0	1,500	477,000	-	478,500
Disposals	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	0	0	0	0	-
<b>At June 2023</b>	<b>559,700,000</b>	<b>540,787,437</b>	<b>9,123,480</b>	<b>9,200,087</b>	<b>9,683,036</b>	<b>2,513,000</b>	<b>1,131,007,040</b>
Additions	-	-	0	446,528	21,230,044	15,990	21,692,562
Disposals	-	-	0	-	-	-	-
Transfer/Adjustments	-	-	0	-	-	-	-
<b>At June 2024</b>	<b>559,700,000</b>	<b>540,787,437</b>	<b>9,123,480</b>	<b>9,646,615</b>	<b>30,913,080</b>	<b>2,528,990</b>	<b>1,152,699,602</b>
<b>At 30<sup>th</sup> June 2022</b>		10,815,749	2,280,870	1,149,823	3,065,610	502,600	17,814,652
<b>At 30th June 2023</b>		10,815,749	2,280,870	1,150,011	3,224,451	502,600	17,973,681
<b>At 30th June 2024</b>		10,815,749	228,087	1,205,827	10,294,056	505,798	23,049,516

## 22. Intangible Assets

	FY2022/2023	FY2021/2022
	KES	KES
Cost	5,532,000	
At beginning of the year	xxx	xxx

## 23. Biological Assets

	FY2022/2023	FY2021/2022
	KES	KES
Cattle	1,711,412	1,397,449
flowers	409,280	144,619
Pigs	354,413	333,113
coffee	1918941	1,566,906
Nappier	53541	19,345
Banana	690,280	563,650
Maize	23,691	201,183
<b>Total</b>	<b>5,161,558</b>	<b>4,226,265</b>

## 24. Trade and Other Payables

	FY2022/2023	FY2021/2022
	KES	KES
Creditors	13,026,242	9,591,814
Opening balance	0	- 659,802
Bursary	0	568,552
WH VAT 2%	0	81,556
Caution Money	0	344,324
Catholic Action	0	- 18,200
Retention Fee 10%	779,159	1,220,459
Retention Fee 5%	0	72,841
<b>Total Trade and Other Payables From exchange transactions</b>	<b>13,805,401</b>	<b>11,201,544</b>

## 25. Fees received in advance

	FY2022/2023	FY2021/2022
	KES	KES
Fees Prepayments	4,091,496	24,634,412
<b>Total Fees received in advance</b>	<b>4,091,496</b>	<b>24,634,412</b>

**26. Refundable Deposits from Customers**

	<b>FY2022/2023</b>	<b>FY2021/2022</b>
	<b>KES</b>	<b>KES</b>
Customer Prepayments	1,873	398,018
<b>Total Refundable deposits from customers</b>	<b>1,873</b>	<b>398,018</b>

**Notes to the Financial Statements (Continued)**

**27. Financial Risk Management**

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

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

**(i) Credit risk**

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

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

the company's management based on prior experience and their assessment of the current economic environment.

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

**Financial risk management (continued)**

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

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

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

**(ii) Liquidity risk management**

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

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

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disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

**Notes to the Financial Statements (Continued)**

**Financial risk management (continued)**

**(iii) Market risk**

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

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

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

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

**b) Interest rate risk**

Interest rate risk is the risk that the college's financial condition may be adversely affected as a result of changes in interest rate levels. The company's interest rate risk arises from bank deposits. This exposes the company to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the company's deposits.

**Management of interest rate risk**

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

**28. 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 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) Ministry of Education;
- iii) Board of Management

**Notes to the Financial Statements (Continued)**

**29. Events After the Reporting Period**

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

**30. Ultimate And Holding Entity**

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

**31. Currency**

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

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**20. Appendices**

**Appendix 1: Implementation Status of Auditor-General Recommendations**

The college has not been audited by the Auditor General and therefore no recommendations have done.

**Appendix II: Projects Implemented by the college**

**Projects**

**Status of Projects completion**

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Construction of perimeter	8,750,000	30.09.2023	50%	8,750,000	8,750,000	MoE

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Appendix III- Inter-Entity Confirmation Letter

P.O. BOX 18, 10100 NYERI

KAGUMO TEACHERS' TRAINING COLLEGE



Mobile No.0701972912 (Calls only)  
Mobile No. 0796632055  
Email: info@kagumocollege.ac.ke  
Website: www.kagumocollege.ac.ke

*Vision: A Centre for Globally Competitive Teacher Education and Training.*

The college wishes to confirm the amounts disbursed to you as at 30<sup>th</sup> June 2023 as indicated in the table below

Reference Number	Date Disbursed	Amount Disbursed[SC/SAGA/Fund](Kshs)as at 30 <sup>th</sup> June 2023				Amount Received by[beneficiary entity](Kshs)as at 30 <sup>th</sup> June 2023 (E)	Differences (Kshs)(f)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
	08.08.2022	6,016,667			6,016,667	6,016,667	
	15.09.2022	6,016,667			6,016,667	6,016,667	
	15.10.2022	6,016,666			6,016,666	6,016,666	
	04.11.2022	6,016,666	8,750,000		14,766,666	14,766,666	
	14.12.2022	6,016,666			6,016,666	6,016,666	
	29.12.2022	6,016,668			6,016,668	6,016,668	
	07.02.2023	6,016,666			6,016,666	6,016,666	
	30.03.2023	6,016,667			6,016,667	6,016,667	
	14.04.2023	6,016,667			6,016,667	6,016,667	
	07.05.2023	6,016,666			6,016,666	6,016,666	
	05.06.2023	6,016,667			6,016,667	6,016,667	
	26.06.2023	6,016,666			6,016,666	6,016,666	
	<b>Total</b>	<b>72,199,999</b>	<b>8,750,000</b>		<b>80,949,999</b>	<b>80,949,999</b>	

In confirm that the amount shown above are correct as of the date indicated and are as included in the financial statements  
HEAD OF ACCOUNTS DEPARTMENT OF BENEFICIARY ENTITY: **KAGUMO TEACHERS' TRAINING COLLEGE**

Name.....Sign.....Date.....

**Appendix IV: Reporting of Climate Relevant Expenditures**

The Board did not incur any expenditures on any climate relevant activities for the period ended 30<sup>th</sup> June 2023

**Appendix V: Reporting on Disaster Management Expenditure**

The Board did not incur any expenditures on any disaster management activities for the period ended 30<sup>th</sup> June 2023