

REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 02 APR 2026	DAY: Thursday
TABLED BY: Deputy Majority Whip Hon. Naomi Wagona	
CLERK-AT THE-TABLE: Halima Ahmed	

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REPORT

OF

THE AUDITOR-GENERAL

ON

**ST. AUGUSTINE TEACHERS' TRAINING
COLLEGE - EREGI**

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



ST. AUGUSTINE TEACHERS' TRAINING COLLEGE - EREGI
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2025

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

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Acronyms and Definition of Key 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
TTC	Teachers' Training College
DECTE	Diploma in Early Childhood Teacher Education
DPTE	Diploma in Primary Teacher Education
DTE (PP & P)	Diploma in Teacher Education (Pre-primary & Primary)
UDPTE	Upgrade Diploma in Primary Teacher Education
UDECTE	Upgrade Diploma in Early Childhood Teacher Education

2. Key College Information and Management

(a) Background information

St. Augustine Teachers’ Training College-Eregi was founded in 1949 by the Catholic Mill Hill Fathers to train T4 (P4) teachers. Subsequently, it was handed over to the Catholic Diocese of Kisumu and later to Kakamega Diocese. In 1955, the College started training T3 (P3) and T2 (P2) teachers. In 1960, the first group of T1 (P1) teacher-trainees was admitted. In 1967 Eregi Teachers’ Training College became full Government managed institution upon absorbing Mukumu, Kibabii and St. Joseph’s Kitale Teachers’ Training Colleges which were hitherto being managed by the church. The college derives its mandate and functions from The Basic Education Act of 2013. Currently, it is managed by the Board of Management under the Ministry of Education. The college is domiciled in Kenya, Kakamega County.

(b) Principal Activities

Vision: To be a leading Teacher Training and Education Centre.

Mission: Develop holistic primary school teachers through consistent quality training to face and adapt to the challenges of the society.

Core Values: The following are the key living values that the College strives to inculcate among the students as well as the stakeholders; Godliness, Diligence, Discipline, Co-operation, Dedication, Honesty, Integrity, Respect, Courage and Obedience.

(c) Key Management

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

- Board of Management
- Accounting officer/ Principal
- Deputy Principal
- Dean of Curriculum
- Dean of Students
- Finance and Administrative Officer
- Procurement officer
- Heads of Departments

(d) Fiduciary Management

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

No.	Designation	Name
1.	Principal	Mr. Katua G. Manundu
2.	Deputy Principal	Ms. Marystella Mbaya
4	Dean of Curriculum	Mr. Solomon Mirikau
5	Dean of students	Christine Owino
6	Head of Finance	CPA Harriet Mahasi
8	Procurement Officer	Mr.Kizito Wanjala

Key College Information and Management (Continued)

(e) **Fiduciary Oversight Arrangements**

Audit and risk committee activities chaired by Mr. Jimmy Makotsi

Finance and general-purpose committee chaired by Mr. Richard Andabwa

Academic Standards, Quality and Environmental committee chaired by Mr.

Jimmy Makotsi

College Infrastructure committee chaired by Mr. Titus Ojwang

Human rights and students' welfare chaired by Mrs. Lydia Aluvala

Discipline, Ethics and Integrity Committee chaired by Mr. Gabriel Fwaya

(f) **College Headquarters**

P.O. Box 100-50300
MARAGOLI
KENYA

(g) **College Contacts**

Telephone: 0792984538
E-mail: info.eregicollege@gmail.com
Website: www.eregiteacherscollege.ac.ke

(h) **College Bankers**

Kenya Commercial Bank
Kakamega Branch
KENYA

(i) **Independent Auditors**

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

Key College Information and Management (Continued)

(j) **Principal Legal Adviser**

The Attorney General
State Law Office

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

3. The Board of Management



Name: Mr. Gerald Bulimo Makomere

D.OB: 15/10/1956

Key Qualifications: Bachelor of Science (Agriculture) – university of Nairobi

Work Experience: 2012 to date Board Member Eregi TTC, Deputy Chairman B.O.M. Eregi TTC

1982 -1985 – District Animal Production Officer, Ministry of Agriculture and Livestock Development – Busia and Kakamega Districts

1985 -2016 – Branch Manager Agricultural Finance Corporation.



Name: Dosiana Olivia Mukwila Ahindukha

D.OB: 17.03.1957

Key Qualifications: BA (UON), PGDE Kenyatta University, Masters in Leadership policy in Education (Moi University)

Work Experience: 1990 – 2009 – Principal of St. Agnes Girls Shibuye, 2009 – 2012 – Principal St. Pauls Erusui Girls Secondary School.

2012 – 2017 – County Director of Education(TSC) Baringo and Homabay







Name: Prof Mary M.M Kadenyi

D.OB : 1955

Key Qualifications: Doctor of philosophy-Moi University

Currently professor at Koitalel Samoi University Eldoret

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	<p>Name: Mr. Elijah Mokono D.OB: 1967 Key Qualifications: Holds a Bachelor Education degree from Moi University Work Experience: Head of Subject (Kiswahili) at St. Augustine TTC-Eregi Representative of Academic Staff Welfare</p>
	<p>Name: Mr. Richard Aiden Andabwa D.O.B: 1950 Key Qualifications: Cambridge school Certificate 1968 Work experience: Retired banker</p>
	<p>Name: Gabriel Fwaya D.OB: 12.6.1969 Key Qualifications: LLB Hons. University of Nairobi Work Experience: Practicing advocate for over 22 years</p>
	<p>Name: Mr. Matekwa John Gregory Khamati D.OB: 27/7/1968 Key Qualifications: Bachelor of Science and PGDE. Egerton University. Work Experience: 1995 – 2009 Teacher of Mathematics, Computer Studies and Physics at Pan Paper High School Webuye. 2010 – Date: Constituency Elections Coordinator – Webuye, Kitui Central, Ikolomani and Bondo Constituencies.</p>

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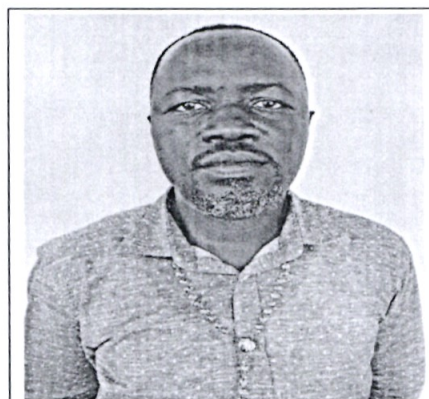


Name: Mr Stanley Mmbasu Mukoyani
D.O.B: 1958
Key Qualifications: Holds a Diploma in logistics and supply Chain Management-Kampala University
Work Experience: Currently working with the County Government of Kakamega as a senior Clerical Officer.



Name: Lydia Aluvala
D.OB: 1968
Key Qualifications: B.Sc. in Food and Nutrition and Dietetics, 2015 Kenyatta University

Work Experience: Coordinator and trainer in various health promotion projects and programmes since 2002.



Name: Otieno Titus Ojwang'
D.OB: 3/05/1977
Key Qualifications: National Diploma in Land Surveying from the Kenya Institute of Surveying and Mapping - 2002.

Work Experience: Has wide experience in various aspects of surveying in and outside Kenya. Currently is attached to the Ministry of Lands, Planning and Physical Development, Busia since 2012



Name: Genieve Imbayi
D.OB: 20/11/1970
Key Qualifications: BA – Egerton University 1994 and Diploma in Human Resource Management by Kenya Institute of Management 2000

Work Experience: 2005 – 2016 Manager rehabilitation school Kakamega
2002 – 2004 – District Childrens' Officer - Kakamega
-currently the Sub County Children's' officer in the Ministry of Labour and Social protection.



Name: Makotsi Makotsi Jimmy

D.OB: 3/5/1958

Key Qualifications: BA (Hons) University of Nairobi.

Work Experience: Wide experience in the publishing industry as manager and publisher. Currently in retirement published several Works



Name: Mr Fabian Sumba Muya

D.O.B: 1956

Key Qualifications: Bsc. In Agriculture, Msc Land and Water Management

Work Experience: Retired as a Director and Agriculture Attaché



Name: Mr Kipchumba Adams

D.O.B:

Key Qualifications: Students' Council Representative

Diploma in Primary Teacher Education (on-going)



Name: Gideon Manundu Katua

D.OB: 1965

Key Qualifications: MSc. (HRM) Jomo Kenyatta University
 B.Ed. (Sp. Education) Kenyatta University
 Diploma in Ed. (Sp.Ed.) Kenya Institute of Speci
 Education

Work Experience: 33 years

Muangeni Primary School	1 year	1985 – 1986 – Teacher
Yatwa Primary School	3 months	1988 – 1988 - Teacher
Nuu Special School	11 years	1988 – 1999 - H/Teacher
Kilimbabogo TTC	17 years	2002 – 2018 - Lect./DOC
Ugenya TTC	2 years	2019 – 2020 - DOS/ Deputy
Eregi TTC	1 year	2020 – to date Principal

Secretary to Board of Management – Eregi Teachers Training College

4. Key Management Team



Name: Gideon Manundu Katua
D.OB: 1965
Key Qualifications: MSc. (HRM) Jomo Kenyatta University
 B.Ed. (Sp. Education) Kenyatta University
 Diploma in Ed. (Sp.Ed.) Kenya Institute of Special Education
Work Experience: 33 years
 Muangeni Primary School 1 year 1985 – 1986 – Teacher
 Yatwa Primary School 3 months 1988 – 1988 - Teacher
 Nuu Special School 11 years 1988 – 1999 - H/Teacher
 Kilimbabogo TTC 17 years 2002 – 2018 - Lect./DOC
 Ugenya TTC 2 years 2019 – 2020 - DOS/ Deputy
 Eregi TTC 1 year 2020 – to date Principal
 Secretary to Board of Management – Eregi Teachers Training College



Name: Ms. Marystella Mbaya
 Deputy Principal
 DoB 29/5/1973
 Bachelors of Arts (French)



Name: Mirikau Solomon

D.OB: 1965

Key Qualifications: MEd. – University of Nairobi

Work Experience: Has served as the Dean of Curriculum since 2011. He is a teacher of Language and has authored various titles for secondary and teacher training.



Name: Christine Owino

D.OB: 02/02/1966

Key Qualifications: BED English/Literature Catholic University of East Africa

Work Experience: Dean of Students – 2020 (confirmed)
H.O.S of English and Indigenous Languages,
Coordinator: Child Development and Psychology
Currently Deans of




Name: CPA. HARRIET MAHASI

D.O.B: 26/9/1980

Key Qualifications:
MASTERS IN BUSINESS ADMINISTRATION-FINANCE OPTION
BACHELOR OF COMMERCE-FINANCE OPTION
C.P.A(K)
ICPAK NO. 14825

Work Experience:
2024 FINANCE AND ADMINISTRATION OFFICER St. AUGUSTIN
TEACHERS TRAINING COLLEGE-EREGI

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		<p>Kizito Wanjala Head of Procurement</p> <ul style="list-style-type: none">•Date of birth 1976•Diploma (Supplies management)•Procurement officer
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5. Chairman's Statement

St. Augustine Teachers Training College – Eregi is mandated to offer training in Diploma in Primary Teacher Education and Diploma in Early Childhood Teacher Education. The college was also mandated to carry out upgrade training program to Diploma for P1 Certificate teachers.

The Board of Management is entrusted with the responsibility of providing leadership in designing conducive plans and strategies that contribute to sound financial management and accountability. This is anchored on the fact that prudent financial management dictates the smooth running of all other activities and an environment that steers quality training of teachers for the 21st century.

During the period 2024- 2025, the Board of Management achieved the following:

- (a) Completion of perimeter wall
- (b) Management of statutory obligations such as Income Tax and NHIF.
- (c) Training of Teaching Staff in the Competency Based Curriculum
- (d) Managed recurrent bills such as electricity bills.

CHALLENGES

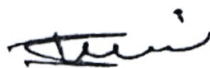
The period 2024 – 2025 saw the College grapple with many challenges which included but not limited to the following: -

- (a) Dilapidated infrastructure due to age.
- (b) Un-serviced college vehicles
- (c) Need for renovation of some buildings
- (d) Inadequate female hostels
- (e) Insufficient ablution blocks
- (f) Poor fees payment by the students

WAY FORWARD

- (a) Enhance fee collection
- (b) Revamp the farm activities for income generation
- (c) Installation of solar to save on electricity
- (d) Install energy saving jikos to save on charcoal and firewood.
- (e) Seek financial assistance from the Ministry of Education to improve the infrastructure.
- (f) Seek support from other stakeholders such as the County Government, National Government CDF.
- (g) Construct a new hostel for female students to meet the demands occasioned by increased enrolment

Signed:



Mr. GERALD MAKOMERE
Chairman Board of Management

6. Report of the Principal

St. Augustine Teachers Training College – Eregi is a fully fledged teacher training college. The college is authorized to provide training in Diploma in Primary Teacher Education (DPTE) and Diploma in Early years Teacher Education (DECTE). Recently the college was mandated to carry out upgrade training program to Diploma for both ECDE Certificate and P1 Certificate teachers. The vision of the College is to be a leading Teacher Training and Education Centre and a preferred choice for all those who aspire to be teachers. The mission statement is to develop holistic Primary School teachers through consistent quality training to face and adapt to the changes of the society, thus making our trainers the most marketable in the pool of teachers. The entire college community adheres to the college motto of 100% discipline, diligence and dedication. The college is guided by the values; Godliness, obedience, diligence, cooperation, respect, dedication, integrity and discipline,

The College sits on 58 acres of land and has great potential to be exploited. The College has the capacity to host national and inter- national events i.e. sports, meetings, marking, workshops etc. It has 53 members of teaching staff, all employed by the Teachers Service Commission. The non-teaching staff under the Board of Management stands at 42

The teacher training offered is fully residential. The college has a capacity of housing 1500 students.

ACHIEVEMENTS

In the period 2024 – 2025 the College made the following achievements:

- (a) The first cohort of the Diploma in Primary Teacher Education (DPTE) trainees sat for their Summative Assessment
- (b) Participated in ballgames and won six disciplines at the regional level and two at the National level
- (c) Repairs were done in some areas that were wanting.
- (d) Ablution block for members of the teaching staff was completed.
- (e) Teaching staff were trained in the Competency Based Curriculum.
- (f) Electricity bills were paid
- (g) Part of the college was re-fenced.
- (h) Statutory obligations were met NHIF, Income tax.
- (i) Payment of recurrent expenditure such as salaries of the NTS.
- (j) Construction of the college gate was completed.
- (k) Laying of the cabro was completed from the college main gate to the chapel.

CHALLENGES

- (a) Dilapidated structures in need of dire repair.
- (b) Inadequate female hostels
- (c) Old leaking water storage tanks.
- (d) Inadequate staff due the increased enrolment.

WAY FORWARD

Possible solutions to these challenges include:

- (a) Revamping farm activities for income generating
- (b) Install energy saving jikos and reduce on firewood and charcoal
- (c) Installation of solar to save on electricity
- (d) Jump start the Eregi Alumnus in order to support the development programs
- (e) Seek financial assistance from stakeholders namely: - Ministry of Education and County Government of Kakamega.
- (f) The church sponsor, non-governmental institutions.

Signed:



Gideon M. Katua

Chief Principal/Secretary Board of Management

7. Statement of Performance against Predetermined Objectives

St. Augustine Teachers’ Training College - Eregi has six (6) strategic pillars and objectives within the current strategic plan for 2024-2025.

These pillars are as follows: -

1. Learning, Teaching and Educational Experience.
2. Research, Innovation and Enterprise
3. Staff, Organization Structure and Institution’s Environment.
4. Resources, Infrastructure, Competitiveness and Commercial Income.
5. Inter-Institutional Collaboration.
6. Socio-Economic Engagement and External Stakeholders Partnerships.

St. Augustine Teachers’ Training College - Eregi develops its annual work plans based on the above 6 pillars. The assessment of the Board’s performance against its annual work plan is done on a quarterly basis. Eregi achieved its performance targets set for 2024-2025 period for its 6 strategic pillars as indicated in the diagram below: -

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Learning, Teaching and Educational Experience.	To sustain and further develop an inclusive learning community that empowers learners to be successful in a dynamic environment.	1. Develop an effective model that enhances St. Augustine TTC-Eregi engagement with different schools and the wider community.	1. Engage partnerships with schools in the community for practicum and graduate absorption. 2. Sustain Administration of continuous Assessment Tests.	- Improved performance in DPTE and DECTE results - Improved teacher attendance
Research, Innovation and Enterprise	To support sustainable learning and training through relevant and excellent collaborative research, innovation and knowledge-based enterprise development.	1. Develop and a roadmap for research-based approaches for learners and teachers.	1. Develop a research-based model of teacher training in St. Augustine TTC-Eregi.	- Wifi installation - Increased hours library - Issuance electronic receipts
Staff, Organization Structure and Institution’s Environment	To enhance our working environment and organizational structure to support all staff to perform to their full potential.	1. Enhanced training for Board of Management. 2. Supporting departmental strategic plans to	1. Enhanced Board of Management training. 2. Development of departmental work plan.	- Timely revision program - Training staff in CB

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		meet St. Augustine TTC-Eregi master plan.	3. Departmental and subject meetings 4. Preparation of schemes of work and lesson plans	- Improve worker engagement
Resources, Infrastructure, Competitiveness and Commercial Income.	To continue to offer a competitive, modern, learning and research environment by providing a flexible, cost effective, commercially viable and fit for purpose connected infrastructure.	1. Develop a Resource Strategy. 2. Develop strategies for optimized fees collection.	1. Map out financial resources potential sources. 2. Establish a database of potential sources of alternative income 3. Put tiles in the 5 classroom floors.	- Link with potential stakeholders - Assistance from CDF - Decentralize decision making
Inter-Institutional Collaboration	To create a cross-disciplinary learning environment that builds on its capacity for developing and maintaining strategic consolidation and collaborative relationships with quality external partners in academic and talent identification and nurturing sectors regionally, nationally and internally.	1. Establish a working relationship with other tertiary institutions.	1. Memorandum of Understanding with partner institution for a status upgrade.	- Use primary schools for practicum - Improved community relations - Use college facilities the community
Socio-Economic Engagement and external Stakeholder Partnership.	To construct and embed a sustainable and measurable approach to civil engagement (social, economic, cultural) that permeates St. Augustine TTC- Eregi curriculum and advances extra-institutional development.	1. External stakeholder engagement. 2. Assessment of St. Augustine TTC-Eregi external context.	1. Conduct a comprehensive stakeholder mapping exercise. 2. Conduct a needs analysis on perceptions of St. Augustine TTC-Eregi.	- Link with CDF, court and regional education offices - Link with internet providers, safaricom - Link with county government

8. Corporate Governance Statement

The top management organ of St. Augustine Teachers' Training College - Eregi is the Board of Management. The Board runs its affairs through frequent board meetings. The meetings may be: -

- (i) Full Board meetings.
- (ii) Executive Board meetings.
- (iii) Board Committee meetings.

During this period, two (2) full board meetings were held with 15 and 14 members attending the first and the second meetings respectively.

Three (3) Executive Board meetings were held with all the seven executive members in attendance. One Financial Board Committee meeting was also held with all the committee members attending. Attendance in the executive board and financial committees vary depending on the agenda of the meeting.

On succession, the County Director of Education chairs the vetting committee of board members for appointment by the CS to the Board for a period of three (3) years. The Board is composed of six persons representing the college community, one County Education Board nominee, one representative of the teaching staff, three representatives of the sponsor, one person to represent special interest groups, one person with special needs, student representative and co-opted members.

Board is inaugurated every after three (3) years, however, the Board Secretary who is the College Principal may stay for a shorter or longer period depending on how long he/she heads the College. The appointment and removal of a board member is upon expiry and resignation of the said member. Members of the Board are required to observe article 6 of the Constitution on leadership and integrity.

The College has a service charter that stipulates the service that clients can access and the timelines. Appointment and removal of Board member is the mandate of the Cabinet Secretary (CS), Ministry of Education.

The roles and functions of the Board consist of but not limited to the following: -

- a) Promote the best interests of the institution and ensure its development;
- b) Develop a strategic plan for the college
- c) Promote quality education for all trainees;
- d) Ensure and assure the provision of proper and adequate physical facilities for the college;
- e) Manage the college's affairs in accordance with the rules and regulations governing the occupational safety and health;
- f) Determine cases of trainees' discipline and make reports to the County Education Board. (CEB) provide for the welfare and observe the human rights and ensure safety of the pupils, teachers and non-teaching staff at the institution;
- g) Allow reasonable use of the facilities of the college for community, social and other lawful purposes, subject to such reasonable and equitable conditions

- as it may be determined including the charging of a fee;
- h) Administer and manage the resources of the college;
 - i) Receive, collect and account for any funds accruing to the college;
 - j) Perform any other function to facilitate the implementation of its functions under the Basic Education Act 2013 or any other written law.

The Performance of the Board was effective during the said period. The board carried out its functions diligently. There are no conflicts of interest in the Board of Management.

The Board members are paid sitting allowance ranging from Ksh. 5,000 and Ksh. 10,000 when they have sittings/meetings.

To promote Ethics and Governance Audit, the Board members through sub-committees monitor the activities and programs in the college through the Principal. The books of accounts are also audited yearly by the County and Regional School Auditors. The Board members attend meetings when required.

9. Management Discussion and Analysis

Grants

This is a discussion of the financial performance for the year 2024/2025. The College received unconditional grants from the Ministry of Education worth Kshs. 9783562 They were received as follows: -

(i)	1 st quarter	-	-
(ii)	2 nd quarter	-	-
(iii)	3 rd quarter	-	6,603,187
(iv)	4 th quarter	-	<u>3,180,375</u>
(v)	Total	-	<u>9,783,562</u>

These grants assist the College to finance: -

- (i) Non-teaching and support staff salaries
- (ii) College Administrative costs
- (iii) Activity subsidy
- (iv) Tuition

We thank the Ministry of Education for the grants that enabled the College to finance the above activities.

College Fees

During the year 2024/2025, the College received from exchange transactions of Kshs. 130,506,867

We have challenges in collection of; -

- (a) Fees from students
- (b) Rent collection from staff
- (c) Graduation fees

Members suggested the following to avert these challenges: -

- (i) Fees must be paid in full on admission day.
- (ii) Graduation fees should be paid on admission day.
- (iii) Rent – we shall involve a debt collector/conduct College Lawyer (Advocate)

During the year 2024/2025 we paid most of our suppliers but remained with payables worth Kshs. 8,881,396

Statutory Obligations

We have paid all statutory deductions, i.e.; N.H.I.F., N.S.S.F, P.A.Y.E for the year 2024/2025.

10. Environmental and Sustainability Reporting Statement

St. Augustine TTC-Eregi exists to transform lives. This is our purpose; driving force behind everything we do. It is what guides us to deliver our strategy. Putting the students' first, delivery of relevant services, and improving operational and academic excellence. Below is a highlight of strategies and activities that promotes the institution's strategic objectives.

Sustainability strategy and profile

The institution has made deliberate efforts to ensure sustainability of its programs and priorities. These include but not limited to the following:

- Providing good working conditions for its workers so as to maintain a motivated work force.
- Continuous appraisal of the staff to maintain high standards of delivery.
- Providing conducive environment for students' study so as to maintain high academic standards.

Environmental performance

- St. Augustine TTC-Eregi has ensured sustainability of the environment through establishment of a tree nursery. This has made it possible to have continuous replacement of mature harvested trees by planting more every year.
- Waste bins have been placed at strategic points to ensure proper disposal of the wastes.
- The institution has sewerage and lagoons to ensure proper sewage disposal.
- Incinerator has been constructed.
- Waste management companies have been contracted to collect wastes that cannot be incinerated.

Employee welfare

- To ensure good employee welfare, the institution has undertaken the following: -
 - i) CBA has been signed with KUDHEHA
 - ii) To ensure gender equity, the institution has employed both men and women with 25 being men, and 18 women.
 - iii) Embraced appraisal of both teaching and non-teaching staff.
 - iv) Capacity building is key and a number of workers attended seminars during this period.
 - v) Safety training on fire fighting has been maintained to create awareness for the need of safety.
 - vi) Employees in various sections have been provided with the right work gear and implements for their relevant work

Market place practices-

- The institution has an open tender system where tenders are advertised and interested parties encouraged to apply.
- Reservation for special groups i.e. youth, women and persons living with disabilities is always provided as indicated in the procurement act.

- Consumer sustainability survey is carried out to find out the level of satisfaction.
- Quality control committee is in place for the vetting of goods and services provided
- Suppliers are paid for goods and services provided.
- Sensitization on health matters undertaken
- Training programs for staff growth and development.

Corporate Social Responsibility / Community Engagements

The community benefits from the college in the following ways:

- Use of college facilities for community activities such as sports and athletics
- Engaging the community during cultural festivals and church activities
- Visiting the orphanage to donate foodstuffs and toiletries (Divine Providence Home)
- Cleaning the market during the Community Health Week
- Tenders given to members of the community to supply foodstuffs and labour
- Using local schools for teaching practice.

11. Report of the Board of Management

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

Principal activities

The principle activities of St. Augustine Teachers Training College – Eregi include; -

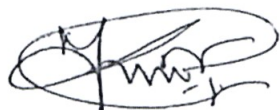
- (i) Training of Teacher Trainees in DECTE, DPTE, UDPTE
- (ii) We also train C.B.C. in our local schools.
- (iii) Holding seminars.

Results

The results of the college for the year ended June 30, 2025 are set out on page 1 to 7

By Order of the Board

Signed:



Gideon M. Katua

Chief Principal/Secretary Board of Management

Secretary of the Board

12. Statement of Board of Management Responsibilities

Section 81 of the Public Finance Management Act, 2012 and (section 29 of schedule 2 of the Teacher training colleges Act, 2013 - require the Board members to prepare financial statements in respect of St Augustine Teachers Training College-Eregi, which give a true and fair view of the state of affairs of the College at the end of the financial year and the operating results of the College for that year. The Board members are also required to ensure that the College keeps proper accounting records which disclose with reasonable accuracy the financial position of the *College*. The Board members are also responsible for safeguarding the assets of the *College*.

The Board members are responsible for the preparation and presentation of the *College* 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 ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *College*, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the *College*, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for the *College* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and section 29 of schedule 2 of the Teacher training colleges Act, 2013. The Board members are of the opinion that the *College* financial statements give a true and fair view of the state of the *College* transactions during the financial year ended June 30, 2025, and of the *College* financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the St Augustine Teachers Training College- Eregi, which have been relied upon in the preparation of the *College*'s financial statements as well as the adequacy of the systems of internal financial control.

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



.....
Mr. Gerald Bulimo Makomere
Chairperson of the Board



Mr. Gideon Manundu Katua
Chief Principal

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON ST. AUGUSTINE TEACHERS' TRAINING COLLEGE – EREGI FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of St. Augustine Teachers' Training College - Eregi set out on pages 1 to 31, which comprise of the statement of financial

position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of St. Augustine Teachers' Training College - Eregi as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013, and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Receivables from Exchange Transactions Balance

The statement of financial position and Note 17 to the financial statements reflect receivables from exchange transactions balance of Kshs.46,996,741 which comprises student debtors of Kshs.44,464,062, and rent debtors totalling Kshs.2,532,679. However, the general ledgers and subsidiary ledgers supporting the receivables were not provided for audit review. The college provided for audit a schedule consolidating receivables which only shows the calendar year and total amount for that year. Further, the accuracy of the schedules could not be verified due to lack of supporting ledgers.

In the circumstances, the accuracy and completeness of the receivables from exchange transactions balance of Kshs.46,996,741 could not be confirmed.

2. Unsupported Trade and Other Payables from Exchange Transactions Balance

The statement of financial position and Note 23 to the financial statements indicate trade and other payables from exchange transactions balance of Kshs.8,881,396. However, the creditors' general ledger and control accounts were not provided for audit verification. The payables supporting schedule submitted for audit indicated only the names of creditors and outstanding balances without showing dates, invoices, measurement certificates, and the deliveries made. In addition, the schedule did not include the opening balance of Kshs.6,197,658 reported in the previous year's audited financial statements for the year ended 30 June, 2024, and its payment details.

Further, the financial statements did not include an ageing analysis of payables.

In the circumstances, the accuracy and completeness of trade and other payables from exchange transactions balance of Kshs.8,881,396 could not be confirmed.

3. Long Outstanding Rent Debtors

The statement of financial position and Note 17 to the financial statements reflect receivables from exchange transactions balance of Kshs.46,996,741 which comprises rent debtors totalling Kshs.2,532,679. However, rent debtors include unpaid rent amounting to Kshs.409,600 which had been outstanding for more than three (3) years, and the tenant debtors had vacated the houses. Further, the management did not provide for audit review the evidence of efforts made to recover the outstanding balances or legal action taken against the defaulters.

In the circumstances, the accuracy and recoverability of rent debtors rent debtors balance of Kshs.2,532,679 could not be confirmed.

4. Long Outstanding Student Debtors Balance

The statement of financial position reflects receivables from exchange transactions balance of Kshs.46,996,741, and as disclosed in Note 17 to the financial statements. However, the balance includes student debtors amounting to Kshs.44,464,062, which comprises Primary Teachers Education (PTE) students for the year 2009 to 2020 amounting to Kshs.18,565,995. The long outstanding debts were not supported by evidence of follow-up or recovery efforts by the Management.

In the circumstances, the accuracy and recoverability of receivables from exchange transactions balance of Kshs.46,996,741 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects a final revenue budget of Kshs.138,082,400 against actual receipts of Kshs.127,350,683, resulting in an under-funding of Kshs.10,731,717 or 8% of the budget. Similarly, the College incurred expenditure of Kshs.127,617,873 against an approved expenditure budget of Kshs.125,385,780, resulting in an over-expenditure of Kshs.2,232,093 or 2% of the budget.

In the circumstances, Management did not observe fiscal discipline.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the previous year audit report, several issues were raised under Report on the Financial Statements, Emphasis of Matter, Report on Lawfulness and Effectiveness in the Use of Public Resources and the Report on Effectiveness of Internal Controls, Risk Management and Governance, as detailed in **Appendix I**. Appendix 1 to the financial statements in respect of implementation status of the Auditor-General's recommendations indicates that the issues have been resolved. However, no documentary evidence was provided on how the issues were resolved.

In the circumstances, the issues remain unresolved.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Under-Representation of Persons with Disability in Employment

Review of the in-post staff records for the year under review revealed that the College had fifty-two (52) staff members, out of whom, two (2) representing 4%, were identified as persons with disabilities. This was contrary to Section 21(2) of the Persons with Disability Act, 2025 which mandates that where an employer has at least three employees, they are to reserve at least five per cent direct employment opportunities for persons with disabilities to secure employment.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Non-Compliance with Occupational Safety and Health (OSH) Act, 2007

During the year under review, the college had not conducted mandatory fire safety audits and annual occupational safety and health audits by approved OSH advisors, as required

under the Occupational Safety and Health Act, 2007, and the College was not registered as a workplace under the Directorate of Occupational Safety and Health Services. This was contrary to Section 6(1) of the Occupational Safety and Health Act, 2007 requires every employer to ensure the safety, health, and welfare of all persons at the workplace. Section 78 mandates annual safety audits by approved advisors. Further, Section 81 requires employers to provide training on emergency preparedness and fire safety.

In the circumstances, the College failed to comply with statutory requirements on workplace safety, exposing staff, students, and property to avoidable risks, and reflecting weaknesses in internal controls, risk management, and governance practices.

2. Lack of an Internal Audit Function

During the year under review, the College did not have an internal auditor in post. The vacancy for the position was advertised on 18 March, 2025, and as at the time of audit in October, 2025, the position had not been filled.

In the circumstances, the reliance on the internal controls of the College could not be confirmed.

3. Lack of Land Ownership Documents

The statement of financial position reflects property, plant and equipment balance of Kshs.312,447,561, which include land balance of Kshs.23,850,000. However, Management did not provide title deeds for the two parcels of land for audit review.

In the circumstances, ownership status of land could not be confirmed.

4. Uninsured College Plant and Equipment

The statement of financial position indicates property, plant and equipment balance of Kshs.312,447,561, which includes buildings, plant and equipment, furniture, computers and library books. However, the college had not insured its assets. Additionally, the college had not installed a surveillance system for monitoring and tracing incidents when they occur.

In the circumstances, the College exposed its assets to the risk of loss, theft, or damage without adequate safeguards.

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 the 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 sustain services, disclosing, as applicable, matters related to sustainability of the services and using the applicable basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit


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

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

effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

08 December, 2025

Appendix I

Unresolved Prior Year Matters

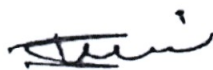
Reference No. of the Auditor-General's Report	Title of Audit Issue
	Report on the Financial Statements
1	Inaccuracies of the financial statements
2	Misstatement of Use of Goods and Services
3	Unsupported Long-term Receivables from Exchange Transactions
	Emphasis of Matter
	Budgetary Control and Performance
	Report on Lawfulness, Effectiveness in the Use of Public Resources
1	Unsupported expenditure on boarding equipment and stores
	Report on Effectiveness of Internal Controls, Risk Management and Governance
1	Lack of an Internal Audit Department
2	Use of asbestos roofing on the buildings
3	Inadequate Assets Management

St. Augustine Teachers Training College – Eregi
Annual Report and Financial Statements for the year ended 30 June 2025

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

	Notes	2024-2025	2023-2024
		Kshs.	Kshs.
Revenue from non- Exchange Transaction			
Recurrent Grants	5	9,783,562	12,807,747
		9,783,562	12,807,747
Revenue from Exchange Transaction			
Tuition and Other Related Fees	6	121,662,960	85,462,244
Rental Revenue from Facilities and equipment's	7	8,259,407	3,806,542
Other Income	8	584,500	572,290
		130,506,867	89,841,076
Total Revenue		140,290,429	102,648,823
Expenditure			
Employee cost	9	12,439,950	17,278,276
General Expenses	10	3,598,390	2,587,365
Repairs and Maintenance	11	15,030,401	9,987,941
Amortisation and Depreciation	12	15,651,197	15,402,262
Contracted Services	13	1,680,000	1,680,000
Use of goods and services	14	108,161,104	62,923,038
Board Expenses	15	432,000	672,000
Total Expenditure		156,993,043	110,530,882
Operating Surplus		(16,702,614)	(7,882,059)

The Financial Statements set out on pages 1 to 31 were signed by:



Mr. Gerald Makomere
Chairman of Board

Date:02/12/2025



CPA Harriet Mahasi
Accountant
ICPAK No:14825

Date:02/12/2025



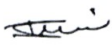
Mr. Gideon Manundu Katua
Chief Principal


Date:02/12/2025

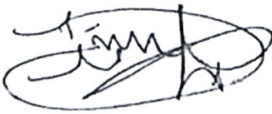
15. Statement of Financial Position as at 30 June 2025

	Notes	2024-2025	2023-2024
ASSETS		Kshs.	Kshs.
Current assets			
Cash and cash equivalents	16	9,222,697	19,447,297
Receivables from exchange transactions	17	46,996,741	44,954,535
Inventories	18	2,742,763	2,885,456
		58,962,201	67,287,288
Noncurrent assets			
Property, plant and equipment	19	312,447,561	317,955,349
Intangible assets	20	248,000	434,000
Total Non-Current Assets		312,695,561	318,389,349
TOTAL ASSETS		371,657,761	385,676,637
EQUITY AND LIABILITIES			
Current Liabilities			
Trade and Other Payables	23	8,881,396	6,197,658
Total Current Liabilities		8,881,396	6,197,658
Non-Current Liabilities			
Net Assets		362,776,365	379,478,979
Capital Grants Reserves		380,182,148	380,182,148
Revenue Reserve		(17,405,783)	(703,169)
Total Equity		362,776,365	379,478,979
Total net assets and liabilities		362,776,365	379,478,979

The Financial Statements set out on pages 1 to 31 were signed by:


Mr. Gerald Makomere
Chairman of Board
Date:2/12/2025


CPA Harriet Mahasi
ICPAKNo:14825
Date:2/12/2025


Mr. Gideon Manundu Katu
Date:2/12/2025

16. Statement of Changes in Net Assets For The Year Ended 30 June 2025

	Capital Reserves	Revenue Reserve	Total Equity
	Kshs.	Kshs.	Kshs.
Balance as at 1 July 2024	380,182,148	(703,169)	370,169,176
Surplus for the year		(16,702,614)	(16,702,614)
Capital Development Grants	-	-	9,309,803
Balance as at 30 June 2025	380,182,148	(17,405,783)	362,776,365

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

		2024-2025	2023-2024
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants	5	9,783,562	12,807,247
Rendering of services- Fees from students		112,200,721	54,641,744
Other incomes		5,366,400	572,290
Total Receipts		127,350,683	68,021,281
Payments			
Compensation of employees		12,439,950	5,629,818
Use of goods and services		103,866,328	72,401,950
Remuneration of Directors		432,000	672,000
Repairs and maintenance		7,215,500	9,987,941
General expenses		1,984,095	2,587,365
Contracted services		1,680,000	-
Total Payments		127,617,873	91,279,074
Net cash flows from operating activities		(267,190)	(23,257,793)
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(9,957,410)	9,106,319
Net cash flows used in investing activities		(9,957,410)	9,106,319
Cash flows from financing activities			
Increase in deposits - capital grants		-	10,000,000
Net cash flows used in financing activities		-	10,000,000
Net increase/(decrease) in cash and cash equivalents		(10,224,600)	(4,151,474)
Cash and cash equivalents at 1 July 2024		19,447,297	23,583,788
Cash and cash equivalents at 30 June 2025		9,222,697	19,447,297

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

Description	Original budget	Adjustments	Final budget	Actual Outcome	Performance difference	Performance difference %	Remarks
	2024-2025	2024-2025	2024-2025	2025-2025	2024-2025	%	
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs		
Recurrent Grants	10,000,000	-	10,000,000	9,783,562	216,438	(2)%	Unfavourable
Revenue from tuition	122,288,000	-	122,288,000	112,200,721	10,087,279	(8)%	Unfavourable
Other Income	5,794,400	-	5,794,400	5,366,400	428,000	(7)%	Unfavourable
Total Income	138,082,400	-	138,082,400	127,350,683	10,731,717		
Expenses							
Employee Costs	12,867,369	-	12,867,369	12,439,950	427,419	3%	Favourable
General Expenses	2,179,000	-	2,179,000	1,984,095	194,905	9%	Favourable
Contracted services	1,680,000	-	1,680,000	1,680,000	-	0%	
Board Expenses	432,000	-	432,000	432,000	-	0%	
Repairs and maintenance	7,219,715	-	7,219,715	7,215,500	4,215	0%	Favourable
Use of goods and services	101,007,696	-	101,007,696	103,866,328	(2,858,632)	(3)%	Unfavourable
Total Expenditure	125,385,780	-	125,385,780	127,617,873	(2,232,093)		

.I. Increase in expenditure resulted from increase in price variations in the market

19. **Notes to the Financial Statements**

1. **General Information**

-The college is established by and derives its authority and accountability from the Basic Education Act ,2013

2. **Statement of Compliance and Basis of Preparation**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable 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. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the college. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the TVET Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

There are no new standards and interpretations issued in the Financial Year 2025.

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

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

Standard	Effective date and impact:
Measurement	<p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i) Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii) Clarifying transaction costs guidance to enhance consistency across IPSAS. iii) Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement, and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>State the expected impact of the standard to the College if relevant</i></p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that a college shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>State the expected impact of the standard to the College if relevant</i></p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>State the expected impact of the standard to the College if relevant</i></p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>State the expected impact of the standard to the College if relevant</i></p>

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the college and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount,

the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

i) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

a) Budget information

The original budget for FY 2024/2025 was approved by the Board on *1st July 2024 and no*. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the college upon receiving the respective approvals to conclude the final budget. The 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.

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.

b) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 10-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

c) Property, plant and equipment

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

d) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the college. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The College also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the college will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental

to ownership of the leased item to the college. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

e) Intangible assets

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

f) Research and development costs

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

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

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

g) Financial instruments

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

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

h) Inventories

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

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

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

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

Inventories (Continued)

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

i) Provisions

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

Contingent liabilities

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

Contingent assets

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

j) Social Benefits

Social benefits are cash transfers provided to I) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The college recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the college will incur in fulfilling the present obligations represented by the liability.

k) Nature and purpose of reserves

l) Changes in accounting policies and estimates

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

m) Employee benefits

Retirement benefit plans

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

n) Foreign currency transactions

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

o) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

p) Related parties

St. Augustine Teachers Training College regards a related party as a person or a college with the ability to exert control individually or jointly, or to exercise significant influence over the

College, or vice versa. Members of key management are regarded as related parties and comprise the directors, the Principal and senior managers.

q) Service concession arrangements

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

r) 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.

s) Comparative figures

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

t) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2025.

4. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

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).

5. Transfers from the National Government

Government grants (Recurrent)	2024-2025	2023-2024
	Kshs.	Kshs.
Quarter ending 30 Sept	-	-
Quarter ending 31st Dec	-	7,237,325
Quarter ending 31st March	6,603,187	-
Quarter ending 30 June	3,180,375	5,569,922
Total	9,783,562	12,807,247

6. Tuition and Other Related Charges

Tuition and Other Related Charges	2024-2025	2023-2024
Practicum	3,587,500	2,562,500
Teaching Equipment & Stores	2,870,000	2,288,000
Electricity Water & Conservancy	5,676,860	4,525,664
Local Transport & Travel	4,468,000	4,576,000
Activity	2,870,000	2,288,000
Medical	1,435,000	1,144,000
Repairs, Maintenance & Improvement	4,305,000	3,432,000
Motor Vehicle Repairs	8,610,000	6,864,000
Boarding Equipment & Stores	40,710,000	31,580,000
Examination	20,692,600	1,868,300
ICT Equipment/Accessories	5,740,000	4,576,000
Personal Emoluments	12,369,700	9,861,280
Students Council	790,800	532,800
Truck suit	1,250,000	2,220,000
Student ID	150,000	266,400
Clubs and env.	300,000	532,800
Hockey stick	1,500,000	2,664,000
Administration costs	3,587,500	2,860,000
KUSCPS	750,000	820,500
Total	121,662,960	85,462,244

7. Rental revenue from facilities and equipment

Rent Revenue	2024-2025 FY	2023-2024 FY
Students Accommodation Fees	-	-
Hall Hire/seminar	6,634,557	3,606,242
Hire of Transport	-	-
Staff Rent Income	1,624,850	200,300
Hire of College Equipment	-	-
Total	8,259,407	3,806,542

8. Other Income

Other Incomes	2024-2025 FY	2023-2024 FY
Farm Income	464,500	488,290
Graduation fees	120,000	8,000
Tender fee	-	76,000
Total	584,500	572,290

9. Employee Costs

Employee Costs	2024-2025	2023-2024
	Kshs.	Kshs.
Salaries and wages	12,439,950	17,278,276
Housing benefits and allowances	-	-
Medical allowance	-	-
Gratuity	-	-
NSSF	-	-
Total	12,439,950	17,278,276

10. General Expenses

General Expenses	2024-2025	2023-2024
Tender expenses	83,995	272,040
Student union related expenses(Magazine)	810,600.00	4,600
Seminar		994,075
Supplementary(Exam materials for resits)		
Application fees(Kuccps)	589,500	1,165,500
S.E.S center fees(Assessment books)		151,150
Track suit		-
Total	3,598,390	2,587,365

11. Repairs and Maintenance

Repairs and Maintenance	2024-2025	2023-2024
VRM/Replacement	6,113,139	3,003,746
Repairs and Rehabilitation	8,917,262	6,984,195
	15,030,401	9,987,941

12. Depreciation and Amortization expense

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, plant and equipment	15,465,197	15,216,262
Intangible assets	186,000	186,000
Total depreciation and amortization	15,651,197.37	15,402,262

13. Contracted Services

Contracted services	2024-2025	2023-2024
Security services	1,680,000	1,680,000
	1,680,000	1,680,000

14. Use of Goods and Services

Use of goods and services	2024-2025	2023-2024
Travelling/Accommodation/Fuel	6,075,500	1,463,560
Practicum	3,110,800	750,900
Teaching Equipment & Stores	2,052,100	532,687
Power bills/Electrical Appliances	5,516,100	2,638,084
Activity	6,511,950	8,761,560
Purchase of Drugs /Medical	816,260	240,075
Examination	17,972,257	1,776,900
BES	45,657,757	28,184,179
Farm inputs	959,200	353,309
Student union related expenses	-	7,000
I,C,T	11,246,514	2,860,132
Track suit	960,000	2,292,150
Student ID	116,000	127,500
Admin cost	3,829,266	8,103,897
Clubs and environment	840,000	
Fuel and oil	1,397,400	850,000
Hockey	1,100,000	-
	108,161,104	62,923,038

15. Board Expenses

Board expenses	2024-2025	2023-2024
Board allowances	432,000	672,000
Travel and Subsistence		-
Total	432,000	672,000

16. Cash and Cash Equivalents

Cash and Cash Equivalents	Number	2024-2025	2023-2024
College Fund	1103649949	1,119,660	1,639,754
Main Account	1103650041	3,279,751	12,707,727
Gratuity A/C	1102432768	518,189	1,419,852
Infrastructure	1102498793	Closed	1,183,539
Vehicle Account	1102498890	Closed	11,788
Seminar Account	1102498599	Closed	992,239
Examination	1102466212	4,072,257	743,652
Farm Account	1118464095	172,709	299,677
ABSA ACCOUNT- Rent	2025584395	Closed	345,669
EQUITY BANK-ECDE		Closed	52,694
Cash in hand		60,130	50,706
Total		9,222,697	19,447,297

17. Receivables from Exchange transactions

17 (a) Current Receivables from Exchange transactions

Receivables from Exchange Transactions	2024-2025	2023-2024
Students Debtors	44,464,062	33,510,953
Rent debtors	2,532,679	2,133,779
	46,996,741	35,644,732

17 (b) Long- term Receivables from Exchange transactions

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Non-Current Receivables		
Refundable Deposits	-	-
Advance Payments	-	-

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Public Organizations	-	-
Less: Impairment Allowance	(-)	(-)
Total	-	-
Current Portion Transferred To Current Receivables	(-)	(-)
Total Non-Current Receivables	-	-
Total Receivables	-	-

17 (c) Ageing Analysis of Receivables from Exchange transactions

Description	2024-2025FY		2023-2024 FY	
	Kshs		Kshs	
	Current FY	% of total	Comparative FY	% of total
Less than 1 year	17,699,218	37.6%	8,575,800	24.05%
Between 1- 2 years	2,338,429	4.9%	1,384,500	3.88%
Between 2-3 years	3,446,269	7.3%	2,384,407	6.68%
Over 3 years	23,512,825	50.03%	23,300,025	65.36%
Total (a+b)	46,996,741	100%	35,644,732	100%

18. Inventories

Inventories	2024-2025	2023-2024
Stationery	1,556,413	1,986,830
Maintenance Stores	180,600	253,923
Health Unit Stores	243,450	77,223
Cleaning Materials Stores/House keeping	87,550	29,580
Catering Stores	674,750	537,900
Total	2,742,763	2,885,456

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19. Property, Plant and Equipment

Current year	Land	Buildings and Structures	Work in Progress	Equipment and Machinery	Motor Vehicles	Furniture & Fittings	Computers	Library Books	Total
Cost									
At 1 July 2024	23,850,000	265,041,079	-	3,012,752	13,489,017	3,239,254	4,300,186	5,025,060	317,955,348
Revalued assets			-					-	-
Additions	-	9,957,410	-	-	-	-	-	-	9,957,410
Transfer	-	-	-	-	-	-	-	-	-
At 30 June 2025	23,850,000	274,998,489	-	3,012,752	13,489,017	3,239,254	4,300,186	5,025,060	327,912,758
Depreciation									
Charge for the year	-	7,044,809	-	753,188	4,496,339	462,751	2,149,771	558,340	15,465,197
At 30 June 2025	-	7,044,809	-	753,188	4,496,339	462,751	2,149,771	558,340	15,465,197
Net Book Value									
At 30 June 2025	23,850,000	267,951,680	-	2,259,564	8,992,678	2,776,503	2,150,415	4,466,720	312,447,561
Depreciation	-	2.5%	-	20%	25%	12.5%	33.33%	10%	

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Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were revalued by - professional valuers on -. These amounts were adopted in the financial statements on -.

20. Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	23,850,000	-	23,850,000
Buildings	274,996,489	7,044,809	267,951,680
Plant And Machinery	3,012,752	753,188	2,259,564
Motor Vehicles including Motorcycles	13,489,017	4,496,339	8,992,678
Computers and Related Equipment	4,300,186	2,149,771	2,150,415
Office Equipment, Furniture, And Fittings	3,239,254	462,751	2,776,503
Total	331,338,012	15,651,197	312,447,561

20. Intangible Assets

Intangible Assets	2024-2025	2023-2024
	Kshs.	Kshs.
Additions—internal development	620,000	620,000
Amortization	372,000	186,000
Total	248,000	434,000

21. Investment Property

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
At beginning of the year	-	-
Additions	-	-
Disposal during the year	(-)	(-)
Depreciation	(-)	(-)
Impairment	(-)	(-)
Gain or loss on fair value- if fair value is elected	-	-
At end of the year	-	-

22. Biological Assets

	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Cattle	-	-
Trees	-	-
Others (Specify)	-	-
Total	-	-

23. Trade and Other Payables from Exchange Transactions

Trade and Other Payables	2024-2025	2023-2024
Accounts Payable	8,881,396	6,197,658
Prepaid fees	-	-
	8,881,396	6,197,658

24. Refundable Deposits from Customers/Students

Description	Insert Current FY		Insert Comparative FY	
	Kshs		Kshs	
Fees prepayments	-		-	
Caution money	-		-	
Other refundable deposits	-		-	
Total Deposits	-		-	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (to tie to totals deposits above)	-	%	-	%

25. Financial Risk Management

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

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

(i) Credit risk

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

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

The students under the fully performing cohort are paying their fees as they continue training. 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 students and tenants

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

(ii) Liquidity risk management

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

(iii) Market risk

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the college's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control

market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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

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

26. Related Party Balances

Nature of related party relationships

Entities and other parties related to the college 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.

County Government of -

The County Government of - is the principal shareholder of - VTC. The County Government of - has provided full guarantees to all long-term lenders of the college, both domestic and external. Other related parties include:

- i) The County Government.
- ii) The Parent Department.
- iii) Board of Management;
- iv) Key management;

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27. Events After The Reporting Period

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

28. Currency

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



Name:Mr.Gideon Manundu Katua
Chief Principal

Date:2nd December 2025

29. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	Report on the financial statements			
1	Inaccuracies of the financial statements	Financial statements were amended	Resolved	
2	Misstatement of use of goods and services	Use of goods and services were ascertained	Resolved	
3	Unsupported long-term receivables from exchange transactions.	Receivable from exchange transactions and supporting documents were provided	Resolved	
	Report on Lawfulness, Effectiveness in Use of Public Resources			
1	Unsupported expenditure on boarding equipment and stores	Expenditure supported	Resolved	
	Report of effectiveness of internal controls, risk management and governance			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Lack of an internal audit department	Recruitment in the process	Not Resolved	One year
2	Use of asbestos roofing on the buildings	Removal of asbestos in the process	Not Resolved	5 years
3	Inadequate assets management	Assets register provided	Resolved	

Guidance Notes:

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



Name: Mr. Gideon Manundu Katua
Chief Principal

Date: 2nd December 2025

