

REPUBLIC OF KENYA



REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

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THE-TABLE:

Halima Ahmed

THE AUDITOR-GENERAL

ON

**KAGUMO TEACHERS TRAINING
COLLEGE**

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



Kagumo Teachers Training College

Annual Report and Financial Statements

**For the Year Ended
30th June 2025**

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

Kagumo Teachers Training College
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1. Acronyms and Definition of Key Terms

A. Acronyms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTC	Teacher Training College
DSTE	Diploma in Secondary Teacher Education
WIBA	Workers Injury Benefit Act
OSHA	Occupational Safety and Health Act
PPDA	Public Procurement Disposal Act
PPIP	Public Procurement Information Portal
PC	Performance Contract

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

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2. Key college Information and Management

(a) Background information

Kagumo Teachers' Training College was established under the Basic Education Act on 19th January 2006.

The college is domiciled in Kenya and is located in Tetu Sub-County, Nyeri County. The college is located 8.1km from Nyeri town. The college is under the Ministry of Education. The college has 25 tuition departments and 13 non-teaching Sections.

(b) Principal Activities

As an institution responsible for teacher training in the country, the college is obliged to ground its operations on certain principles and values.

Vision: A Transformative, Self-directing and Competent Teacher

Mission: To provide inclusive and market-driven teacher education and training

Core values

- God's guidance
- Integrity
- Professionalism
- Innovation & Creativity
- Teamwork

(c) Key Management

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

- Board of Management
- Accounting officer/ Principal
- Management

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(d) Fiduciary Management

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

SN.	Designation	Name
1.	Principal	- Irene Mwangi
2.	Deputy principal Administration	- Sylvia kiko Mutunga
3	Deputy principal Academics	- Dr. Bakari Wasilwa
4	Registrar	- Stephen Kaburi
5	Dean of students	- Susan Obimbo
6	Human Resource Officer	- Phoebe Ndungu
7	Finance Officer	- CPA Caroline Githinji
8	Procurement Officer	- Nelson Waheire

(e) Fiduciary Oversight Arrangements

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

i) Finance, Procurement and General Purposes Committee

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

Key college Information and Management (Continued)

ii) Human Rights and Student Welfare Committee

- a) To receive and discuss all cases of admissions, transfers, suspensions, repetitions and replacements at the college level.
- b) To receive from students/Teacher Trainees or student leaders all cases relating to human rights abuse and their welfare in general.
- c) To carry out student census in the college or any other institution of basic education and submit a report to the Board of Management.

iii) Academic Standards Quality and Environment Committee

- a) To handle all academic matters in the college.
- b) To device ways and means of improving academic standards.
- c) To analyze national examination results against the FACE exams
- d) To ensure that all text books purchased through the government grants are received in the college and given to each deserving student.
- e) To ensure that each child has enough textbooks and other learning materials.
- f) To ensure that all students and pupils are learning in safe class rooms, the toilets are safe, the eating place is clean and safe and the water in the college is clean and safe.
- g) To ensure that all college buildings are safe and secure.
- h) To ensure that the college compound is safe to carry out any other assignment which may be delegated to them by the Board of Management.

iv) Audit Committee

- a) To examine in depth all payment vouchers and receipts and report to the board any disparity.
- b) To examine all used receipt books, cheque books delivery notes, invoices and payment vouchers.
- c) To examine in depth all enrolment registers for the previous year.
- d) To examine all movable and immovable assets for the previous year.
- e) To examine all cheque book counterfoils for the previous year.
- f) To examine all tender records for the previous year.
- g) To examine all procurement records for the previous year.
- h) To verify all projects records for the previous year.
- i) To verify the audit and inspection reports for the previous year.
- j) To respond to audit queries after scrutinizing the report on audited accounts.




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- (f) **College Headquarters**
Kagumo Teachers' Training College,
P.O. Box 18-10100,
Nyeri Mukurweini road
Nyeri, Kenya
- (g) **College Contacts**
Telephone: (254) 701 972 912(calls only)
: (254) 796 632 055
E-mail: info@kagumocollege.ac.ke
Website: www.kagumocollege.ac.ke
- (h) **College Bankers**
1. Kenya commercial bank
Nyeri Branch





2. Equity Bank Limited
Nyeri Branch
- (i) **Independent Auditors**
Auditor-General
Office of Auditor General
Anniversary Towers, Institute Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya
- (j) **Principal Legal Adviser**
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

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3. The Board of Management

S/No.	Member	Details
1.	 Prof. Beatrice Warue	Date of birth: 1962 Doctor of Philosophy in Business Administration and Management, Banking and Finance, Kenya Methodist University. ➤ Chairman Board of Management
2.	 Eng. Ndirangu Wangai	Date of birth: 1973 Master of Science in Water Engineering, Moi University. ➤ Vice- Chairman Board of Management ➤ Executive Member ➤ Chairman Finance, Procurement & General Purposes Subcommittee
3.	 Dr. Christine Waithira Njiru	Date of birth: 1966 Doctor of Philosophy in Environmental Planning and Management, Kenyatta University. Member: Human Rights and Student Welfare Committee


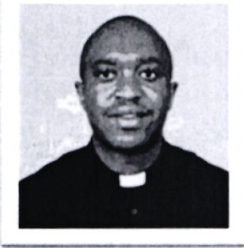


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4.	 <p>Henry G. Kinyua</p>	<p>Date of birth: 1973</p> <p>Master of Science in Management and Organisation Development, United States International University.</p> <ul style="list-style-type: none"> ➤ Chairman: Audit Subcommittee
5.	 <p>Adv. Samuel Gathiga Mwangi</p>	<p>Date of birth: 1961</p> <p>Bachelor of Law, LL.B University of Nairobi.</p> <ul style="list-style-type: none"> ➤ Executive Member ➤ Member: Finance, Procurement & General Purposes Subcommittee
6.	 <p>Dr. Patricia Gathia</p>	<p>Date of birth: 1966</p> <p>Doctor of Philosophy in Applied Mathematics, Egerton University.</p> <ul style="list-style-type: none"> ➤ Executive Member ➤ Member: Academics Subcommittee
7.	 <p>Joseph Kagunda Mwangi</p>	<p>Date of birth: 1995</p> <p>Master of Science in Project Planning & Management.</p> <ul style="list-style-type: none"> ➤ Member: Audit Subcommittee



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8.	 Robert Muma Olweny	Date of birth: 1980 Master in Project Planning and Management, University of Nairobi. ➤ Member: Finance, Procurement & General Purposes Subcommittee
9.	 Ven. Joseph Gitonga Njakai	Date of birth: 1964 Master of Arts in Community Pastoral Care and HIV/AIDS, University of Wales Lampete. ➤ Member: Audit Subcommittee
10.	 Prof. Richard M. S. Mulwa	Date of birth: 1967 Doctor of Philosophy in Horticulture and Bio technology, University of Illinois. ➤ Chairman: Academics Subcommittee
11.	 Jaqueline Onyango	Date of birth: 1968 Doctor of Philosophy in Curriculum Development, Moi University. ➤ Member: Academics Subcommittee

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12.	 <p>Arch. Thomas Mundia</p>	<p>Date of birth: 1964</p> <p>Master of Construction Project Management, Jomo Kenyatta University of Agriculture and Technology.</p> <ul style="list-style-type: none"> ➤ Member: Finance, Procurement & General Purposes Subcommittee
13.	 <p>Rev. Fr. Paul Kimani</p>	<p>Date of birth: 1983</p> <p>Bachelor of Sacred Theology, Bachelor of Arts Philosophy, Christ the King Major Seminary.</p> <ul style="list-style-type: none"> ➤ Executive Member ➤ Chairman: : Human Rights and Atudent Welfare Subcommittee
14.	 <p>Dr. Njuguna Paul Samuel</p>	<p>Date of birth: 1974</p> <p>Master of Medicine in Obstetrics and Gynaecology, Makerere University.</p> <ul style="list-style-type: none"> ➤ Member: Human Rights and Student Welfare Subcommittee
15.	 <p>Mohamud Sheik Ibrahim</p>	<p>Date of birth: 1957</p> <p>Bachelor of Education (Science), Kenyatta University College (UoN).</p> <ul style="list-style-type: none"> ➤ Member: Academics Subcommittee

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<p>16.</p>	 <p>Irene Mwangi</p>	<p>Date of birth: 1966</p> <p>Master Business Administration Kenya Methodist University</p> <ul style="list-style-type: none">➤ Chief Principal➤ Executive Member
<p>18.</p>	 <p>Martin Njoka Mwai</p>	<p>Date of birth: 1996</p> <p>Chairman: Student Representative Council</p>

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4. Key Management Team

SN.	Member	Details
1.	 Irene Mwangi	Date of birth: 1966 Master Business Administration Kenya Methodist University ➤ Chief Principal Executive Member
2.	 Sylvia Kiko Mutunga	Deputy Principal Administration Master of Arts in Linguistics, University of Nairobi.
3.	 Dr. Juma Bakari Wasilwa	Deputy Principal Academics Doctor of Philosophy in Economics and Management of Education Kibabii University
4.	 Stephen Kaburi	Registrar Bachelor of Education (Science), Kenyatta University.

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5.	 Susan Obimbo	Dean of students Masters of Education in Educational Administration, University of Nairobi.
6.	 Phoebe Ndung'u	Phoebe Wanjiku Ndung'u Human Resource Officer Higher Diploma in Human Resource Management and a Diploma in Personnel Management, Turine Commercial College
7.	 Caroline Githinji	Caroline Githinji Finance officer Bachelor of Commerce, Finance CPA (K), Kenyatta University
8.	 Nelson Waheire	Nelson Waheire Procurement Officer Bachelor Degree in Purchasing and supplies Management Jomo Kenyatta University of Agriculture & Technology.

5. Chairman's Statement

5.1 Introduction

Kagumo Teachers' Training College is mandated to train teachers in Diploma in Secondary Teacher Education. The College whose vision is a transformative, self-directing and competent teacher has positively contributed to the growth of the education sector in the country. Having grown from a primary school in 1933 to a teacher training College in 1944, the College as envisaged in its mission continues to provide inclusive and market-driven teacher education and training.

The Institution is managed as per the provisions of the Basic Education Act (2013) in relation to registration, governance and management. The Board of management of the Institution is committed to overseeing the provision of quality education and training.

5.2 Key activities

a) Implementation of College Strategic Plan 2023-2028

The College continued to implement its Strategic Plan 2023 -2028 that guides its activities.

The strategic Plan leverages on four key priority areas:

- (i) Academics
- (ii) Co-curriculum activities
- (iii) Learning, living and working environment
- (iv) Institutional capacity development.

b) Competency Based Education

The College is currently offering the Competency Based Curriculum and is keen to produce teachers who are equipped with the necessary skills, knowledge, values and competencies to meet the needs of the 21st Century. Within the FY 2024/20245 the College admitted the third cohort of CBE teacher trainees.

The College held its 40th graduation ceremony on 8th November 2024 graduating 344 teacher trainees, the last cohort of the 8-4-4 system.

c) College Operational Policies

Within the FY 2024/2025 the Board of Management developed eight operational policies to promote and ensure consistency, compliance and efficiency in its operations. The policies developed are: Audit Committee Charter, Internal Audit Charter, Board Charter, Risk management Policy, ICT Policy, Human Resource Policy, Procurement Policy and Finance Policy.

c) Co-curriculum activities

In co-curriculum activities, the College participated in music, drama, ball games and athletics up to national level.

d) Performance Contracting

The College was involved in the writing and implementation of the FY 2024/2025 Performance Contract. Implementation of the Performance Contract has enabled the Institution to achieve planned activities to a remarkable extent amid financial limitations.

e) Infrastructural development

In the FY 2024/2025, the college constructed a biogas infrastructure through the assistance of the Ministry for Energy and Petroleum, State Department of Energy. This enabled the College to integrate biogas into the existing energy sources. The renewable energy source supplements fuel in the College kitchen and has reduced overreliance on firewood promoting sustainable management of the College Forest.

The project of rehabilitation of college internal roads by Kenya Rural Roads Authority Namely Access Roads Kagumo Teachers of 1.5 km and Parking Area 0.3 km totalling to 1.8 km was completed. The Rehabilitation works which were started in January 2022 were completed as at 16th July 2024. The works were carried out at a tender sum of ksh. 26,960,028.06.

The College renovated one hostel, Burundi hostel Wing 1 which is occupied by female teacher-trainees. The renovation works were done mainly using internal labour.

5.3 Challenges

In spite of the progress the College has made, the Institution faces the following main challenges:

(a) Inadequate finances: The College mainly relies on government funding and fees payment from students which is inadequate. In the FY 2024/2025 the College did not receive any Development Grant from the government. There is need to strengthen existing Income generating activities.

(b) Inadequate infrastructure and facilities: The infrastructure in the College is not only old and dilapidated but also inadequate. The introduction of new CBE learning areas demands relevant infrastructure and equipment for effective and efficient implementation. There is therefore the need for financial support to fast-track the implementation of the College physical infrastructure master plan.

(c) Inadequate water: The College experiences water shortage due to inadequate water supply. There is need for additional water supply and storage to ease the problem.

d) Inadequate facilities for co-curriculum activities: The College requires finances to upgrade existing co-curriculum facilities and establish new ones in order to enhance variety in games and sports

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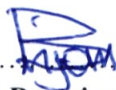
5.4 Future Outlook

As part of her future outlook, the College wishes to:

- a) Leverage on technology in education by integrating technology in curriculum implementation and assessment.
- b) Promote income generating projects and adopt modern agricultural practices to increase productivity.
- c) Improve on the condition of staff houses and students' hostels.
- d) Complete the construction of stalled Multipurpose Hall phase II and stalled Burundi hostel in addition to constructing additional new hostels.
- e) Development of human capital in terms of competency, skills and talents through education and training.
- f) Ease internal operations through procurement of additional modules and use of Enterprise Resource Planning (ERP) system.

5.5 Conclusion

The success of the FY 2024/2025 is attributed to team work and cooperation among the various players and stakeholders and we look forward to even a more successful FY 2025/2026



.....
Prof. Beatrice Warue

Chairman

Board of Management

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6. Report of the Chief Principal

6.1 Introduction

Kagumo Teachers' Training College is one among the three Colleges in the country that offers Diploma in Secondary Teacher Education (DSTE). The College aspirations are geared towards producing a transformative, self-directing and competent teacher by providing inclusive and market driven teacher education and training. The College is committed to championing the following core values: God's guidance, integrity, professionalism, innovation & creativity and team work.

6.2 Key activities

In the FY2024/2025 the College was able to achieve the following:

a) Increased student enrollment

Within the FY2024/2025, the College fully transited to the Competency Based Education by admitting the third cohort of CBE teacher-trainees. The College had increased student enrollment from 1110 in the previous financial year to 1123 distributed in the three years as follows:

Year	Male	Female	Total
1	176	221	397
2	220	205	425
3	144	157	304
Total	540	583	1123

b) Academics

The Institution academic performance was good with the College achieving a mean score of 5.60 which was a slight decrease of - 0.32 from the previous financial year in which the mean score was 5.28. The College was able to fully embraced the online KNEC School Based Assessments (SBA) through upgrading the College internet to ensure that learning rooms have adequate connection to wifi.

c) 40th Graduation ceremony

The College held its 40th graduation ceremony successfully on 8th November 2024 releasing 344 graduates to the job market an increment of the graduates in relation to the previous FY in which 289 graduated.

d) Co-curriculum activities

The College participated in co-curriculum activities namely music, drama, ball games and athletics up to national level. The National Music Festivals were held in August, 2024 at Moi Girls High School, Eldoret. The Intercollegiate Olympic Championships which were the second of the type were held in Kibabii TTC with Athletics held in march 2025 and Ball Games in April 2025. National Drama Festivals were held Lyons Primary school, Nakuru in April 2025.

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e) Performance Contracting

The College implemented the FY2024/2025 Performance Contract with very good performance in many of the indicators. The evaluation of the PC shall be held within the current financial year.

f) ISO Recertification

The College is in the process of re-certification with ISO 9001:2015 standard by Kenya Bureau of Standards (KEBS)

6.3 Challenges

The College faces the following challenges:

(a) Financial Constraints: The College has faced a challenge of inadequate funds stemming from decreased and delayed government funding posing a challenge in the day to day running of the Institution.

(b) Inadequate infrastructure and equipment: The infrastructural facilities in the College are inadequate due to increased teacher trainee enrollment. In addition, the buildings are old requiring a lot of finances for renovation. Additionally, the introduction of new CBC learning areas such as Mechatronics requires relevant infrastructure and equipment which are quite costly.

(c) Inadequate staff: With the introduction of new learning areas in CBC curriculum, the College faces a staffing shortage in some of the learning areas. This is in addition to exit of staff due to retirement.

(d) Incomplete projects: The College has two stalled projects: Multipurpose Hall whose second phase stalled in 2013 after the government contractor withdrew. The completion rate is approximately 20 percent. The second phase of Burundi hostel also stalled and requires approximately 65 million to have it completed. In addition, the College has been in the process of constructing its 3.16 km long perimeter wall since 2020. Four phases of construction have resulted to 1.939 km being constructed with a deficit of 1.221 km to completion.

(e) Inadequate co-curriculum facilities: The co-curriculum facilities in the Institution are inadequate due to students increased enrollment and diverse interests. In addition, the existing ones require renovation to ensure they are of the required standards.

6.4 Future Prospects

As part of future prospects, the College wishes to:

a) Ensure diversification of learning areas in line with the curriculum requirements such as introduction of Aviation Technology and Power Mechanics based on availability of infrastructure and equipment.

b) Promote income generation in the College through revamping and diversification of income generating activities

c) Have increased enrollment through increased College brand image.

d) Improve the condition of existing staff houses and students' hostels through renovation.

e) Complete the construction of stalled Multipurpose Hall phase II and stalled Burundi hostel in addition to constructing additional new hostels.

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f) Capacity building of Human Resource in the College through training, workshops and seminars.

g) Employ technology in learning and in internal operations in the Institution.

6.5 Conclusion

The FY2024/2025 was successful having achieved many planned activities in the Institution.



.....
Mrs. Irene Mwangi

Chief Principal/Secretary Board of Management



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7. Statement of Performance against Predetermined Objectives

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

Kagumo TTC has 4 strategic pillars and objectives within current Strategic Plan for the FY 2023- FY 2028. These strategic pillars are as follows:

- Pillar 1: Academics
- Pillar 2: Co Curriculum
- Pillar 3: Learning, Living and working environment
- Pillar 4: Institutional capacity development

Kagumo college develops its annual work plans based on the above 4 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The college achieved its performance targets set for the FY 2024/2025 period for its 4 strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1: Academics	To train a competent diploma secondary school teacher to meet the 21 st century demands	Preparation of professional documents <ul style="list-style-type: none"> - Schemes of work - Course outline - Timetable - Record of work 	Preparation and submission of professional documents	Schemes of work. Course outlines, Timetables and Records of Work covered prepared by subject lecturers, checked by Heads of subjects and approved by Deputy Principal Academics
		Weekly work covered records	Content delivery using pedagogical skills	Record of work books prepared and checked every week by the Deputy Principal Academics Number of Lessons taught per week updated in TSC appraisal tool TPAD
		Exams set, administered and marked	Setting, administering and marking of exams	Examinations set and administered and marked in liaison with KNEC for the School Based Assessments. Examination dates:

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				<table border="1"> <thead> <tr> <th>Date</th> <th>Exam</th> <th>Year</th> </tr> </thead> <tbody> <tr> <td>16/07/24-26/07/25</td> <td>ET 3 ET 6</td> <td>Year 1 Year 2</td> </tr> <tr> <td>02/9/24-13/09/24</td> <td>SBA1</td> <td>Year 2</td> </tr> <tr> <td>23/09/24-03/10/24</td> <td>SBA2</td> <td>Year 3</td> </tr> <tr> <td>15/10/24-7/11/24</td> <td>Summative Exam</td> <td>Year 3</td> </tr> <tr> <td>4/11/24-7/11/24</td> <td>ET 1 ET 4</td> <td>Year 1 Year 2</td> </tr> <tr> <td>17/2/25-21/2/25</td> <td>ET 2 & ET 5</td> <td>Year 1 & 2</td> </tr> <tr> <td>6/1/25 - 4/4/25</td> <td>Practicum</td> <td>Year 3</td> </tr> </tbody> </table>	Date	Exam	Year	16/07/24-26/07/25	ET 3 ET 6	Year 1 Year 2	02/9/24-13/09/24	SBA1	Year 2	23/09/24-03/10/24	SBA2	Year 3	15/10/24-7/11/24	Summative Exam	Year 3	4/11/24-7/11/24	ET 1 ET 4	Year 1 Year 2	17/2/25-21/2/25	ET 2 & ET 5	Year 1 & 2	6/1/25 - 4/4/25	Practicum	Year 3
Date	Exam	Year																										
16/07/24-26/07/25	ET 3 ET 6	Year 1 Year 2																										
02/9/24-13/09/24	SBA1	Year 2																										
23/09/24-03/10/24	SBA2	Year 3																										
15/10/24-7/11/24	Summative Exam	Year 3																										
4/11/24-7/11/24	ET 1 ET 4	Year 1 Year 2																										
17/2/25-21/2/25	ET 2 & ET 5	Year 1 & 2																										
6/1/25 - 4/4/25	Practicum	Year 3																										
		Number of students undertaking Teaching practice	Offer Teaching practice	$\frac{369}{375} * 100 = 98.4\%$ 369 students successfully completed their TP after placement of 375 students																								
		Percentage completion rate	Ensure successful completion of the diploma course	$\frac{344}{356} * 100 = 96.6\%$ 344 students out of 356 successfully completed their Diploma course																								
Pillar 2: Co Curriculum	To enhance co-curriculum activities to produce an all rounded secondary school teacher	Scheduled maintenance of fields	Maintenance of playing fields and facilities	Done regularly as part of College maintenance work																								
		Talent show	Organize and award talent	Talent/ Cultural show was held on 27 th June 2025. Various activities and competitions were carried out including selection of Mr & Miss Kagumo.																								
		Participation in co-curricular activities	Participate in co-curricular activities up to national levels	College participated up to national level in music, games, Athletics and drama. <table border="1"> <thead> <tr> <th>Activity</th> <th>Venue</th> <th>Period</th> </tr> </thead> <tbody> <tr> <td>Music</td> <td>Moi Girls Eldoret</td> <td>2nd to 14th August 2024</td> </tr> <tr> <td>Athletics</td> <td>Kibabii TTC</td> <td>23rd – 26th March 2025</td> </tr> <tr> <td>Ball Games</td> <td>Kibabii TTC</td> <td>30th March - 3rd April 2025</td> </tr> </tbody> </table>	Activity	Venue	Period	Music	Moi Girls Eldoret	2 nd to 14 th August 2024	Athletics	Kibabii TTC	23 rd – 26 th March 2025	Ball Games	Kibabii TTC	30 th March - 3rd April 2025												
Activity	Venue	Period																										
Music	Moi Girls Eldoret	2 nd to 14 th August 2024																										
Athletics	Kibabii TTC	23 rd – 26 th March 2025																										
Ball Games	Kibabii TTC	30 th March - 3rd April 2025																										

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				Drama	Lyons Pri- Nakuru	7 th -14 th April 2025
Pillar 3: Learning, Living and working environment	To maintain, develop, and expand physical infrastructure for improved service delivery	Complete the ongoing MPH	Construct up to 70% the ongoing MPH	There was zero progress in construction of the MPH. Development funds budgeted to do the construction were not received.		
		Renovate students hostels	Renovate 4 hostels	One hostel, Burundi hostel occupied by female teacher- trainees was renovated		
		Construction of a bio digester	Construct a bio digester for biogas	Constructed a bio digester in collaboration with the Ministry of Energy and Petroleum State Department for Energy		
		Carry out environmental audit	Environmental audit conducted	Environmental audit carried within the FY		
Pillar 4: Institutional capacity development	To enrich human capacity and competences for improved productivity	Develop HR policies and procedures manual	Develop HR Policy	Kagumo TTC HR Policy and Procedure Manual developed in December 2024		
		Develop Human Capacity and competencies	Facilitate staff capacity building	The non-teaching staff and the teaching staff were capacity separately at Misty Resort in Narumoro in November 2024		
	To enhance leadership competences for effective management			<p>Several staff were capacity build</p> <ul style="list-style-type: none"> - The two Deputy Principals and Finance Officer were capacity build during the Administrators Capacity Workshop held at Thogoto TTC from 18th to 21st May 2025. -The Registrar and the Dean of students were capacity build during Admonistrators Capacity Workshop held from 11th to 14th May 2025. -PC Director and PC secretary capacity build on Productivity Mainstreaming held at naivasha from 12th to 15th January 2025 and in Lugari TTC from 20th to 23rd January 2025 -Human Resource Officer capacity build on Kenya Labour Laws and Industrial Relations in Kisumu from 3rd to 7th March 2025 		

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				- Finance Officer capacity build during ICPAK 41 st annual seminar held at Sarova Whitesands from 18 th to 22 nd November 2024

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8. Corporate Governance Statement

Roles and functions of the Board

The College Board of Management functions through 4 sub-committees: -

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

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

Process of appointment and removal of Board members

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

In FY2024/2025 there was no new appointment or removal of a Board member.

Board meetings

In FY2024/2025 the Board of Management held 3 meeting. There was also a Board training on 23rd and 24th March 2024.

S/No.	Name	Date of meetings			No. attended out of 3
		27.09.2024	21.03.2025	20.06.2025	
1	Prof. Beatrice Warue	√	√	√	3
2	Eng. Wangai Ndirangu	√	√	√	3
3	Irene Mwangi	√	√	√	3
4	Fr. Paul Kimani	√	√	√	3
5	Ven. Joseph Njakai	√	√	√	3
6	Dr. Paul S. Njuguna	√	√	√	3
7	Mohamud S. Ibrahim	√	√	√	3
8	Joseph Kagunda Mwangi	√	√	√	3
9	Dr. Christine Njiru		√	√	2
10	Adv. Gathiga Mwangi		√	√	2
11	Robert Olweny	√	√	√	3
12	Thomas Mundia	√	√	√	3
13	Jacqueline Onyango				
14	Patricia Gathia	√	√	√	3

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15	Henry Kinyua		√		1
16	Prof. Richard Mulwa	√		√	2
17	Boniface Aginga/Martin Mwai	√	√	√	3

Policy to manage conflict of interest

The all its meetings, the Board members declare conflict of interest if as outlined in any meeting agenda.

Board remuneration

The Board allowance following a board meeting/activity is Kshs12,000.

Ethics and conduct

The Board, in undertaking its oversight duties is guided by the Basic Education act 2013. In the FY2024/2025, the Board developed the College Board Charter, Audit Committee Charter and Internal Audit Charter that further guide its operations.

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9. Management Discussion and Analysis

In the FY 2024/2025, the college developed an asset register that is in the prescribed format. Tagging of the assets was carried out.

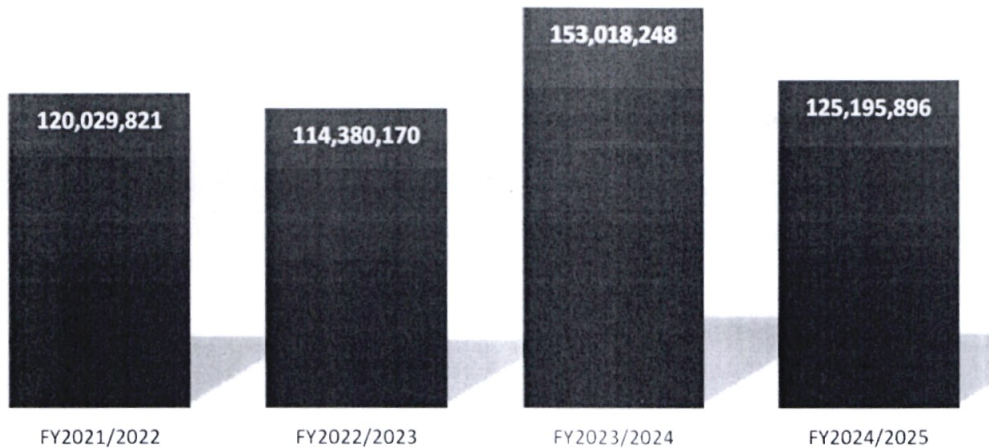
On investment, the college invested in short term investment that earned the college interest income.

The Institution complied with fees payment guidelines as provided by the Ministry of Education. The fees payable by students in each year in line with the Ministry of Education guidelines was as follows:

Academic Year	Fees Payable (Ksh.)
First Year	67,584
Second Year	52,750
Third Year	47,450

Budget estimates for the last 4 financial years

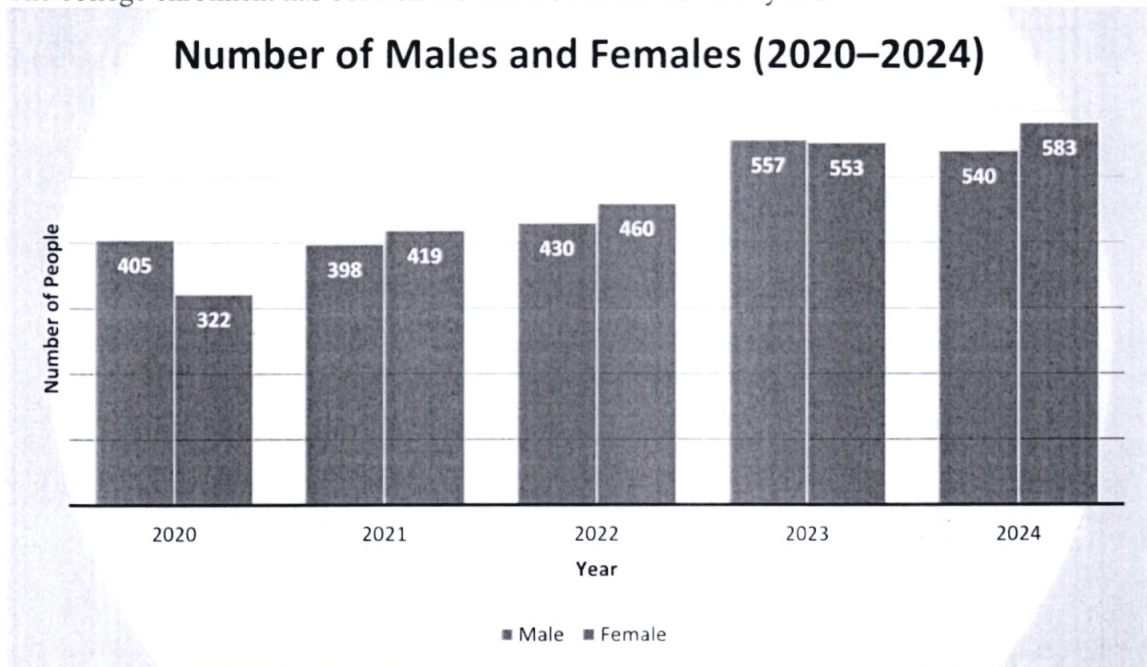
The college was implementing the highest budget in FY2024/2025 in the last four years



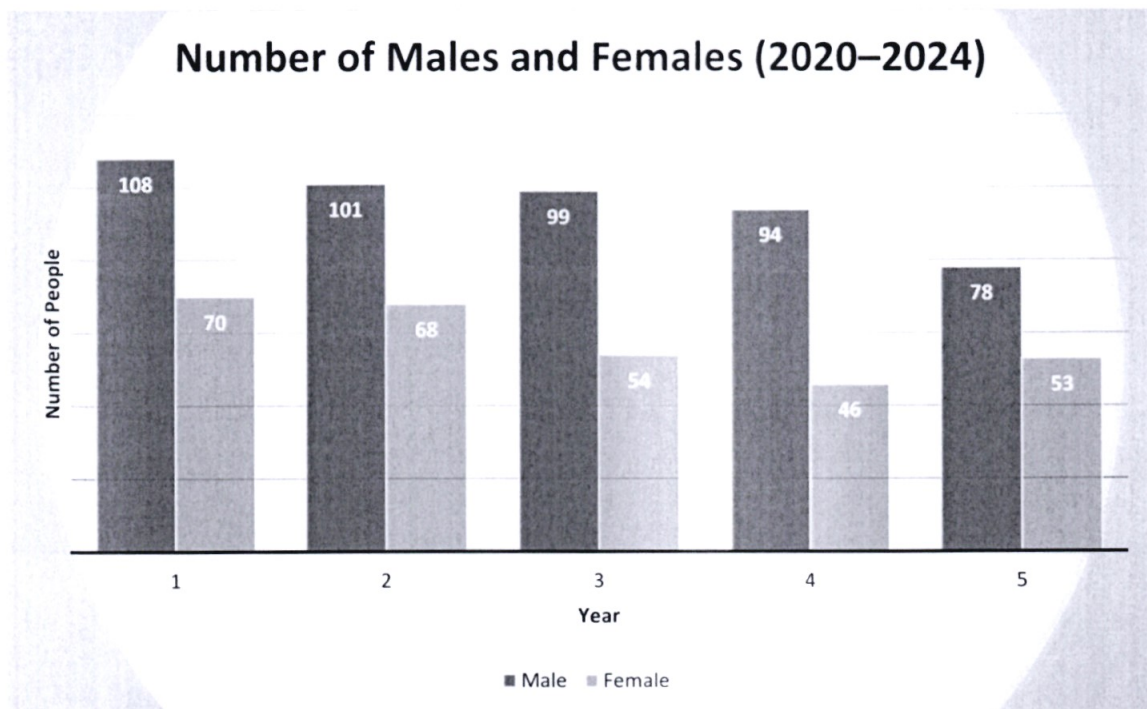
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Student enrolment for the last 4 years

The college enrolment has been on the increase in the last four years.



Number Teaching and non-teaching staff



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College major risks

The college major risks are:-

a) Operational Risks

Infrastructure Failure: the college has old and inadequate buildings, hostels and tuition rooms. This results to the college not admitting as many students as per the demand.

Supply Chain Disruptions: from time to time the college has experienced delays or failures in the delivery of essential materials, such as textbooks, technology, or food supplies.

b) Financial Risks

Inadequate Funding: the college has experienced insufficient financial resources to cover all its operational costs and infrastructure development.

Budget Cuts: in the financial year the college experienced reduction in government funding that lead to cost-cutting measures, potentially affecting the quality of education.

c) Security Risks

Physical Security Threats: the college has a porous fence that exposes the college to risks from theft and vandalism.

d) Strategic Risks

Policy Changes: Sudden or unfavorable changes in government policies, education standards, or regulatory requirements that affect how schools operate.

e) Legal and Regulatory Risks

Litigation: the college has ongoing lawsuits arising from grievances from the college internal and external community

College key projects

In FY 2024/2025 the College undertook renovation of one hostel 'Burundi Hostel' internally to improve on the living environment of the teacher-trainees. Additionally, the College through the Ministry of Energy and Petroleum, state Department for Energy constructed a biogas plant that supplements the use of firewood for energy in the College kitchen.

Compliance with Statutory Requirements

In FY 2024/2025 the College complied with all the legal and statutory requirements.

10. Environmental and Sustainability Reporting Statement

Sustainability strategy and profile

The college has put in place environmental, social and governance practices that enhance sustainability strategies and profile.

The college:

- embraces tree planting every year to replace the trees felled for fuel in the kitchen
- embrace the use of biogas to supplement the energy derived from firewood
- uses the manure produced in the dairy section for soil enrichment in other enterprises; coffee, vegetable farming
- uses more of the borehole water as compared to pumping water from the Kagumo river. This ensures enough supply of water down stream
- maintains the already installed solar lights to reduce on use of electricity
- ensures that it is working within the set legal and regulatory frameworks as they are set
- ensures public participation in implementing decisions that affect its community
-

Service Delivery Charter

The College has a Service Delivery Charter which is in both Kiswahili and English which is displayed in various places including the gate, College customer waiting bay and various offices. In providing services to her customers, the College strives to ensure that the Charter serves as a guide in service provision.

Procedures on Contract Management

The College is committed to following government regulatory requirement and procedures on contract management and tendering process in line with the Public procurement and Disposal Act, 2015 and the Public Procurement and Disposal Regulation, 2020.

In the FY 2024/2025, the college complied with regulatory requirements on prioritising the participation of women, youth and persons with disabilities in the College procurement opportunities achieving Ksh.18,111,331.00 from a total yearly procurement of ksh. 40,408,761.00 translating to 44.82% of the total procurement. Procurement under PWD was Ksh1,406,625.00 translating to 7.7% of AGPO.

Environmental performance

Environmental audit

The College carried out environmental audit within the FY 2024/2025 and has largely implemented the recommendations of the Audit on such as waste management among other areas.

Disposal of Wastes

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

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Automation of Systems

The College has made use of ERP system to automate its services with various modules that talk to each other. The use of ERP in provision of services has greatly contributed to reduction in paper use in offices. The College however hopes to increase the number of modules for effective and effective automation of services.

Mitigating Climate Change

To mitigate negative climate, the College in the FY2024/2025 planted over 10,000 trees including fruit trees in line with the College Performance Contract commitment on Presidential Directives and College Strategic Plan.

Climate Smart Technologies

The College in collaboration with the Ministry of Energy and Petroleum was able to construct a biogas plant within the financial year which has contributed to use of clean renewable energy in the kitchen and reduced deforestation as a result of extensive firewood use. The College has been making use of automated solar lighting system for outside open lighting and servicing them to ensure that there is clean lighting system.

Employee welfare

Recruitment Guiding Principles

- a) Recruitment is done against approved establishment. Recruitment and selection on all arising vacancies are filled competitively. The Board is responsible for recruitment of staff in all positions. Consideration for appointment is based on relevant qualifications, experience, merit, competency and attitude desired to perform in the roles effectively;
- b) The Board provides Job Descriptions and person specifications on which the recruitment is done.
- c) All potential employees are interviewed by relevant organs.
- d) Recruitment of staff is guided by the approved staff projection.

In employment of its staff, the College puts into consideration the aspect of gender and marginalized groups. In the FY 2024/2025 the College recruited 8 staff. In the recruitment, gender consideration was adhered to. Among the 8 staff recruited, 5 were male and 3 were female bringing the current non-teaching staff within the FY to 62, 40 males and 22 Females. The College had within the FY 3 staff with disability. In the recruitment advertisement, the College encourages persons within disability to apply by entrenching the clause 'Kagumo TTC is an equal opportunity employer, committed to diversity and gender equality. Women, youth, minorities, marginalised and persons with disability are encouraged to apply.'

Selection Guiding Principles

Initial Appointment

The Board appoints all employees of the College. Potential employees are expected to accept/reject an offer within the period stipulated in the offer.

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Other guidelines on:

- i. Acting Appointment
- ii. Power to Make an Appointment
- iii. Probationary Period
- iv. Confirmation on Appointment
- v. Employment of Ex-employees
- vi. Transfer or Deployment within the college
- vii. Employment Records

Employee Reward and Recognition

Policy Objectives

- a. Reward work beyond the call of duty
- b. Improve employee morale
- c. To reward long Service
- d. To encourage and motivate employees to strive for higher level of productivity
- e. Promote integrity within the College
- f. Encourage problem solving behaviour
- g. Reward agreed targets.

Occupational Health, Safety and Environment

Philosophy of the College on Safety Issues

- a. The College recognizes its corporate responsibility under the Constitution of Kenya, Occupational Safety and Health Act of 2007 (OSHA 2007), Employment Act of 2007 and the Work Injury Benefits Act of 2007 (WIBA) and related legal notices.
- b. The management adopted all reasonable and proactive measures to:
 - i. Create a safe working environment
 - ii. Uphold environmentally friendly practices
 - iii. Provide appropriate training and awareness to its employees
 - iv. Take responsibility for Occupational Safety, Health and Environment of the work place
 - v. Continuously monitor Occupational Safety, Health and Environment through regular inspection and Audits.

Market place practices-

a) Responsible competition practice

Anti-corruption

The college has also an anti-corruption committee in its Performance Contracting structure that ensures fairness, declaration of interest and receiving complains of corruption and solving the disputes arising, continued sensitization of staff and even students on matters anti-corruption to create more awareness and how to handle such in case any arises.

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Political involvement

The college encourages democracy and free elections for Student Representative Council (SRC), the students' representative body. Within the FY 2024/2025, the College held the SRC elections in 3rd February 2025.

This results in fairness as people elected are through an open campaign and secret ballot, thus promoting responsible competition resulting in peaceful co-existence and unity for both students, staff and non-teaching staff and the administration.

The SRC Chairman sits in the Board of Management meetings as ex-officio in line with the Basic Education Act 2013 and the College Board Charter 2025.

Fair competition and respect for competitors

a) Suppliers - The College Procurement process is guided by the PPDA Act of 2015, During the year the college implemented the following in bid to ensure fair competition and respect for competition.

1. Advertise through the college website and Public Procurement Information Portal (PIIP) to create a pool of suppliers to enhance competition.
2. Ensure all open tenders are done on the college website and PIIP where all interested suppliers access similar information for fair competition.
3. Maintaining a least level possible for the pending bills for long supplier relationship and general market sustainability.

b) Responsible supply chain and supplier relations

Good business practices

The organization believes in acquiring genuine goods from authentic suppliers who are duly registered to obtain quality products that are at acceptable market rates. The college engages in genuine business with legally allowed documents for purchase and contracts thus resulting in lasting supplier relationships as this contributes to nice reputation for the college hence attracting more suppliers willing to engage in business with the college.

The college convenes a supplier / stakeholder meeting every beginning of the financial year to brief them on what to expect from the college as well as what the college expects from them. For the FY 2024/2025 the Suppliers stakeholders meeting was held in 28th June 2024.

c) Responsible Engagement with the Citizens

The College ensures that adequate information is provided to its customers and other stakeholders through the College website, government portals, and other communication channels like the graduation booklet. The College holds a graduation ceremony on yearly basis providing in addition to the graduation who are usually invited to come together and engage with the College. The FY 2024/2025 graduation Ceremony was held on 8th November 2024.

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d) Awareness creation

The college is committed to creating awareness to the college community. In the FY 2024/2025 the College carried out awareness creation to both students and staff during assemblies and staff meetings which are regularly held. The College invited SHA team who sensitized the College fraternity on the shift from NSSF to SHA and assisted in opening SHA individual accounts. Additionally, the College hosted NSSF team who provided insights on issues of NSSF.

Corporate Social Responsibility / Community Engagements

The College offered its playing fields to various public institutions on varied days to hold both ball games and athletics at no cost as follows:

	Institution	Period
1	Kiamuiru Comprehensive School	23 rd January 2025
2	Kiamuiru Unit (Comprising 7 primary & Junior Schools)	5 th and 10 th June 2025
3	Nyeri Municipality (Comprising 4 units)	11 th and 12 th June 2025

In addition, the College provided the Multi-Purpose Hall (MPH) to host the Tetu Education Managers Conference organized by the area MP as follows:

	Institution	Period
1	Tetu Primary /JSS Headteachers, respective BOM, PTA and Alumni Chairpersons	19 th September, 2024
2	Tetu High School Headteachers and their respective BOM, PTA and Alumni Chairpersons	20 th September, 2024

Kagumo Teachers Training College
Annual Report and Financial Statements for the year ended 30th June 2025

11. Report of the Board of Management

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

Principal activities

The principal activity of the college is to train secondary school diploma teachers.

Results

The results of the college for the year ended June 30 are set out on page 1-5

Board of Management

The members of the Board who served during the year are shown on page vii-xi. During the year 2024/2025 there was no retirement/ resignation/appointment of any Board member

Auditors

The Auditor General is responsible for the statutory audit of the college in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or to carry out the audit of the college for the year ended June 30, 2025, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



.....
Secretary of the Board

Kagumo TTC

Date: 13.12.25



12. Statement of Board of Management Responsibilities

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

The Board members are responsible for the preparation and presentation of the college's financial statements, which give a true and fair view of the state of affairs of the college for and as at the end of the financial year (period) 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 entity,
- (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud,
- (iv) safeguarding the assets of the college
- (v) selecting and applying appropriate accounting policies,
- (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for the college's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgment and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the Basic Education Act 2013. The Board members are of the opinion that the college's financial statements give a true and fair view of the state of college's transactions during the financial year ended June 30, 2025, and of the college's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the college which have been relied upon in the preparation of the college's financial statements as well as the adequacy of the systems of internal financial control.

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

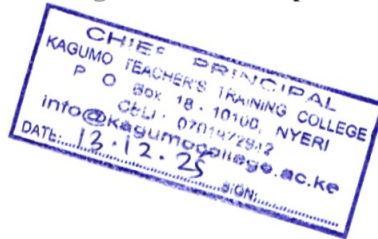
Kagumo Teachers Training College
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Approval of the financial statements

The college's financial statements were approved by the Board on 27th August, 2025 and signed on its behalf by:

.....
Name *Prof Beance Warne*
Chairman of the Board
13.12.25

.....
Name *Inene Muzugi*
Accounting Officer/Principal



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

REPORT OF THE AUDITOR-GENERAL ON KAGUMO TEACHERS TRAINING COLLEGE FOR THE YEAR ENDED 30 JUNE, 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 Kagumo Teachers Training College set out on pages 1 to 24, 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kagumo Teachers Training College 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 Public Finance Management Act, 2012.

Basis for Qualified Opinion

Inaccuracies in Cash and Cash Balances

Note 17 to the financial statements captures opening balance of Equity Bank - 0110297070907 as Kshs.-1,488,471 while the cash book captures the opening balance as Kshs.1,499,990 leading to a variance of Kshs.-2,988,461.

In the circumstances, the accuracy and completeness of the cash and cash equivalent of Kshs.14,420,422 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects budgeted receipts and actual on comparable basis amounting to Kshs.125,195,896 and Kshs.130,162,111 respectively resulting in a variance of Kshs.4,966,215. Similarly, the College expended Kshs.116,637,616 against an approved budget of Kshs.125,195,896 resulting to under expenditure of Kshs.8,558,280 or 7% of the budget.

The under-expenditure implies that some of the planned activities were not implemented which could impact negatively on the achievement of the overall College's goals and objectives.

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 effects of the matter described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Information

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

In connection with my audit on the Kagumo Teachers Training College 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 effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

1. Non-Compliance to Law on Ethnicity

Examination and analysis of personnel records of the College availed for audit review revealed that the institution has Sixty (60) staff members out of which forty-nine (49) or 82% of the staff members are from the dominant ethnic community. This is contrary to section 7(2) of the National Cohesion and Integration Act, 2008.

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

2. Weak Controls Over Board Governance

The statement of financial performance and Note 14 to the financial statements reflect Board expenses totaling Kshs.3,064,770. Allowances paid to Board members were not subjected to statutory deductions, contrary to tax requirements.

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

3. Stalled Projects

It was noted that the College undertook projects which have since remained stalled as follows.

3.1 Anomalies in Implementation of Multi-Purpose Hall Complex Phase 2 (MPH Phase II)

Audit review of contract award and implementation revealed the following anomalies;

- i. The request for implementation of phase II hall designed to consist of sixteen (16) classrooms, four (4) computer laboratories, one (1) lecture hall, one (1) theatre, two (2) stores, ablution facilities, stand by generators was made to the Ministry of Education on 4 October, 2007.
- ii. The contract sum for proposed completion works at the College was set at Kshs.70,300,000 for a contract period of seventy-two (72) weeks. The contractor was paid Kshs.31,975,162 on 30 May, 2014 representing 18% of contract for works certified.
- iii. A letter from the Principal Secretary issued on 4 October, 2017 highlighted that as per the site visit that there were no materials on site, no labour on site, no ongoing works and only 26% of work done against 105.5 % of the contract period expired.
- iv. A report on the visit to the Ministry of Transport, Infrastructure, Housing and Urban Development in March, 2017 highlighted the status of the project and requested for legal matters on the project to be sorted out to enable awarding of contract to another contractor so that works can be jump started and completed.
- v. A letter of revival of The MPH Phase II project was done to Ministry of Lands, Public Works, Housing and Urban Development on 22 November, 2023 by the Principal of Kagumo Teachers Training College.
- vi. Additionally, the supply of 150KVA generator was made by a local company on 24 January, 2014 at a cost of Kshs.3,097,480. The 150KVA generator has not been installed or put into use by the College as the supplier did not hand over the start keys, 11 years ago.
- vii. During the year under review, the College engaged a contractor for the tender for proposed storey classrooms, staircase and washrooms. A letter of notification of quotation award was issued on 22 February, 2024 for tender of Kshs.8,566,675 inclusive of VAT. The contract was signed on 12 March, 2024. The payments were

made on 14 May, 2024 amounting to Kshs.2,500,00 and 27 June, 2024 amounting to Kshs.6,064,274.

- viii. Physical verification of the project carried out in November, 2025 revealed that the project is still incomplete and far from completion despite re-commencement of project in February, 2024 after stalling for over thirteen (13) years. Only exterior walls and shutters have been constructed, on one side of the project.
- ix. Total expenditure of Kshs.40,541,837 and Kshs.3,097,480 had been spent on the project and on the unutilised generator.

In the circumstances, the public may not realise value for money so far spent on the project and generator.

3.2 Burundi Hostel Wing II

The total estimated cost for the proposed Burundi Hostel Block was set by the regional State Department for Public Works department at Kshs.65,218,883 inclusive of VAT. However, costs of works amounting to Kshs.57,184,792 were implemented by various contractors in three (3) phases over the years with Kshs.49,300,000 to be financed by the Ministry of Education and Kshs.7,884,792.00 by the College. However, physical project verification in November, 2025 revealed that one section of the hostel was complete and the other part of the hostel was still on the slab level since year 2020.

In the circumstances, value for money of the amount of Kshs.57,184,792 so far utilised may not be realised by the public.

3.3 Ablution Blocks

The asset register revealed three (3) construction of Ablution Blocks pending since the year 2023. A physical verification in the month of November, 2025 confirmed that the projects were still ongoing but cracks on the walls had started to emerge and the project had been discontinued for more than one (1) year.

In the circumstances, the value for money for the projects undertaken may not be realized.

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. Lack of an Approved Salary Structure

The statement of financial performance for the year ended 30 June, 2025 reflect employee costs of Kshs.34,605,381 as disclosed in the Notes 13 to the financial statements. It was noted during the audit that the salary structure that was used to pay the salaries during the financial year 2024/2025 is a salary structure from the Ministry of Public Service, performance and delivery management. The College does not have a salary structure of their own approved by the Salary and Remuneration Commission hence there is no basis for the payment of Kshs.34,605,381 paid as employee costs.

In the circumstances, failure to have an approved salary structure may negatively affect the salary structure of the college employee.

2. Lack of an Approved Staff Establishment

Examination and analysis of personnel records of the College availed for audit review revealed that the institution has Sixty (60) staff members. The management did not provide an approved staff establishment. The audit could not establish whether the college staffing was optimal.

In the circumstances, the effectiveness of the staff establishment as a Human Resource Management control could not be confirmed.

3. Unapproved Business Continuity Plan

Audit review established that the College is currently operating using a Business Continuity Plan (BCP) that is still in draft form. The draft plan has not been finalized, approved by the board or disseminated to relevant staff.

In the circumstances, the college may suffer permanent loss of student records, financial data, exam results and payroll files and in case of a disaster, may be unable to recover its normal operations.

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 Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is

necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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


Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards 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


17 December, 2025

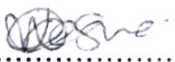
Kagumo Teacher Training College
Annual Report and Financial Statements for the year ended 30th June 2025


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

Description	Note	2024/2025	2023/2024
		Ksh	Ksh
Revenue from Non exchange transactions			
Transfer from the National Government-grants	6	68,641,841	88,033,333
Revenue from exchange transactions			
Rendering of services	7	56,696,531	55,610,162
Sale of Goods	8	2,264,469	2,170,066
Rental revenue from facilities and equipment	9	2,188,713	4,926,499
Finance income	10	370,557	1,026,977
Miscellaneous Income	11	88,370	1,746,500
Total Revenue from exchange transactions		61,608,640	65,480,204
Total Revenue		130,250,481	153,513,537
Expenses			
Use of Goods and Services	12	75,771,475	110,716,769
Employee Costs	13	34,605,381	30,131,763
Board expenses	14	3,064,770	1,657,594
Depreciation & amortisation	15	21,570,282	25,102,299
Repairs and maintenance	16	3,195,990	6,701,884
Total Expenses		140,051,898	174,310,309
Capital Expenditure			17,070,320
		0	0
Net Deficit for the year		-9,801,417	-37,867,092

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

.....

Chairman of Board
 Prof Beatrice Wame
 Date 13.12.25

.....

Principal
 Irene Mwangi
 Date 13.12.25

.....

Finance Officer
 ICPAK No 30948
 Date 13.12.2025


CHIEF PRINCIPAL
 KAGUMO TEACHER'S TRAINING COLLEGE
 P. O. Box 18 - 10100, NYERI
 CELL: 0704972912
 info@kagumocollege.ac.ke
 DATE:.....SIGN:.....


Kagumo Teachers Training College
Annual Report and Financial Statements for the year ended 30th June 2025

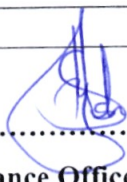
15. Statement of Financial Position as at 30th June 2025

Description	Note	2024/2025	2023/2024
		Ksh	Ksh
Assets			
Current Assets			
Cash and cash Equivalents	17	14,420,422	9,330,033
Receivables from exchange transactions	18	9,516,111	10,284,107
Total Current Assets		23,936,533	19,614,140
Non- Current Assets			
Plant Property and Equipment	19	1,098,334,698	1,119,904,981
Intangible assets	20	0	1,844,000
Biological Assets	21	5,274,936	5,274,936
Total Assets (A)		1,127,546,167	1,146,638,057
Liabilities			
Current Liabilities			
Social benefit liability			43,619
Trade and other payables from exchange transactions	22	3,198,823	11,261,077
Refundable deposits from customers	23	66,480	99,480
Fees received in advance	24	6,199,359	5,321,929
Total Current Liabilities		9,464,662	16,726,105
Total Liabilities (B)		9,464,662	16,726,105
Net Assets (A-B)		1,118,081,505	1,129,911,952
Represented By:			
Revaluation Reserve		7,692,322	
Accumulated Surplus		-49,428,855	-37,867,092
Capital fund		1,159,818,038	1,167,779,043
Total Net Assets		1,118,081,505	1,129,911,952

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

.....

Chairman of Board
 Prof Beatrice Warue
 Date: 13.12.25

.....

Principal
 Irene Mwangi
 Date: 13.12.25

.....

Finance Officer
 ICPAK No. 30948
 Date: 13.12.2025

CHIEF PRINCIPAL
 KAGUMO TEACHERS TRAINING COLLEGE
 P. O. Box 48 - 10100, NYERI
 CELL: 0701972942
 info@kagumocollege.ac.ke
 DATE: SIGN:

Kagumo Teacher Training College

Annual Report and Financial Statements for the year ended 30th June 2025

16. Statement of Changes in Net Asset for the Year Ended 30 June 2025

	Revaluation reserve	Accumulated Fund	Capital Fund	Total
Balance at July, 01 2023	-	-1,760,346	1,139,856,598	1,138,096,252
Surplus for the year	-	-37,867,092	-	-37,867,092
Capital grants received in the year			21,692,562	21,692,562
Balance at June, 30 2024	-	-39,627,438	1,161,549,160	1,121,921,722
				0
Balance at July, 01 2024	-	-39,627,438	1,161,549,160	1,121,921,722
Revaluation Loss	-7,692,322			-7,692,322
Additions in the year			-	0
Surplus for the year	-	-9,801,417	-	-9,801,417
Transfer of depreciation				0
Balance at June, 30 2025	-7,692,322	-49,428,855	1,161,549,160	1,104,427,983

Kagumo Teacher Training College
Annual Report and Financial Statements for the year ended 30th June 2025

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

Description	Note	2024/2025	2023/2024
		Ksh	Ksh
Cash flows from operating activities			
Receipts			
Trade and other payables from exchange transactions			46,957,560
Employee Costs			6,600
Transfer from the National Government-grants		68,641,841	88,033,333
Rendering of services		54,083,416	36,607,708
Sale of Goods		2,264,469	2,173,566
Rental revenue from facilities and equipment		2,208,503	5,091,166
Finance income		370,557	322,243
Miscellaneous Income		120,570	1,746,500
Prepayment Inflow		0	11,255,422
		127,689,356	192,194,098
Payments			
Trade and other payables from exchange transactions			82,910,502
Use of Goods and Services		81,475,858	112,709,656
General expenses		0	20,741,429
Employee Costs		34,020,180	880,524
Board expenses		2,776,770	0
Repairs and maintenance		2,553,883	0
Capital Expenditure		1,772,276	0
		122,598,967	217,242,111
Net Cash flows from operating activities		5,090,389	-25,048,013
Cash flows from financing activities			
Reserves			12,189
Net increase/(decrease) in cash & cash equivalents		5,090,389	-25,035,824
Cash and Cash Equivalents at 1st July	17	9,330,033	24,474,086
Cash and Cash Equivalents at 30th June 2025	17	14,420,422	9,330,033

Kagumo Teacher Training College
Annual Report and Financial Statements for the year ended 30th June 2025

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

Description	Original Budget	Adjustments	Final Budget	Actual on comparable Basis	Performance Difference	Utilization Difference
	Ksh	Ksh	Ksh	Ksh	Ksh	%
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Receipts						
Transfer from the National Government-grants	68,641,836	0	68,641,836	68,641,841	5	100%
Rendering of services	54,391,660	0	54,391,660	56,696,531	2,304,871	104%
Sale of Goods	0	0	0	2,264,469	2,264,469	
Rental revenue from facilities and equipment	2,162,400	0	2,162,400	2,188,713	26,313	101%
Finance income	0	0	0	370,557	370,557	
Total Receipts	125,195,896	0	125,195,896	130,162,111	4,966,215	
Expenses						
Use of Goods and Services	78,729,184	0	78,729,184	75,771,475	2,957,709	96%
Employee Costs	39,483,312	0	39,483,312	34,605,381	4,877,931	88%
Board expenses	3,100,000	0	3,100,000	3,064,770	35,230	99%
Repairs and maintenance	3,883,400	0	3,883,400	3,195,990	687,410	82%
Total Expenditure Payments	125,195,896	0	125,195,896	116,637,616	8,558,280	92%
Surplus	0	0	0	13,524,495	-3,592,065	

Budget notes

Employee cost

As at 30th June, 2025, the college had unpaid gratuity amounting to Ksh2,319,090 that has been cleared in FY2025/2026. Additionally, the college intended to pay Ksh2,000,000 dues to Co-op Trust Fund which is the college Pension fund but had not paid by 30th June, 2025

Repairs and maintenance

The college undertook major repair works in August 2025, during the holiday, as some of the works could only be done in the absence of students.

19. Notes to the Financial Statements

1. General Information

Kagumo Teacher Training College is established by and derives its authority and accountability from Basic Education Act. The college is wholly owned by the Government of Kenya and is domiciled in Kenya. The college's principal activity is to teach diploma in teacher Education.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the College's accounting policies. There are no areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements

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 Basic Education Act 2013 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the periods presented.

3. Adoption of New and Revised Standards

i. Early adoption of standards

The college did not early – adopt any new or amended standards in the financial year.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

Kagumo Teacher Training College
Annual Report and Financial Statements for the year ended 30th June 2025

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the Board on **28th June, 2024**. No subsequent revisions or additional appropriations were made to the approved budget. The college's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of Cashflows has been presented.

c) Taxes

Current income tax

The college is exempt from paying taxes as per first schedule Part 1 (10) of the Income Tax Act.

Sales tax/ Value Added Tax

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

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

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

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured 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.

e) Property, plant and equipment

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

f) 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.

g) Biological Assets

The college recognizes biological assets when it controls the assets due to past events, it is probable that future economic benefits associated with the asset will flow to the college, and when the fair value or cost of the asset can be measured reliably. Biological assets are initially and subsequently measured at fair value less costs to sell, except where fair value cannot be reliably determined. In such cases, the asset is measured at its cost less accumulated depreciation and any accumulated impairment losses. Changes in fair value less costs to sell are recognized in surplus/deficit in the period in which they occur.

h) Research and development costs

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

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

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

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The college does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the college's financial statements.

Financial assets

Classification

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.

Financial liabilities

Classification

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

j) 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.

k) 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.

l) Employee benefits

Retirement benefit plans

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

Kagumo Teacher Training College
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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.

m) Related parties

The 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.

n) Cash and cash equivalents

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

o) Comparative figures

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

p) 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.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

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

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

6. Transfers from other National Government entities

Description	FY2024/2025	FY2023/2024
	Ksh	Ksh
Recurrent Grant	68,641,841	70,533,333
Development Grant	0	17,500,000
Total Government grant	68,641,841	88,033,333

7. Rendering of Services

Description	FY2024/2025	FY2023/2024
	Ksh	Ksh
Students Registration	87,550	87,350
Student Council	238,200	258,600
Co-Curricular Activities	1,885,000	1,377,100
Medical Fund	998,150	968,920
Teaching Practice Administration	2,703,925	3,534,000
Boarding Equipment & Stores	21,714,128	18,434,899
Tuition, Equipment & Stores	5,355,672	5,519,355
Repair, Maintenance & Improvements	3,108,800	2,692,650
Electricity, water & Conservancy	4,888,053	5,152,122
Local Transport and Travel	4,387,420	5,188,270
Administration Cost	2,464,333	2,663,066
KNEC	6,999,400	7,269,730
KUCCPS	595,500	646,500
PE Kits	1,270,400	1,379,200
Computer Courses / ICT	0	303,400
Performance Contracting	0	135,000
	56,696,531	55,610,162

8. Sale of Goods

Description	FY2024/2025	FY2023/2024
	Ksh	Ksh
Bee Income	10,780	0
Coffee Income	1,073,755	0
Dairy Income	829,380	1,855,437
Banana Income	9,560	1,500
Pig Income	314,500	127,014
Vegetables Income	20,769	186,115
Avocado Income	5,725	0
	2,264,469	2,170,066

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9. Rental revenue from facilities and equipment

Description	FY2024/2025	FY2023/2024
	Ksh	Ksh
Staff Rent Income	76,000	208,532
Water charges	74,267	0
Rent Income	1,682,369	1,135,843
Hire of Facilities	356,077	3,582,124
	2,188,713	4,926,499

10. Finance Income

Description	FY2024/2025	FY2023/2024
	Ksh	Ksh
Interest on Fixed Deposit	370,557	1,026,977
	370,557	1,026,977

11. Miscellaneous Income

Description	FY2024/2025	FY2023/2024
	Ksh	Ksh
Disposal	0	1,668,500
staff trip	0	75,000
Tender Levy	0	3,000
Salary Recovery.	46,200	0
Miscellaneous Income	42,170	0
	88,370	1,746,500

12. Use of Goods and Services

Description	FY2024/2025	FY2023/2024
	Ksh	Ksh
Bank Charges Expense	164,389	15,897
Facility Hire Expense	56,115	183,200
Withholding Tax	1,683	379,965
Christian Union Expense	13,000	6,000
Farm Expenses	805,165	5,500
Banana (Farm)	98,900	54,800
Bee (Farm)	12,870	0
Coffee (Farm)	513,185	229,125
Dairy (Farm)	564,544	2,174,015
Maize (Farm)	130,350	138,430
Pig (Farm)	55,550	72,900
Sweet Potatoes (Farm)	0	2,000
Vegetables (Farm)	27,850	191,706
Staff Water Charges	0	112,693
Grant in Aid	3,635,667	28,626,560
Staff Trip Expense	0	265,000
Disposal Expenses	0	40,000
Computer Studies/ICT Expense	0	282,000
Avocado (Farm)	50,000	0
Activity Expenses	2,408,759	4,161,140
BES	24,281,560	33,128,928
Administration costs	6,477,257	8,593,583
Local Transport and Travel Expense	5,862,045	6,336,272
Medicare	865,200	1,132,890
PE Uniform	989,190	1,134,750
Electricity Water & Conservancy Expense	3,563,956	5,989,879
Teaching Practice Administration Expense	4,319,398	3,968,702
TES Expense	4,203,206	4,059,442
KUCCPS Expense	561,000	634,500
KNEC Expenses	12,657,740	6,223,350
Co-Curricular Activities Expense	3,292,496	265,013
Students Representative Council Expense	160,400	1,816,247
Performance Contract Expenses	0.00	370,632.00
Rent Expenses	0.00	121,650.00
	75,771,475	110,716,769

13. Employee Costs

Description	FY2024/2025	FY2023/2024
	Ksh	Ksh
Basic Salary	18,887,777	19,569,273
Commuter Allowance	2,643,000	2,883,000
House Allowance	2,800,281	2,920,490
Extraneous Allowance	840,000	840,000
Medical Allowance	480,165	512,775
Risk allowance	138,600	138,600
Employer NSSF	1,479,650	1,131,791
NITA Levy	38,950	73,150
Leave Allowance	274,000	296,000
Salary Arrears	682,227	834,060
Employer Affordable Housing Levy	358,050	422,428
Service Gratuity Expenses	2,367,194	294,384
WIBA Expense	112,630	215,812
Outsourced security	2,179,200	0
Casual wages	1,037,857	0
NTS Training	285,800	0
	34,605,381	30,131,763

14. Board Expenses

Description	FY2024/2025	FY2023/2024
	Ksh	Ksh
Board Allowances	2,775,850	1,657,594
Board Expenses	288,920	0
	3,064,770	1,657,594

15. Depreciation and Amortization expense

Description	FY2024/2025	FY2023/2024
	Ksh	Ksh
Total depreciation and amortization	21,570,282	25,102,299

16. Repairs and Maintenance

Description	FY2024/2025	FY2023/2024
	Ksh	Ksh
RMI-Property	247,620	0
RMI-Investment Property	2,000	0
RMI-Equipment and Machinery	280,150	0
RMI-Vehicles	99,522	0
RMII-Furniture and Fittings	2,500	0
RMI-Computers and accessories	59,550	0
RMI Expense	2,504,648	6,701,884

17. Cash and Cash Equivalents

Description	FY2024/2025	FY2023/2024
	Ksh	Ksh
KCB Bank A/C 1101874422	7,740,130	1,868,542
KCB Fund A/c 1101874589	3,689	- 863,919
KCB Farm A/C 1101877960	253,951	- 81,167
Equity Bank A/c 0110297070907	1,029,942	-1,488,471
Cash - Equity A/c	0	149,333
Cash - KCB Main A/c	0	- 12,357
Cash - KCB Farm A/c	0	- 105,148
Cash - KCB Fund A/c	0	- 28,552
Equity Bank - Investments in financial assets	5,392,710	9,891,772
Total Cash and Cash Equivalents	14,420,422	9,330,033

18. Receivables from Exchange transactions

18 (a) Current Receivables from Exchange transactions

Description	FY2024/2025	FY2023/2024
	Ksh	Ksh
Student Debtors	9,352,531	10,110,609
Sundry Debtors	163,581	173,498
Total Receivables from exchange transactions	9,516,112	10,284,107

18 (b) Ageing Analysis of Receivables from Exchange transactions

Description	FY2024/2025		FY2023/2024	
	Ksh	% of the total	Ksh	% of the total
Less than 1 year	906,008	9.5	3,565,574	34
Between 1- 2 years	3,532,095	37.13	2,120,678	21
Between 2-3 years	942,597	9.91	2,456,287	24
Over 3 years	4,135,412	43.46	2,141,567	21
Total (a)	9,516,112	100	10,284,106	100

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19 Property, Plant and Equipment

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation Rate(%)	-	2	25	12.5	33.3	20	
At 1st July 2023	559,700,000	540,787,437	9,123,480	9,200,087	9,683,036	2,513,000	1,131,007,040
Additions	-	-	0	446,528	21,230,044	15,990	21,692,562
Disposals	-	-	0	-	-	-	-
Transfer/Adjustments	-	-	0	-	-	-	-
At June 2024	559,700,000	540,787,437	9,123,480	9,646,615	30,913,080	2,528,990	1,152,699,602
Additions							
Disposals							
Transfer/Adjustments							
Revaluation		-13,487,437	1,416,140	343,430		4,035,545	-7,692,322
At June 2025	559,700,000	527,300,000	10,539,620	9,990,045	30,913,080	6,564,535	1,145,007,280
Depreciation and impairment							
At June 2024		10,815,749	2,280,870	1,205,827	10,294,056	505,798	25,102,299
At June 2025		10,329,685	2,064,688	1,098,027	6,866,135	1,211,747	21,570,282
Net Book Values							
At 30 th June 2024	559,700,000	516,484,251	8,258,750	8,784,218	20,619,024	6,058,737	1,119,904,981
At 30 th June 2025	559,700,000	506,154,566	6,194,063	7,686,191	13,752,889	4,846,990	1,098,334,698

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Notes to the Financial Statements (Continued)

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 Leo Realtors Limited in January 2025. These amounts were adopted in the financial statements on xxx.

20 Intangible Assets

Description	FY2024/2025	FY2023/2024
	Ksh	Ksh
Cost		
At beginning of the year	1,844,000	3,688,000
Additions during the period		
At end of the period		
Additions–internal development		
At end of the period	1,844,000	3,688,000
Amortization and impairment		
At beginning of the year		
Amortization during the period	1,844,000	1,844,000
At end of the period		
Impairment loss during the period		
At end of the period		
NBV	-	1,844,000

21 Biological Assets

Description	FY2024/2025	FY2023/2024
	Ksh	Ksh
Cattle	1,806,000	1,711,412
Flowers	0	409,280
Pigs	430,000	354,413
Coffee	2,025,000	1,918,941
Nappier	25,000	53,541
Banana	728,436	690,280
Maize	260,000	23,691
Total	5,274,436	5,161,558

22 Trade and Other Payables

Description	FY2024/2025	FY2023/2024
	Ksh	Ksh
Creditors	2,707,492	8,906,592
Bursary	107,245	43,619
WH VAT 2%	184,607	299,218
Retention Fee 10%	0	1,631,347
Withholding At 3%	199,479	356,314
Retention Fee 5%	0	52,180
	3,198,823	11,289,270

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	FY2024/2025	% of the Total	FY2023/2024	% of the Total
Ageing analysis:				
Under one year	3,198,823	100	11,289,270	100
1-2 years				
2-3 years				
Over 3 years				
Total	3,198,823	100	11,289,270	100

23 Refundable Deposits from Customers

Description	FY2024/2025		FY2023/2024	
	Kshs		Kshs	
Catholic Action	66,480		99,480	
	66,480		99,480	
Ageing analysis:	FY2024/2025	% of the Total	FY2023/2024	% of the Total
Under one year	66,480	100%	99,480	100%
1-2 years				
2-3 years				
Over 3 years				
Total				

The college also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The college's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. 8,720 per employee per month.

24. Payments received in advance.

Description	FY2024/2025		FY2023/2024	
	Ksh		Ksh	
1st Year Commitment Fee	793,544		0	
Fees Prepayments	5,402,065		5,310,450	
Customer Prepayments	3,750		11,479	
Total Fees received in advance	6,199,359		5,321,929	
Ageing analysis:	FY2024/2025	% of the Total	FY2023/2024	% of the Total
Under one year	2,631,097	42	1,734,254	33
1-2 years	1,407,152	23	1,396,194	26
2-3 years	122,010	2	344,056	6
Over 3 years	2,039,100	33	1,847,425	35
Total	6,199,359	100	5,321,929	100

26. Financial Risk Management

The college's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The college's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The college 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) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the college's board, 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.

(ii) 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.

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The college analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign

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exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

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.

Government of Kenya

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

- i) The National Government;
- ii) The Parent Ministry;
- iii) Key management;
- iv) Board of management;

27. Events After the Reporting Period

There were changes after the closure of FY2023/2024 and adjustments done as per IPSAS 3 as captured in the table below

Note No.	Component	Prior Year Audited Balances	Opening balance	Adjustments (Kshs)	Remarks
6	Use of goods & services	110,838,715	110,716,769	121,946	The difference is attributable to the amendments in use of goods and services that affected the total expense.
	Depreciation	23,049,516	25,102,299	2,052,783	The difference is attributable to the amendments in the PPE.
	Net deficit for the year	-35,936,255	-37,867,092	1,930,837	The difference is attributable to the arithmetical amendments and corrections
17	Cash and Cash equivalents	9,330,033	9,223,515	106,518	The difference is attributable to the arithmetical amendments and corrections.
22	Trade & other payables	11,455,557	11,261,077	194,480	The difference is attributable to the amendments in trade

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					and other payables that affected the total liability.
23	Refundable deposits from customers	11,479	99,480	-88,001	The difference is attributable to amendments made that affected the liability.
24	Fees received in advance	5,215,450	5,321,929	-106,479	The difference is attributable to the amendments made that affected the liability.
	Capital fund	1,141,222,098	1,167,779,043	26,556,945	The difference is attributable to amendments in components of capital fund

28. Ultimate And Holding College

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

29. Currency

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

