

PARLIAMENT
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LIBRARY

REPUBLIC OF KENYA



Enhancing Accountability



REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 28 MAY 2025

DAY.

Wednesday

TABLED
BY:

Hon. Dwen Bayu, MP
Deputy Leader of the
Majority Party

CLERK-AT
THE-TABLE:

Rosher Ngunjo

THE AUDITOR-GENERAL

ON

KENYENYA TEACHERS TRAINING COLLEGE

**FOR THE YEAR ENDED
30 JUNE, 2024**



KENYENYA TEACHERS TRAINING COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30TH, 2024

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

Kenya Teachers Training College
Annual Reports and Financial Statements
For the year ended 30th June, 2024

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1. Acronyms & glossary of terms

A/C	Account
BOG	Board of Governors
CPA	Certified public accountant
COVID-19	Corona Virus Disease
DECTE	Diploma in Early childhood teacher Education
DPTE	Diploma in Primary Teacher Education
FY	Financial Year
GOK	Government of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
ICT	Information and communication Technology
IPSAS	International Public Sector Accounting Standards
KUCCPS	Kenya universities and colleges Central placement services
MOE	Ministry of education
PAYE	Pay as you earn
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College
Fiduciary Management	Key management personnel who have financial responsibility in the entity

2. Key entity information and management

(a) Background information

Kenya Teachers Training College is situated in Bokimonge Location, Magena Division, Riokindo Zone, Kenya Sub-county in Kisii County in a 50 acres reserved Government land. It is located at the Border of Kisii and Narok Counties. It is 35 km from Kisii off the Kisii –Kilgoris Road. It is 4.5 km from Magena Market by tarmac road. It was registered by the Ministry of Education, Science & Technology on 1st March 2012. The college has the following departments under Dean of Curriculum: Performance Contract, Mathematics and ICT, Social Sciences, Creative, Sciences, Languages and under Dean of Students; Boarding co-curricular activities, Health, Guidance and Counselling. Currently the college is training teachers in Diploma in Primary Teacher Education (DPTE) and Diploma in Early Childhood Teacher Education (DECTE) upgrading programme. The college underwent the MOH Covid-19 protocols adherence inspection on 17th July 2021.

(b) Principal activities

The mandate of Kenya Teachers Training College is to provide quality training in teacher education.

Vision:

- To be a leading institution in Education Training.

Mission

To effectively implement teacher training curriculum in a simulative environment in order to produce innovative and efficient educators.

Core objectives

- To graduate skilled manpower to support the implantation of competence based curriculum
- To reengineer processes for efficiency and effective use of resources
- To align the training programme to the labour market by incorporating ICT integration.

(c) Key management

The Kenya Teachers Training College is under the following key organs:

- Board of Management.
- Principal
- Senior Management Team

(d) Fiduciary management

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

NO.	DESIGNATION	NAME
1.	Senior Principal	Mr.Dunstan Egessa
2.	Deputy Principal	Mr. John Nyedia
3.	Head of Finance	Ms. Harriet Mahasi
4.	Head of Procurement	Mr. Elkanah Juma
5.	Dean of Curriculum	Mr. Job Makori
6.	Dean of Students	Mr. George Ndemo

(e) Fiduciary oversight arrangements

The Board of Management performs its oversight role through the following committees:

- Academic sub-committee
- Finance/Procurement and Infrastructure sub-committee
- Human Resource/Disciplinary sub-committee
- Audit sub-committee.
- Executive sub-committee

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(f) Entity headquarters

Kenya Teachers Training College
Along Kisii-Magena Road
P.O. Box 166 – 40211

KENYENYA

KISII, KENYA

(g) Entity contacts

Telephone: (254) 0785750222/0721606582

E-mail: kenenyateachers training college@gmail.com

(h) Entity bankers

1. Kenya Commercial Bank

Kisii Branch

P.O Box

KISII.

2. Co-operative Bank – Kisii Branch

Kisii Branch

P.O Box 2469 - 40200

KISII

(i) Independent auditors

Auditor General

Office of Auditor General

Anniversary Towers, Institute Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

Kenya Teachers Training College
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(j) Principal legal adviser

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





(k) Independent Auditors

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





(l) Principal Legal Adviser

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




3. The Board of Management members.

 <p>DR. MOSES O. OTIENO</p>	<ul style="list-style-type: none"> • Date of Birth 1972 • PhD –Human Resource • Member of the Board of Management. • Lecturer University of Nairobi • Chairman BOM
 <p>MR. DUNSTAN EGESSA</p>	<ul style="list-style-type: none"> • Date of Birth 1967 • Masters in Education • Senior Principal • Secretary BOM
 <p>MR. NELSON ORUMI</p>	<ul style="list-style-type: none"> • Date of Birth 1966 • Masters –Financial Management. • Finance Officer -KPLC • Member Finance/Infrastructure BOM Committee
 <p>MRS RUTH OSIEMO</p>	<ul style="list-style-type: none"> • Date of birth 1959 • Diploma in education • Member of finance and human resource committees.


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For the year ended 30th June, 2024

 <p>MR.ZACHARY ONDERI</p>	<ul style="list-style-type: none"> • Date of Birth 1958 • BBA –Finance Option • Schools Auditor –Ministry of Education • Member executive committee.
 <p>PROF. BOAZ ONYANCHA</p>	<ul style="list-style-type: none"> • Date of birth 1961 • Doctor of Philosophy • Lecturer Egerton University • Member of finance and academic committee
 <p>MR.LAMECH BICHANG'A</p>	<ul style="list-style-type: none"> • Date of Birth 1957 • MBA(Strategic management) • Retired KTDA Director • Curriculum support officer, AG Deputy DEO • Member Audit and Human Resource Committee
 <p>DR. RAEL MASAI</p>	<ul style="list-style-type: none"> • Date of Birth 1974 • PhD–Educational Planning &Research • Lecturer Kisii University • Member Academic committee



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 <p>MRS.MALLION ONYAMBU</p>	<ul style="list-style-type: none">• Date of birth 1969• MA in History• Lecturer Kisii University• Member of executive and academic committees
 <p>DR.GEOFFREY OTOMU</p>	<ul style="list-style-type: none">• Date of birth 1974• MBCH (medicine)• Medical doctor Kisii Hospital• Member of Human Resource committee
 <p>PROF. JUSTUS INYEGA</p>	<ul style="list-style-type: none">• Date of birth 1962• PhD Science Education• Lecturer University of Nairobi• Member of academic and audit committees

4. Key management team

 <p>MR. DUNSTAN EGESSA (Senior Principal)</p>	<ul style="list-style-type: none"> • Date of Birth 1967 • Masters in Education • Senior Principal • Secretary BOM
 <p>MR. JOHN NYEDIA Deputy Principal</p>	<ul style="list-style-type: none"> • Date of Birth 1971 • Masters in Education • Deputy Principal
 <p>MR. GEORGE NDEMO Dean of Students</p>	<ul style="list-style-type: none"> • Date of Birth 1970 • Masters in Education • Dean of students
 <p>MR. JOB MAKORI Dean of Curriculum</p>	<ul style="list-style-type: none"> • Date of Birth 1975 • Masters Linguistics • Dean of Curriculum/Registrar in charge of Academics

Kenya Teachers Training College
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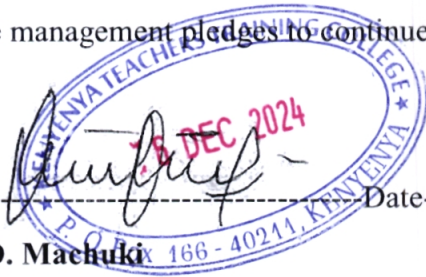
 <p>Ms HARRIET MAHASI Finance Officer</p>	<ul style="list-style-type: none">• Date of birth 1980• MBA (Finance)• CPA(K)• ICPAK member no.14825• Finance Officer
 <p>MR. ELKANAH I. JUMA Procurement Officer</p>	<ul style="list-style-type: none">• Date of birth 1989• BBA• Procurement Officer

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Chairman's statement

The FY 2023/2024 has been characterised with rapid growth in physical infrastructure due to high enrolment. There is still need to improve the existing structures and initiate new ones especially hostels. The major drawback being lack of financial resources. The BOM will endeavour to source for new sources of funds to enable the college achieve its mandate. Prudent management of financial resources will be a key factor in reducing expenditure and increasing revenue. The management pledges to continue providing timely reports to the relevant agencies.

Signature-----



Date-----

16/12/2024

Dr. Moses O. Machuki

CHAIRMAN, BOARD OF MANAGEMENT

Kenya Teachers Training College
Annual Reports and Financial Statements
For the year ended 30th June, 2024

5. Report of the principal

The FY 2023/2024 has seen rapid improvement in trainees population and therefore a strain on both physical and human resources. The college has constructed four new classrooms and received new teacher educators. Performance in academic area has improved.

The FY 2023/2024 Annual Report and Financial statement for the period ended 30th June 2024 include: :

- A complete set of financial statements;
- A statement of financial position;
- A statement of financial performance;
- A statement of changes in net assets values
- A cash flow statement;
- Comparison of budget and actual amounts for the period ended

Signature.....

Mr. Dunstan Egesa

SENIOR PRINCIPAL

Date.....

16/12/2024



6. Statement of performance against predetermined objectives

As per Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012

Kenya Teachers Training College has seven strategic pillars and objectives within its Five Year Strategic Plan for the period between 2018-2023. These strategic pillars are as follows:

Pillar 1: Curriculum Implementation

Pillar 2: Teaching Practice

Pillar 3 College Service Charter

Pillar 4 Nurture Students' Talents

Pillar 5 Infrastructural Development

Pillar 6 Human Capacity Developments

Pillar 7 Financial Management

Kenya Teachers Training College develops its annual work plans based on the above 7 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The college achieved its performance targets for the period ending 30th June, 2024 for its 7 strategic pillars, as indicated in the diagram below:

Kenya Teacher Training College
Quarterly Reports and Financial Statements
For the period ended 30th June, 2024

Strategic Pillar		Objective	Key Performance Indicators	Activities	Achievements
Pillar 1:	Curriculum implementation	To enhance curriculum implementation by timely curriculum design coverage	Summative and formative assessment timetable Professional records	KNEC formative assessment. And college assessments	KNEC formative and summative assessment done Trainees content and skills developed
Pillar 2:	Teaching practice	Prepare teacher trainees for teaching practice in order to have competent teachers	Posting sheet Approved professional documents Learning resources	Preparation and commencement of Microteaching and practicum	DECTE Trainees were posted in 6 schools in Kisii Counties. Documents were approved and Teaching Practice used the new Assessment DPTE trainees did microteaching
Pillar 3:	College service charter	Cultivate a culture of adherence to the timelines in the college service charter	Customer satisfaction survey report. Displayed service charter Complaints FORM Improved access to information	Services offered public complaints mechanism and access to information	-Enhanced customer engagement -Improve service delivery .complaints handling committee Trainees assemblies to give feedback.

Kenya Teachers Training College
Annual Reports and Financial Statements
For the year ended 30th June, 2024

Pillar 4:	Students' talents	Identify, nurture and develop students talents	List of co-curricular activities Evidence of participation	Participation in drama, athletics and ball games	Participated in national Drama festival Embu, ball games athletics in Machakos
Pillar 5	Infrastructural development	To ensure infrastructural development supports academic performance.	Project completion rate Establishment of e-learning.	Construction of additional classes. Improvement of ICT facilities	Four new classes constructed, internet facilities improved,
Four	Human capacity development	To enhance human resource development and college staff to improve efficiency	-Appraisal report -Training programmes -certificate of training.	Seminars Inset training Needs assessment	Teacher educator attended inset training, Kpeel program. Finance officer, procurement officer attended inset training
Pillar 7	Financial management	Audit reports. Approved budget and procurement plan Trial balances reports	Preparation of the budget at the appropriate time. Ensure all financial transactions are accounted for. Procurement of goods and services	Budget Implementation Procurement procedures Internal and external audit	IPSAS reporting. Preparation of trial balances Internal report feedback

7. Management discussion and analysis

The Board of Management is guided by both internal guidelines and government guidelines during its meetings and performance. The Board has held the following meetings.

MEETING TYPE	ATTENDANCE	NO. OF TIMES
Full board	9/12	3
Infrastructure	5/5	2
Human resource	4/5	2
Executive	4/5	2

8. Environmental and sustainability reporting statement

Kenya Teachers Training College undertakes various corporate social responsibilities to improve and sustain positive cordial relation with various stakeholders. Our service charter has guided all the staff members on their commitments to offer services. The following are some activities done during the first quarter on the pillars listed below.

Sustainability strategy and profile

Women and the youth are given special consideration. The college offered three internship positions .One was on practicum and others in maintenance department.

Environmental performance

In an effort to ensure our activities are environmental friendly we strictly adhere to the NEMA regulations and guidelines when developing any project. The college; new classroom construction adhered to environmental regulations. The college has maintained and improve its environment by planting trees on the compound. The college is situated on a water catchment area hence the careful disposal of waste products. The continuous maintenance of the bio-digester is fundamental in proper waste disposal. The college has storage tanks to harvest water thus reduce pressure on the pumped water. Solar lighting has been done to reduce reliance on electricity.

Employee welfare

The college has a clear policy on staff welfare that ensures communication channels are available. There rights and obligations are respected as per the labour laws. A human resource policy is in place.

Hiring process

The college's hiring plan is guided by the existing labour laws and guidelines from Ministry of labour. The one third gender ratio has been followed in staff recruitment. Main challenge still remains regional balancing to have a national outlook.

Skills improvement

As per our performance contract, the college frequently sends its staff for inset training and seminars.

Appraisal

This has been done for the teaching staff. The process of appraisal for non teaching staff is also in use.

Occupational; Safety and Health Act (2007)

The college adheres to this act to ensure safety of its staff. Deliberate efforts were done in the kitchen department by improving on the stoves and chimney. Overalls, gloves, gumboot, masks and other relevant safety equipment's were provided to the staff.

Market place practices

Responsible competition practice.

The college has values that it strives to achieve including professionalism, fairness and diligence. Therefore, all students are assured of fairness during assessments of their work. The college also has internal mechanism to ensure professionalism is maintained through checks and balances. To ensure fair competition in supply of goods and services, the college follows the procurement procedures as spelt by PPRA.

Responsible supply chain and supplier relations-

The college ensures that the suppliers are selected fairly as per the procurement procedures and given a valid contract. Upon supplying the goods and services are accepted as per the specifications and payment made. The period in question, all contracts are honoured and payments made as per the payment schedules.

Responsible marketing and advertisement-

The college advertises its courses and tenders through various communication channels both print and audio visual.

Product stewardship

The college's student council has played a big role in ensuring harmony in the college by having frequent meetings. The student council has internal conflict resolution mechanism and often communicate directly to the administration over any issue. Communication is done through assemblies, notices, texts, WhatsApp or through suggestion boxes. The Dean of Students office is tasked with student's welfare and often reports to the management team. The guidance and counselling office has assisted solve students, group or personal issues. To ensure that the strategic pillar of talent developing is realised, co-curricular activities i.e. music, games and sports was done.

Community engagements-

The college shares its playing field with the neighbouring primary and secondary schools. It seeks to create a beneficial relationship with the community. The college has engaged the local administration in security and boundary disputes this quarter. The local community is also sensitized on procurement requirements to enable them apply during tendering.

9. Report of the board of governors

The Board submitted their Annual report for the period ended 30th June 2024 which shows the state of Kenya Teachers Training College affairs.

➤ **Principal activities**

The principal activity of the entity is to train Teachers

➤ **Results**

The results of the entity for the period ended 30th June 2024 are set out on 1 to 32

Board of Management

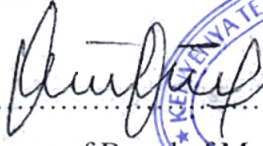
The members of the Board who served during the period are shown on page vii to ix

Kenya Teachers Training College
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Auditors

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

By Order of the Board


.....

Chairman of Board of Management

Kenya

Date: 16/12/2020



11. Statement of Board of Governors / Council's responsibilities

Section 81 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 - (entities should quote the applicable legislation under which they are regulated)) require the council 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 Council 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 council members are also responsible for safeguarding the assets of the College.

The Council 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, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the College, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the College, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Council members accept responsibility for the College's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the State Corporations Act, and the TVET Act) – entities should quote applicable legislation as indicated under). The council 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, 2024, and of the College's financial position as at that date. The Council members further confirm the completeness of the accounting records maintained for the College, which have been relied upon in the preparation of the College's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Principal has assessed the College's ability to continue as a going concern (disclose as applicable, matters relating to the use of going concern basis of preparation of the financial statements.) Nothing has come to the attention of the Council 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.

Kenya Teachers Training College
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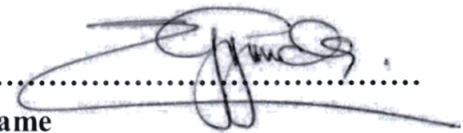
Approval of the financial statements

The College's financial statements were approved by the Board on 16/12/2024 and signed on its behalf by:

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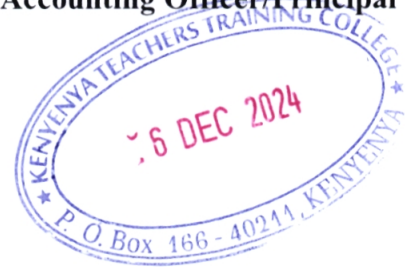

Name

Chairperson of the Board/Council

.....


Name

Accounting Officer/Principal



REPUBLIC OF KENYA

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



Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON KENYENYA TEACHERS TRAINING COLLEGE FOR THE YEAR ENDED 30 JUNE, 2024

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 Kenya Teachers Training College set out on pages 1 to 32, which comprise the statement of financial position

Report of the Auditor-General on Kenya Teachers Training College for the year ended 30 June, 2024

at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kenyena Teachers Training College as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The financial statements presented for audit had the following inaccuracies:

- i. The statement of financial performance reflects comparative use of goods and services amount of Kshs.10,751,652 while the previous year financial statements reflect Kshs.10,751,484 resulting in unreconciled variance of Kshs.168
- ii. Note 9 to the financial statements reflects boarding related expenses of Kshs.15,511,864 while ledgers reflect an amount of Kshs.15,392,869 resulting to unexplained variance of Kshs.118,995.
- iii. The statement of cash flow reflects total payments of Kshs.48,691,520 while re-computation revealed an amount of Kshs.49,387,283 resulting to unreconciled amount of Kshs.695,763.
- iv. The statement of financial position reflects capital reserves comparative balance of Kshs.109,644,862 while the previous year financial statements reflect Kshs.131,671,523 resulting to unexplained variance of Kshs.22,026,661.
- v. The statement of financial position reflects revenue reserves comparative balance of Kshs.13,269,477 while the previous year financial statements reflect negative Kshs.8,757,184 resulting to unreconciled variance of Kshs.22,026,661.

In the circumstances, the accuracy and completeness of these amounts and balances reflected in the financial statements could not be confirmed.

2. Unsupported Recurrent Grants

The statement of financial performance reflects recurrent grants amount of Kshs.10,528,471 as disclosed in Note 6 to the financial statements. However, the amount was not supported with validated capitation beneficiaries' allocation lists, the capitation grants were not posted in students' fees registers and there was no evidence that capitation returns were prepared and submitted to the director technical education using prescribed template within fourteen days from the date on the disbursement letter.

In the circumstances, the accuracy and completeness of recurrent grants amount of Kshs.10,528,471 could not be confirmed.

3. Unsupported Write-Off and Transfer to Capital Reserve

The statement of changes in net assets reflects creditors written off amount of Kshs.3,899,266 which is not supported with an analysis of the creditors written off, basis for write off and National Treasury authority to write off the creditors.

In the circumstances, the accuracy and completeness of creditors written off amount of Kshs.3,899,266 could not be confirmed.

4. Inaccuracies in Statement of Comparison of Budget and Actual Amounts

The statement of comparison of budget and actual amounts reflects actual on comparable basis revenue of Kshs.80,207,743 and expenditure of Kshs.53,638,384. However, the amounts have not been adjusted for timing and entity differences contrary to Paragraph 47(b) of the International Public Sector Accounting Standards Number 24. Further, the statement reflects budget income adjustments amount of Kshs.64,546,220 and expenditure adjustments of Kshs.65,639,279 which were not supported by an approved supplementary budget and a justification for adjustments. In addition, the statement did not include explanatory foot notes on the variances between budgeted and actual amounts.

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

5. Inaccuracies in Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.92,793,639 as disclosed in Note 18 to the financial statements. However, the ledger reflects a balance of Kshs.97,718,024 resulting to an unexplained variance of Kshs.4,924,385. Further, there was no evidence of valuation of assets and the non-current assets register provided for audit lacked details including asset tag number,

serial/log book number, location, opening balances, additions, dates of acquisitions, disposals, depreciation charged, accumulated depreciation to date and net book values.

In the circumstances, the accuracy, completeness and valuation of property, plant and equipment balance Kshs.92,793,639 could not be confirmed.

6. Unconfirmed Biological Assets

The statement of financial position reflects biological assets balance of Kshs.346,000 as disclosed in Note 19 to the financial statements while the ledger reflects a balance of Kshs.1,046,000 resulting to an unexplained variance of Kshs.700,000. Further, the asset register did not contain unique identifier such as animal tag number, opening balances, additions, dates of acquisitions, disposals and closing balances. In addition, there was no evidence of valuation of biological assets in accordance with the International Public Sector Accounting Standards (IPSAS) 27.

In the circumstances, the accuracy and completeness of the biological assets balance Kshs.346,000 could not be confirmed.

7. Unconfirmed Valuation of Inventories

The statement of financial position and as disclosed in Note 17 to the financial statements, reflects inventories balance of Ksh.2,463,012 while the ledger reflects a balance of Kshs.2,462,512 resulting to an unexplained variance of Kshs.500. Further, the inventory stock taking report was not provided for audit to confirm valuation in accordance with International Public Sector Accounting Standards (IPSAS) 12 and to determine the basis of arriving at this balance.

In the circumstances the accuracy and completeness of inventories balance of Ksh.2,463,012 as at 30 June, 2024 could not be confirmed.

8. Non-Recognition of Employee Costs

The statement of financial performance reflects employee costs amount of Kshs.12,506,865 as disclosed in Note 10 to the financial statements. However, the salaries for eighteen (18) teaching staff paid on behalf of the College by the Teachers Service Commission was not recognized in the financial statements.

In the circumstances the accuracy and completeness of employee cost amount of Kshs.12,506,865 could not be confirmed.

9. Unsupported and Long Outstanding Receivables

The statement of financial position reflects Nil balance in respect to long term receivables from exchange transactions. However, the previous financial statements for 2022/2023

reflects a balance of Kshs.3,009,629 which has not been settled and has remained outstanding for over three (3) years. Further, the receivables ledger indicating the opening balance, billings for the year, receipts and adjustments to arrive at the reported closing balance was not provided for audit. In addition, there was no evidence of measures taken to recover the amount and the College did not have a debt recovery plan.

In the circumstances, the accuracy and completeness of Nil receivables from exchange transactions balance could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Kenya 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

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects actual expenditure of Kshs.53,638,384 against actual income of Kshs.80,207,743 resulting to under expenditure of Kshs.26,569,359 or 33% of the income.

The under expenditure affected the planned activities and may have impacted negatively on the activities of the College.

2. Long -Term Outstanding Account Payables

The statement of financial position and as disclosed in Note 20 to the financial statements reflects trade and other payables from exchange transactions balance of Kshs.2,145,518 out of which Kshs.130,754 relates to Nation Social Security Fund (NSSF) deductions. Review of the aging analysis and other records revealed that the debt has been outstanding for over two years.

Failure to settle deductions during the year to which they relate distorts the financial statements and adversely affects the budgetary provisions for the subsequent year as they form a first charge.

My opinion is not modified in respect of these matters.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several paragraphs were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management has not resolved the issues.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I

confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Unbalanced Budget

The statement of comparison of budget and actual amounts reflects income budget of Kshs.79,912,520 and expenditure budget of Kshs.79,500,259 resulting in an unbalanced budget of Kshs.412,261. This was contrary to the provisions of Regulation 33 (c) of the Public Finance Management (National Government) Regulations, 2015 which states that budget shall be balanced.

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

2. Non-Compliance with Law on Ethnic Composition

Review of the staff data revealed thirty-seven (37) non-teaching staff members out of whom thirty-six (36) or 97% belong to the dominant ethnic community in the county. This was contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that, "all public offices shall seek to represent the diversity of the people of Kenya in employment of staff and that no public institution shall have more than one third of its staff establishment from the same ethnic community".

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

3. Failure to Specify the Terms and Conditions of Service

Review of appointment letters for the thirty-seven (37) non-teaching staff revealed that they did not specify the terms and conditions of service whether on contract or on permanent and pensionable terms. This was contrary to Paragraph B.10 (1)(2) of Public Service Human Resource Policy, 2016 which states that an officer appointed to a position in the public service shall be issued with a letter of appointment specifying the terms and conditions of service. A letter of appointment shall state particulars of employment which should include the name and address of the employee, job title, date of commencement of appointment, terms and duration of employment, place of work, remuneration, terms and conditions of employment and terms of separation.

In the circumstances, Management was in breach of the public service human resource policy.

4. Non-Compliance with the One Third Basic Salary Rule

Analysis of the payrolls revealed that five (5) members of staff earned net salaries that were less than one third ($\frac{1}{3}$) of their basic pay. This was contrary to Section 19(3) of the

Employment Act, 2007 which stipulates that the total amount of all deductions by an employer from the wages of his employee at any one time shall not exceed two thirds of such wages.

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

5. Irregularities on the Construction of Four Classrooms and an Office

The statement of financial position and as disclosed in Note 18 to the financial statements, reflects property, plant and equipment balance of Kshs.92,793,639 out of which Kshs.4,251,101 relates to payment for the construction of four (4) classrooms and an office. It was noted that a variation of Kshs.622,364 was made but there was no evidence of approval by the tender committee. Review of the bills of quantities revealed provisional sum of Kshs.259,000 for electrification and overheads which has not been accounted for. further, physical inspection on 20 November, 2024 revealed that the project was complete and in use but deep cracks were emerging on the walls and the project had not been labeled.

In the circumstances, value for money on the expenditure of Kshs.4,251,101 incurred on the construction of four (4) classrooms and an office could not be confirmed.

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 Risk Management Policy

During the year under review, Management had not developed and implemented a disaster recovery plan and risk management policy or framework to guide on risk

assessment and mitigation processes. Further, Management had not carried out risk assessment and did not have an updated risk register.

In the circumstances, the effectiveness of identification of risks and risk management could not be confirmed.

2. Lack of an Imprest Register

Review of College operations revealed that Management did not maintain an imprest register for issuance and surrender of imprest. This contrary to Regulation 93(4)(c) of the Public Finance Management (National Government) Regulations, 2015 which states that before issuing temporary imprests under paragraph (2), the accounting officer shall ensure that the applicant has been recorded in the imprest register including the amount applied for.

In the circumstances, the effectiveness of management of imprests in respect to issuance and surrender could not be confirmed.

3. Lack of Internal Audit Function

During the financial year under review, it was observed that the College did not have an internal audit department. This was contrary to Section 73(1)(a) of the Public Finance Management Act, 2012 which states that every national government entity shall ensure that it complies with this Act and has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board.

In the circumstances, the existence of effective internal controls, risk management and governance could not be confirmed.

4. Non-Functional Audit Committee

Review of records revealed that the College has an audit committee that was appointed on 8 April, 2022 but there was evidence that the committee held any meeting or make recommendations on nonexistence of the internal audit.

In the circumstances, Management did not get assurance on effectiveness of the operations and necessary policy direction from the Audit Committee.

5. Lack of an Approved Staff Establishment

Review of human resources records revealed that the College operated without an approved staff establishment. Therefore, Management was yet to determine the skills and optimal staffing levels required to achieve the set goals and objectives.

In the circumstances, the effectiveness of internal controls on management of human resources including optimal staffing levels could not be confirmed.

6. Failure to Prepare Reports

During the year under review, Management did not provide the Project Implementation Status Reports for audit. Further, there was no evidence to indicate development and approval of systems to monitor and report on non-financial performance contrary to Regulation 136(3) of the Public Finance Management (National Government) Regulations, 2015. In addition, quarterly Procurement reports were not prepared contrary to Regulation 40(6) of the Public Procurement and Asset Disposal Regulations, 2020.

In the circumstances, the effectiveness on internal controls on monitoring project implementations could not be confirmed.

7. Weak internal Controls on Invoicing and Collection of Fees

The statement of financial performance reflects rendering of services – fees from students amount of Kshs.69,679,272 as disclosed in note 7 to the financial statements. It was noted that fee collection was not automated which is an indication of weak controls for invoicing and collection of fees. Further, there were no detailed student ledgers provided to support the amount in either soft or hard copies.

In the circumstances, the effectiveness of internal controls in respect to invoicing and collection of fees could not be confirmed.

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

Responsibilities of the Management and Board of Management

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

31 December, 2024

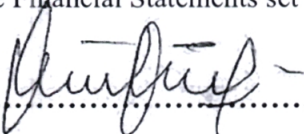
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14. Statement of financial performance for the year ended 30 June 2024

Revenue from Non-Exchange transactions	Notes	2023-2024 Kshs	2022-2023 Kshs
Recurrent Grants	6	10,528,471	8,880,937
Research Grants		0	0
		10,528,471	8,880,937
Revenue from Exchange transactions			
Rendering of services- fees from students	7	69,679,272	8,677,600
Rental revenue from facilities and equipment		0	0
Finance income		0	0
Other income	8	0	424,846
Revenue from Exchange transactions		69,679,272	9,102,446
Total Revenue		80,207,743	17,983,383
Expenses			
Use of goods and services	9/13	39,157,908	10,751,652
Employee costs	10	12,506,865	12,295,652
Depreciation and amortization expense	11	2,360,296	1,440,510
Repairs and maintenance	12	1,277,848	798,725
Grants and subsidies (General Expenses)	14	695,763	1,454,196
Total Expenses		55,998,680	26,740,567
Net surplus for the year		24,209,063	(8,757,184)

(The notes set out on pages 6 to 32 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 1 to 32 were signed by:



Chairman of Board



Senior Principal



Finance Officer

Date..... 15/12/2024



ICPAK No 14825
 Date..... 16/12/2024

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15. Statement of financial position as at 30th June 2024

Description	Notes	2023-2024 Kshs	2022-2023 Kshs
Assets			
Current Assets			
Cash and cash equivalents	15	8,103,577	4,269,841
Current portion of receivables from exchange transactions	16	53,713,060	23,824,632
Inventories	17	2,463,012	1,068,332
Total Current Assets		64,279,649	29,162,805
Non-Current Assets			
Long term receivables from exchange transactions		0	0
Property, plant, and equipment	18	92,793,639	93,536,288
Biological Assets	19	346,000	346,000
Total Non-Current Assets		93,139,639	93,882,288
Total Assets (A)		157,419,288	123,045,093
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	20	2,145,518	130,754
Total Current Liabilities		2,145,518	130,754
Non-Current Liabilities			
Finance lease obligation		0	0
Deferred income		0	0
Total non- current liabilities		0	0
Total Liabilities (B)		2,145,518	130,754
Net Assets (A-B)		155,273,770	122,914,339
Represented By:			
Capital Reserves		122,914,339	109,644,862
Revenue Reserve		41,377,806	13,269,477
Net Assets		155,273,770	122,914,339

The Financial Statements set out on pages 1 to 32 were signed by:



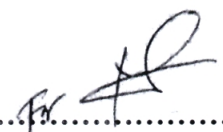
Chairman of Council/Board

Date 16/12/2024



Principal

 Date 16 DEC 2024
 16/12/2024



Finance Officer

ICPAK No 14825
 Date 16/12/2024

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16. Statement of changes in net asset for the year ended 30 June 2024

Description	Capital Reserve	Revenue Reserve	Total
At July 1, 2023(previous year)	131,671,524	(8,757,184)	122,914,339
Revaluation gain	-	-	-
Surplus/(deficit) for the year	-	24,209,063	24,209,063
Creditors written off	-	3,899,266	3,899,266
Transfer to capital reserve	4,251,101	-	4,251,101
At June 30, 2024	135,922,625	19,351,145	155,273,770

Note:

1. An amount of Kshs.4,251,101 was used for construction of 4 classrooms due to the increase in the students enrolment hence transfer to capital reserve

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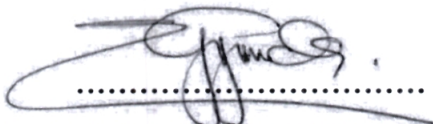
17. Statement of cash flows for the year ended 30 June 2024

Description	Note	2023-2024 Kshs	2022-2023 Kshs
Cash flows from Operating Activities			
Receipts			
Transfers from other National Government entities	6	10,528,471	8,880,937
Grants from donors and development partners		-	-
Transfers from other levels of government		-	-
Public contributions and donations		-	-
Rendering of services- fees from students	7	46,247,886	6,677,600
Sale of goods		-	-
Rental revenue from facilities and equipment		-	-
Finance income		-	-
Miscellaneous income		-	-
Total Receipts		56,776,357	15,983,383
Payments			
Use of goods and services	9/13	34,906,807	8,230,235
Employee costs	10	12,506,865	12,295,652
Board /Council Expenses		-	-
Repairs and maintenance	12	1,277,848	798,725
General expenses		695,763	-
Grants and subsidies		-	-
Total Payments		48,691,520	22,778,808
Net Cash Flows from operating activities		8,084,837	(6,795,425)
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(4,251,101)	(2,047,205)
Proceeds from sale of property, plant and equipment		-	-
Net cash flows used in investing activities		(4,251,101)	(2,047,205)
Cash flows from financing activities			
Net cash flows used in financing activities		0	0
Net Increase/(Decrease) in Cash and Cash equivalents		3,833,736	(8,842,630)
Cash and Cash equivalents at 1 July 2024		4,269,841	13,112,471
Cash and Cash equivalents at 30 June 2024		8,103,577	4,269,841

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 Chairman of Board

Date..... 16/12/2024

.....

 Senior Principal

Date: 16/12/2024


.....

 Finance Officer

ICPAK No 14825
 Date..... 16/12/2024

18. Statement of comparison of budget & actual amounts for year ended 30 June 2024

Notes		Original budget	Adjustments	Final budget	Actual outcome	Performance difference	Performance difference %	Remarks
	Revenue	2023-2024	2023-2024	2023-2024	2023-2024	2023-2024	2023-2024	2023-2024
6	Recurrent Grants	5,302,000	6,035,720	11,337,720	10,528,471	809,249	7%	Favourable
7	Tuition and Other Related Fees	8,864,300	57,660,500	66,524,800	69,679,272	(3,154,472)	-5%	Favourable
8	Other Income	1,200,000	850,000	2,050,000	0	0	0%	Unfavourable
	Total Income	15,366,300	64,546,220	79,912,520	80,207,743	(2,345,223)	-3%	Favourable
	Expenses							
10	Employee Costs	5,302,000	6,061,180	11,363,180	12,506,865	(1,143,685)	-10%	Unfavourable
14	General Expenses	200,000	1,192,050	1,395,050	695,763	699,287	50%	Favourable
12	Repairs and Maintenance (MVRMI)	873,000	4,372,980	5,245,980	1,277,848	3,968,132	75%	Unfavourable
9/13	Use of goods and services	7,485,980	49,758,968	57,244,948	34,906,807	22,338,141	39%	Unfavourable
18	Property, Plant and equipment		4,251,101	4,251,101	4,251,101	-	100%	Favourable
	Total Expenditure	13,860,980	65,639,279	79,500,259	53,638,384	25,861,875	33%	Unfavourable

(Budget notes)

- Adjustments on the budget were done as a result of increase in the number of students enrolled from 100 to 772 students

19. Notes to the financial statements

1. General information

Kenya T.T.C is established by and derives its authority and accountability from Education Act. Kenya Teachers Training College is wholly owned by the Government of Kenya and is domiciled in Kenya. Kenya Teachers Training College principal activity is diploma in teacher training 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 judgment in the process of applying Kenya Teachers Training College's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note -. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of Kenya Teachers Training College . The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act., and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of new and revised standards

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2024.

There are no new standards in the year ended 30th June 2024.

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ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.

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

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<p>IPSAS 46: Measurement</p>	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47: Revenue</p>	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
<p>IPSAS 48: Transfer Expenses</p>	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

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 Kenya Teachers Training 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.

ii) Revenue from exchange transactions

Rendering of services

Kenya Teachers Training 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 Kenya Teachers Training 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 2023/2024 was approved by the Council or Board on **30th.June 2023**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by Kenya Teachers Training College upon receiving the respective approvals to conclude the final budget. Accordingly, Kenya Teachers Training College recorded additional appropriations of **Kshs.65,639,279** on the FY 2023/2024 budget following the Council/ Board's approval. Kenya Teachers Training 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.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per schedule.

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 using the cost model and are depreciated over an --year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.(entity to amend appropriately). Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, Kenya Teachers Training 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) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to Kenya Teachers Training College. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. Kenya

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

g) Intangible assets

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

h) Research and development costs

Kenya Teachers Training College expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when Kenya Teachers Training 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.

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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. Kenya Teachers Training College does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate). A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, Kenya Teachers Training College measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

Kenya Teachers Training College classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

j) Inventories

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

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

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

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

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

k) Provisions

Provisions are recognized when Kenya Teachers Training 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 Kenya Teachers Training 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

Kenya Teachers Training 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

Kenya Teachers Training 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 Kenya Teachers Training 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.

i) Social Benefits

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

m) Nature and purpose of reserves

Kenya Teachers Training College creates and maintains reserves in terms of specific requirements.

n) Changes in accounting policies and estimates

Kenya Teachers Training 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.

o) Employee benefits

Retirement benefit plans

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

p) Foreign currency transactions

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

q) Borrowing costs

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

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

r) Related parties

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

s) Service concession arrangements

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

t) 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.

u) Comparative figures

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

v) 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 30th, 2024.

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of Kenya Teachers Training 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. Kenya Teachers Training 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 Kenya Teachers Training 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 Kenya Teachers Training College.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.

Changes in the market in relation to the asset

Provisions

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

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

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6. Transfers from Other Levels of Government

Government Grant	2023-2024 KSHS.	2022-2023 KSHS.
Quarter ending 30 Sept	-	-
Quarter ending 31st Dec		2,277,679
Quarter ending 31st March	5,253,572	2,225,365
Quarter ending 30 June	5,274,899	4,377,893
Total	10,528,471	8,880,937

7. Rendering Services

Tuition And Other Related Charges	2023-2024 KSHS	2022-2023 KSHS
Activity fee	1,544,000	200,000
Computer and Internet Connectivity	3,088,000	400,000
Examination Fee	12,120,400	1,570,000
Teaching Practicum	1,930,000	250,000
Teaching Equipment Stores/ Library	1,544,000	200,000
Motor Vehicle Repair and Insurance	4,632,000	600,000
Boarding Fee	23,160,000	3,000,000
Gratuity	-	-
Contingency/Administration	1,930,000	250,000
Electricity Water Conservancy	3,054,032	395,600
Student Council	463,200	60,000
Uniforms	1,530,000	-
Club and Environment	463,200	60,000
Repair Maintenance and Rehabilitation	2,316,000	300,000
Registration Fee	-	-
Students IDS	231,600	30,000
Personal Emolument and Subsidy	6,654,840	862,000
Domestic Travel / LT&T	3,088,000	400,000
KUCCPS	1,158,000	-
Medical / COVID19	772,000	100,000
Total	69,679,272	8,677,600

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8. Miscellaneous Income

	2023-2024 KSHS	2022-2023 KSHS
Farm Income	-	-
Income Generating Activity (IGA)	-	367,952
Graduation Fees	-	52,894
Library Fines and Photocopy	-	
Tender Fee	-	4,000
Total	-	424,846

9. Use of Goods and Services

	2023-2024 KSHS	2022-2023 KSHS
Transport and travelling	3,508,393	2,190,472
Learning materials and training	1,023,636	255,325
Boarding related expenses (BES)	15,511,864	2,896,624
Electricity and water (Utility)	2,128,609	1,037,858
Contingency (Admn. Costs)	1,968,286.75	759,254
Examination fee (Third parties)	983,000	125,760
Medical related expenses	228,670	47,005
Printing of id cards	195,000	-
Project	4,251,101	-
Teaching practice	195,400	838,173
Creditors	160,000	-
Sporting activity expenses (ACT)	6,149,535	462,690
ICT expenses	969,768	962,717
Gratuity	-	200,000
Uniforms	1,445,245	-
Refunds	167,400	975,606
Total	38,885,908	10,751,652

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10. Employee costs

	2023-2024 KSHS	2022-2023 KSHS
Salaries and Wages	12,506,865	12,295,652
Total	12,506,865	12,295,652

11. Amortization and Depreciation

	2023-2024 KSHS	2022-2023 KSHS
Depreciation expenses	2,360,296	1,440,510
Total	2,360,296	1,440,510

12. Repairs and Maintenance

	2023-2024 KSHS	2022-2023 KSHS
Repairs and Maintenance	1,277,848	798,725
Total	1,277,848	798,725

13. Board Expense

	2023-2024 KSHS	2022-2023 KSHS
Board Expenses	272,000	0
Total	272,000	0

14. General Expenses

	2023-2024 KSHS	2022-2023 KSHS
Student union related expenses	240,704	304,554
Production unit (IGA)	455,059	1,149,642
Total	695,763	1,454,196

15. Detailed Analysis of Cash and Cash equivalent

Cash and Cash Equivalents	2024 KSHS.	2023 KSHS.
KCB 1183509774-Main	1,751,766.80	809,623
KCB 1183509642-IGA	1,809,674.75	713,800
Co-operative Bank 01129476355000-Main	3,689,892.76	1,254,870
Co-operative Bank 01139422970400-Salary	75,960.95	868,295
Co-operative Bank 01120422970400-Development	(4,358.39)	298,114
Co-operative Bank 01139476355000-Gratuity	694,240.00	294,240
Cash in Hand	86,400.00	30,900
Total	8,103,576.87	4,269,842

16. Receivables from Exchange Transactions

	2023-2024 KSHS	2022-2023 KSHS
Students debtors	53,713,060	23,824,632
Total	53,713,060	23,824,632

17. Inventories

	2023-2024 KSHS	2022-2023 KSHS
Stationery	887,250	645,360
Electricity	13,160	28,985
Housekeeping	69,440	23,279
Plumbing	55,040	277,590
Medical Supplies	50,937	17,670
Repair and Maintenance	64,000	11,948
Food stuffs	1,323,185	63,500
Total	2,463,012	1,064,332

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18. (a) Property, Plant and Equipment

Current year	Land	Buildings and Structures	Work in progress	Equipment and Machinery	Motor Vehicles	Furniture & Fittings	Computers	Library Books	Total
Cost									
At 1 July 2023	50,000,000	38,214,928	792,876	888,991	4,167,897	272,990	161,962	129,151	9,4628,795
Additions		4,251,101							4,251,101
Transfer									
At 30 June 2023	50,000,000	41,580,148	792,876	888,991	4,167,897	272,990	161,962	129,151	98,879,896
Depreciation									
At 1 July 2023		1,285,045		307,876	1,944,603	53,291	115,617	19,529	3,725,961
Charge for the year		1,039,503		177,798	1,041,974	34,124	53,982	12,915	2,360,296
Prior year adjustment									
At 30 June 2024		2,324,548		485,674	2,986,577	87,415	169,599	32,444	6,086,257
Net Book Value									
At 30 June 2024	50,000,000	40,141,481	792,876	403,317	1,181,320	185,575	(7,637)	96,707	92,793,639
At 1 July 2024	50,000,000	40,141,481	792,876	403,317	1,181,320	185,575	(7,637)	96,707	92,793,639
Depreciation		2.5%		20%	25%	12.5%	33.33%	10%	

W.I.P includes Variations of works on the construction of classroom yet to be done

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Valuation

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

18 (b) Property, Plant and Equipment at Cost

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

Description	Cost Kshs	Accumulated Depreciation Kshs	NBV Kshs
Land	50,000,000	0	50,000,000
Buildings	43,258,905	2,324,548	40,934,357
Equipment and Machinery	888,991	485,674	403,317
Motor Vehicles including Motorcycles	4,167,897	2,986,577	1,181,320
Furniture and Fitting	272,990	87,415	185,575
Computers	161,962	169,599	(7,637)
Library	129,151	32,444	96,707
Total	98,879,896	6,086,257	92,793,639

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19. Biological Assets

Description	2024 Kshs	2023 Kshs
Cows	240,000	240,000
Heifer	40,000	40,000
Calves	36,000	36,000
Bulls	30,000	30,000
Total	346,000	346,000

20. Trade and Other Payables

Description	2024 Kshs	2023 Kshs
Accounts Payable	2,145,518	130,754
Prepaid fees	-	-
Total	2,145,518	130,754

Kenya Teachers Training College also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. Kenya Teachers Training College's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs.2,160 - per employee per month. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

21. Cash generated from operations.

Description	2023-2024 Kshs	2022-2023 Kshs
Surplus for the year before tax	24,209,063.50	-8,757,148
Adjusted for:		
Depreciation	2,360,295.75	1,440,510.00
Non-Cash grants received	0	0
Contributed assets	11,535,018.39	0
Impairment		
Gains and Losses on Disposal of Assets		
Contribution to provisions		
Contribution to impairment allowance		
Finance income		
Finance Cost		
Working Capital Adjustments		
Increase in Inventory	(1,396,704.00)	
Increase in Receivables	(29,888,428.00)	
Increase in Deferred Income		
Increase in Payables	1,284,331.36	1,284,331
Increase in Payments received in advance		
Net Cash Flow from operating Activities	8,103,577.00	-6,032,343

22. Financial Risk Management

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

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Kenya Teachers Training College's financial risk management objectives and policies are detailed below:

(i) Credit risk

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

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

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

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

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

(ii) Liquidity risk management

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

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The table below represents cash flows payable by the company under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

(iii) Market risk

Kenya Teachers Training College has put in place an internal audit function to assist it in assessing the risk faced by Kenya Teachers Training 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 Kenya Teachers Training 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.

Kenya Teachers Training 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 Kenya Teachers Training College's exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

Kenya Teachers Training College has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The carrying amount of Kenya Teachers Training College's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

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Kenya Teachers Training College manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

Foreign currency sensitivity analysis

The following table demonstrates the effect on the company's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs - (20-: Kshs -). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs - (20- – Kshs -)

iv) Capital Risk Management

The objective of Kenya Teachers Training College's capital risk management is to safeguard Kenya Teachers Training College's ability to continue as a going concern. Kenya Teachers Training College capital structure comprises of the following funds:

23. Related Party Balances

Nature of related party relationships

Entities and other parties related to Kenya Teachers Training 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 Kenya Teachers Training College, holding 100% of Kenya Teachers Training College's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of Kenya Teachers Training College, both domestic and external. Other related parties include:

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

24. Events After The Reporting Period

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

25. Ultimate And Holding Entity

Kenya Teachers Training College is a Semi-Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

26. Currency

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

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27. Appendices

Appendix 1: Projects

Projects implemented by Kenya Teachers Training Savings

Project title	Project Number	Donor	Period / duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1. Classrooms		Institution Savings	1 year		No	

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1.	Classrooms	4,251,101	4,251,101	4,251,101	4,251,101	4,251,101	Institution Savings