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REPORT

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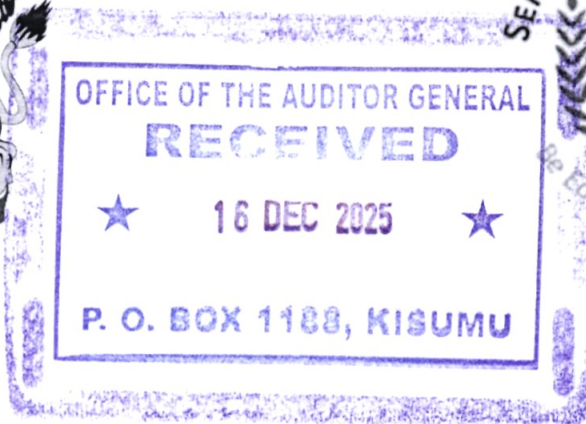
THE AUDITOR-GENERAL

ON

SEME TEACHERS TRAINING COLLEGE

FOR THE YEAR ENDED
30 JUNE, 2022

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	07 APR 2026 DAY.
TABLED BY:	Hon. Samuel Cheptonyo, MP Tuesday
CLERK-AT THE-TABLE:	A. Ushuko



Seme Teachers Training college

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30TH JUNE 2022**

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1. Acronyms and Definition of Key Terms

A. Acronyms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
KPEEL	Kenya Primary Equity in Learning
NG-CDF	National Government Constituency Development Fund
SBA	School Based Assessment
MOE	Ministry of Education

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

II. Key College Information and Management

(a) Background information

Seme Teachers College was incorporated/ established under the Basic Education Act 2015 Act in the year 2019. The College is domiciled in Kenya and is located in Seme Sub-County of Kisumu County. The college is under the Ministry of Education.

(b) Principal Activities

i. The principal Activity of the College is to offer training in Diploma in Primary Teacher Education (DPTE), Diploma in Early Childhood Education (DECTE) and Upgrade to Diploma in Primary Teacher Education and Early Childhood Education (UDECTE)

ii. Mission

To provide quality teacher education and training that produces patriotic, competent, innovative and self-directing teachers

iii. Vision:

An Institution of all round teacher education and training

iv. Core Values

Professionalism, Integrity, Accountability and Team Work

(c) Key Management

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

- Board of Management
- Chief Principal and the Administrative staff

(d) Fiduciary Management

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

SN.	Designation	Name
1.	Chief Principal	Mr. Chegogut J. Kiprotich
2.	Deputy Principal	Mrs. Sarah Gakirio Mukami
4	Dean of Curriculum	Mr. Paul Maina
5	Dean of Students	Mrs. Rosemary Achillah
6	Accounts Clerk	Mr. Dennis Odongo
7	Financial Reporting Assistant	CPA Cliff Otieno

Key College Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

The Members of the Board of Management of the college were appointed by the Cabinet Secretary Ministry of Education on 18th July 2019 and inaugurated on 6th August 2019 in accordance with the Basic Education Act 2013.

The Board has the following committees

- i. Executive Board
- ii. Finance, Procurement and General Purpose Committee
- iii. Audit and Risk Committee
- iv. Academic Standards, Quality and Environment Committee

(f) College Headquarters

P.O. Box 125-40102
Kombewa
Kenya

(g) College Contacts

Seme Teachers College
P.O Box 125-40102
Kombewa
Telephone: (254)0112075087
E-mail: semeteachcol@gmail.com
Website: Not yet developed




(h) College Bankers




Kenya Commercial Bank (KCB)
Kisumu Airport Branch





(i) Independent Auditors




Auditor-General
Office of the Auditor General
Anniversary Towers, Monrovia Street
P.O. Box 30084-GPO 00100
Nairobi, Kenya




III. The Board/Board of Governors

No.	Member/ Director	Details
1.	 <i>...Dr. Samuel Ogweno Okuro</i> <i>Board Chairperson</i>	-Date of Birth :16th January 1974 -Qualification: PhD in Economic History, MA in History Bachelors of Education Arts Work Experience Senior Lecturer school of Humanities Jaramogi Odinga University of Science and Technology
2.	 <i>Mr. Chebogut J. Kiprotich</i> <i>Board Secretary</i>	Date of birth: 25th /12/1970 Qualifications- Masters of philosophy – Guidance &counselling Work Experience Chief Principal Seme TEACHERs College
3.	 <i>Mr Geoffrey Agwera Ndumbi</i> <i>Chairperson-Finance Procurement</i> <i>and General-Purpose Committee</i>	Date of birth : 10th May 1962 Qualifications: Bachelor of Commerce Work Experience -Contractor ;
4.		

	 <p><i>Dr. Rispah Nyarozo Aduwo</i> <i>Chairperson- Human Rights and</i> <i>Students Welfare Committee</i></p>	<p>Date of birth :8th august 1952</p> <p>Qualifications: Bachelor of Veterinary Medicine Masters of science in Reproductive Physiology</p> <p>Work Experience former BoM of member TUK Mombasa, and Moi Univeristy Vice chairperson BoM</p>
<p>5.</p>	 <p><i>Dr. EshaFaki Mwinyihaji</i> <i>Chairperson- Academic Standards,</i> <i>Quality and Environment Committee</i></p>	<p>Date of birth:</p> <p>Qualification PhD Religion</p> <p>Work Experience She is currently the Chairperson of the Department of Religion, Theology and Philosophy at Maseno University.</p> <p>She is a 2012-2013 post-doctoral fellow with Foundation for Inter-religious and Intercultural Dialogue, University of Geneva. She received her MPhil in Islamic Studies from Moi University in 2001.</p>
<p>6.</p>	 <p><i>Mrs Molline Achieng Otiemo</i> <i>Chairperson- Audit and Risk</i> <i>Committee</i></p>	<p>Date of birth : 1983</p> <p>Qualification: MBA Finance</p> <p>Work Experience KCB Bank Manager Kisumu</p>

7.	 <i>Mr. Joseph Jan Owuor</i> <i>Member</i>	<p>Date of birth:1952</p> <p>Qualification Bachelor of Education (Arts)</p> <p>Work Experience Retired Principal from a Teachers College Members BoM St. Barnabas Girls and Diemo secondary schools</p>
8.	 <i>Dr. Juliet Akinyi Jagero</i> <i>Member</i>	<p>Date of Birth : 23rd /12/1971</p> <p>Qualification: PhD Kiswahili</p> <p>Work Experience Head of department languages Literacy and Communication Studies in Jamamogi Odinga University Chairperson BoM - Ratta and Sinyolo Girls Secondary Schools</p>
9.	 <i>Mr Eric Mula</i> <i>Member</i>	<p>Date of Birth:15 /10/1980</p> <p>Qualifications- Masters in Community Health Development, LL,B</p> <p>Work Experience Lecturer Great lakes university Member BoM- Kirembe and Nyabondo Secondary Schools</p>
10.	 <i>Mr Maurice Owiti Olwe</i> <i>Member</i>	<p>Date of birth: 6th April 1965</p> <p>Qualifications: Bed. in Early childhood Education and primary Option</p> <p>Work Experience Deputy Director Protocol Kisumu County</p>


<p>11.</p>	 <p><i>Dr. Constance Rose Ambasa</i> <i>Member</i></p>	<p>Date of birth:1966</p> <p>Qualifications- PhD in Philosophy</p> <p>Work Experience Part Time Lecturer Kenyatta University Member BoM- County government Kakamega</p>
<p>12.</p>	 <p><i>Prof. Zacharia Kiptoo Kosgei</i> <i>Member</i></p>	<p>Date of birth –17th July 1974</p> <p>Qualification- P.hD Educational Administration</p> <p>Work Experience</p>
<p>13.</p>	 <p><i>Mr. Tom Migot</i> <i>Member</i></p>	<p>Date of birth: 1960</p> <p>Qualification: Banking</p> <p>Work Experience Farming</p>




<p>14.</p>	 <p><i>Mr. Japheth O. Odhiambo Sub County Director of Education MoE</i></p>	<p>Date of birth :</p> <p>Qualification</p> <p>Work Experience Sub County Director of Education MoE</p>
<p>15.</p>	 <p><i>Mr. Edwin Gor Member</i></p>	<p>Date of birth : 23rd May 1967</p> <p>Qualification: Bed Arts</p> <p>Work Experience BoM member Chulaimbo Boys Secondary PTA Chair Kit Mikayi Mixed Secondary Lecturer Jaralam Academy</p>
<p>16.</p>	 <p><i>Dr. Rozilla Adhiambo Member</i></p>	<p>Date of birth:20th /08/1964</p> <p>Qualification: PhD Strategic Management</p> <p>Work Experience Part Time Lecturer Jaramogi Odinga University</p>


BOARD COMMITTEES

Name of the Committee	Members
Finance Procurement and General Purpose	1.Mr. Geoffrey Agwera Ndubi 2.Mr Joseph Jan Owuor 3. Dr. Juliet Akinyi Jagero
Audit and Risk	1.Mrs Molline Achieng Otieno 2. Prof. Zacharia Kiptoo Kosgei
Discipline Ethics and Integrity	1.Tom Migot 2. Dr. Constance Rose Ambasa 3. Mr. Edwin Gor
Human Rights and Students Welfare	1. Dr. Rispah Nyarozo Oduwo 2. Dr. Rozilla Adhiambo 3. Mr Eric Mula
Academic Standards, Quality and Environment	1. Dr.Esha Faki Mwinyihaji 2. Prof. Zacharia Kiptoo Kosgei 3. Mr Maurice Owiti Olwe

IV. Management Team

No.	Member/ Director	Details
1.	 <p><i>Mr. Chebogut J. Kiprotich</i> <i>Chief Principal</i></p>	<p>Date of birth: 25th /12/1970</p> <p>Qualifications- Masters of Philosophy – Guidance & Counselling</p> <p>Duties Teaching and administering teaching functions</p> <p>General administration</p> <p>Human Resource Management</p> <p>Financial Management and Control</p> <p>Any other relevant duties</p>

2.	 <p><i>Name: Sarah Mukami Muteti Deputy Principal</i></p>	<p>Date of Birth: 17th March 1971</p> <p>Qualification: Master in Education Science</p> <p>Duties</p> <p>Responsible for the provision of the operational management to ensure service delivery in the institution.</p> <p>The role further provides support to the head of the institution in the development and implementation of education plans, policies, programs and curriculum activities.</p> <p>-any other delegated duties</p>
3.	 <p><i>Name: Paul Maina Ngugi Dean of Curriculum</i></p>	<p>Date of birth : 8th May 1971</p> <p>Qualification: Bed. (Arts)</p> <p>Duties</p> <p>Teaching</p> <p>Curriculum affairs</p> <p>Provision of administrative services and technical assistance to teaching staff in the areas of curriculum development, implementation and evaluation</p> <p>Any other delegated duties</p>
4.	 <p><i>Mrs. Rosemary Achilla Ag Dean of Students</i></p>	<p>Date of birth 9th July 1967</p> <p>Qualification: Masters in Education – Kiswahili</p> <p>Duties</p> <p>Teaching</p> <p>Deals with Learners welfare including sharing information with learners, colleagues and other interested parties to promote learners success and development</p> <p>Other delegated duties</p>

5.	Dennis Odongo	<p>Date of Birth</p> <p>Qualification: BCom- Accounting</p> <p>Duties</p> <ul style="list-style-type: none"> - Custody and maintenance of books of accounts and accountable documents - Ensure that proper records for each transaction is kept - Developing management mechanism of college resources and statutory compliance - Preparing regular financial reports as instructed
6.	 <p><i>CPA Cliffe Otieno</i> <i>Financial Reporting Assistant</i> <i>BCom (Accounting Option)</i></p>	<p>Assisting Management on Internal Controls</p> <p>Preparation of Yearly Accounts in accordance with IPSAs and PFM Act 2012</p> <p>Preparation of Yearly Variance Report between Budget and Actual Amounts</p> <p>Conversion of Manual Records into Suitable Soft form for IPSAs reporting</p> <p>Preparation of Annual Accounts in accordance with IPSAS requirements</p>

Corporate Governance Statement (continued)

Process of appointment

Seme TTC Board had sixteen (16) members appointed in the prescribed process laid out by the Ministry of Education. The BOM was constituted as below

- Twelve(12) members appointed by the Cabinet Secretary;
- Student Representative
- Tutors Representative
- The County director of Education representing the PS- MoE
- The Principal as the Board Secretary and Chief Accounting Officer

Removal of Board members

The appointment of a member to a Board of Management or to its committees may be revoked and the member may vacate office if the member

- Resigns by giving notice in writing to the Cabinet Secretary; the person shall cease to be a member of the Board from the date specified in the notice.
- Becomes insolvent or has conveyed or assigned his property or has made a proposition or arrangement for the benefit of his creditors;
- Is sentenced by a court of law to imprisonment for a term of six months or more;
- Is incapacitated by physical or mental illness;
- Has been absent from three consecutive meetings of the Board without leave;
- Where the member is a representative, has his appointment revoked by the nominating body
- Is otherwise unable or unfit to discharge his functions as a member of the Board on account of any matter in the Act.

The roles of the board members include:

- Overseeing the conduct of education and training in the institution in accordance with the provisions of the Act and any other written law;
- Promoting and maintaining standards, quality and relevance in education and training in the institution in accordance with the Act and any other written law;
- Administering and managing the property of the college
- Developing and implementing the institution's strategic plan;
- Reviewing and approving annual budget estimates of revenue and expenditure for the Institution and incurring expenditure on behalf of the institution;
- determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institutions, in consultation with the Authority;
- making regulations governing organization, conduct and discipline of the staff and students;
- Discharging all other functions conferred upon it by the Act

Role of Board Committees

1. Role of Finance Procurement and General Purpose Committee

- To ensure that all expenditures are in line with the approved budget
- To supervise and due process is followed
- To monitor from time to time how funds are utilized in the College
- To monitor closely all procurements and due process is followed
- To ensure that all suppliers strictly follow their quotation prices without varying the prices.
- To ensure that all books of accounts are written and are up to date
- To physically check all bank slips, withdrawals against the bank statements
- To handle all matters relating to supervising maintaining of store records

2. Role of Academic Standards, Quality and Environment Committee

- To handle all academic matters in the college
- To device ways and means of improving academic standards
- To analyse national examination results against the FACE exams
- To ensure that all textbooks purchased through the Government grants are received in the college and given to each deserving student
- To ensure that each student has enough text books and other learning materials
- To ensure that all students are learning in safe class rooms, the toilets are safe and clean, the eating place is clean and safe, and water in the college is clean and safe
- To ensure that all college buildings are safe and secure
- To ensure that the college compound is safe and secure

3. Role of Audit and Risk Committee

- To examine in depth all payment vouchers and receipts and report to the board any disparity
- To examine all used receipt books, cheque books delivery notes, invoices and payment voucher.
- To examine in depth all enrolment registers for the previous year.
- To examine all movable and immovable assets for the previous year.
- To examine all cheque books counterfoils for the previous year.
- To examine all tender records for the previous year.
- To examine all procurement records for the previous year.
- To verify all projects records for the previous year.
- To verify the audit and inspection reports for the previous year.
- To respond to audit queries after scrutinizing the report on audited accounts.

4. Role of Discipline Ethics and Integrity Committee

- To deal with all matters relating to discipline of students
- To work closely with the guidance and counselling committee in improving discipline in college
- To handle all integrity cases involving teaching and non- teaching staff
- To promote ethics and integrity in the college
- To carry out any other assignment which may be referred to them by the board of management

5. Role of Human Rights and Students Welfare Committee

- To receive and discuss all cases of admissions, transfers, suspensions, and replacements at the college level
- To recommend to the Board of Management all cases admissions, transfers, suspensions, and replacements from the college level
- To receive from students/teacher trainees or student leaders all cases relating to human rights abuse and their welfare in general
- To carry out student census in the college or any other institutions of basics educations and submit a report to the Board of management

Conflict of Interest

- If a member of the Board has any conflict of interest he/she declares the same in the meeting.
- A disclosure of interest made shall be recorded in the minutes of the meeting at which it is made
- A member of the Board who contravenes this commits an offence and is liable to a fine or imprisonment.

Remuneration of Board Members

Members of a Board of Management are paid in respect of their services such remuneration or allowances as approved by Cabinet Secretary, Ministry of Education

Board Accountability and Financial Reporting

- The Board of Management should ensure that top management keeps proper books and records of accounts of the income, expenditure and assets of the college and review performance of management on Quarterly basis and submit reports to MoE
- within a period of four months from the end of each financial year, Board of Management submit Annual Financial Report to the office of the Auditor- General, Ministry of Education, Controller of Budget, Treasury, and Commission of Revenue Allocation and stamped copy of the report kept by the Principal/Chief Secretary of the Board
- Provide relevant supporting schedules to external auditors when called upon in accordance with the Public Audit Act, 2003.

VIII. Management Discussion and Analysis

The entity's operational and financial performance

Year Ended 30 th June 2022	Annual Budget	Actual Results	Utilisation Percentage
	FY2021/2022	FY2021/2022	FY 2021/2022
Receipts	15,999,566	17,923,930	112%
Payments	15,999,566	15,681,262	98 %

Entity's compliance with statutory requirements

-The college complied with the statutory requirements by deducting NHIF and PAYE from BOM staff and submitting the same on due dates

Key projects and investment decisions the entity is planning/implementing

- Construction of additional Hostels
- Acquisition of land title deed
- Completion of Dining Hall
- Capacity building of staff and BoM
- Development of Strategic plan, finance policy

Major risks facing the entity

- Uncertainty regarding legal status of NG-CDF following Court ruling
- Uncertainty in regard to low student enrollment
- Stringent conditions for potential students
- Liquidity risk to fund pending projects

Material arrears in statutory/financial obligations

There were no material arrears and financial obligations faced by the college during the year ended 30 June 2022.

The entity's financial probity and serious governance issues

There was no probity and serious governance issues face during the year ended 30 June 2022.

IX. Environmental and Sustainability Reporting Statement

Sustainability strategy and profile

Seme TTC key sustainability strategies include aggressive marketing of the services opportunity to potential beneficiaries in Seme Sub County and neighbouring sub counties which include Gem, Rarieda, Bondo, Kisumu West among others to ensure that the college can boost enrollment for regular and upgrade students.

Environmental performance

On environment, the college staff have managed to plant over 2,000 trees and flowers in the college in line with National Environment Management authority requirements.

Employee welfare

Seme Teachers College plans to develop a Human Resource manual that will ensure consistency, transparency, fairness, and merit based hiring.

The college further hopes to continually develop skills for its employees to improve organization performance. It hopes to conduct Annual Performance Appraisal and Training Needs Assessments to establish how well the employees are performing their duties as well as the employees that need training, salary increment and job promotion.

The college endeavours to strictly adhere to OSHA Act 2007 guidelines to: identify workplace hazards, evaluate health safety conditions, design and conduct health and safety surveys, recommend training for new and existing employees, recommend and track new safety practices and Accident / Incident Investigations

Market place practices-

The organisation should outline its efforts to:

a) **Responsible competition practice.**

Seme Teachers Training College is a corruption free zone. A public poster is duly erected at the gate reminding clients and suppliers of commitment of management in ensuring fair dealings and above board transactions.

The management does not engage in political alienations and practices responsible political involvement at Sub county and County Government levels

b) **Responsible Supply chain and supplier relations- maintains good business practices:-**

Seme TTC management are committed to promoting local content in its procurement processes in accordance with AGPO regulations and will always strive to ensure that all goods supplied on credit are paid within 30 days to minimize pressure on its local suppliers

The management is made it part of its culture to treats its suppliers responsibly by honouring contracts and making payment within agreed credit terms.

c) Responsible marketing and advertisement-outline efforts to maintain ethical marketing practices.

Management strives to admit trainees without discrimination. This is aimed at enhancing equity and access to college education and acquisition of skills by students from all walks of life

d) Corporate Social Responsibility / Community Engagements

The plight of the immediate community remains a daily concern for the college. The College has on several occasions used its facilities in partnership with other organizations to conduct community training.

X. Report of the Board of Management

The Board members submit their report together with the audited financial statements for the year ended June 30, 2022, which show the state of Seme Teachers Training College affairs.

Principal activities

The principal activities of the college is to train of Diploma in Primary Teacher Education teachers – Both Pre service and the Upgrade

Results

The results of Seme Teachers Training College for the year ended June 30 2022 are set out on page 1 to 23


Board of Management

The members of the Board who served during the year are shown on page vi to ix

Auditors

The Auditor General is responsible for the statutory audit of Seme Teachers Training College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year ended June 30, 2022.

By Order of the Board


.....
Secretary of the Board
Seme Teachers Training College
Date:

XI. Statement of Board of Management's Responsibilities

Section 81 of the Public Finance Management Act, 2012 and Early Childhood Development and Basic Education Act 2014 -require the Board members to prepare financial statements in respect of Seme Teachers Training College, which give a true and fair view of the state of affairs of the college at the end of the financial year and the operating results of the college for that year ended June 30, 2022. The Board members are also required to ensure that the college keeps proper accounting records which disclose with reasonable accuracy the financial position of the Seme Teachers Training College. The council members are also responsible for safeguarding the assets of Seme Teachers Training College.

The Board members are responsible for the preparation and presentation of Seme Teachers Training 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 ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the college, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the college, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.


The Board members accept responsibility for Seme Teachers Training 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 Early Childhood Development and Basic Education Act 2014.


The Board members are of the opinion that Seme Teachers College's financial statements give a true and fair view of the state of the college's transactions during the financial year ended June 30, 2022, and of the college's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the college, which have been relied upon in the preparation of the College's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

Seme Teachers Training College financial statements were approved by the Board on 26th Sep 2022 2022 and signed on its behalf by:


Name: Mr. Samuel Okoko
Chairperson of the Board


Name: Jonathan Masego
Chief Accounting Officer/Principal

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON SEME TEACHERS TRAINING COLLEGE FOR THE YEAR ENDED 30 JUNE, 2022

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 Disclaimer of Opinion is issued when the Auditor-General is unable to obtain sufficient appropriate audit evidence to form an opinion on the financial statements. 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

Disclaimer of Opinion

I have audited the accompanying financial statements of Seme Teachers Training College set out on pages 1 to 36, which comprise of the statement of financial position as at 30 June, 2022, and the statement financial performance, 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 do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

1. Inaccuracies in the Presentation and Disclosure of Financial Statements

Review of the annual reports and financial statements revealed that the statement of changes in net assets was not prepared.

In the circumstances, the presentation and disclosure of the annual report and financial statements could not be confirmed.

2. Variances Between Financial Statements and Supporting Schedules

The statement of financial performance, and as disclosed in Note 6 to the financial statements, reflects an amount of Kshs.2,950,201 in respect of transfers from National Government. However, the supporting schedules and quarterly disbursement letters from the State Department for Early Learning and Basic Education provided for audit indicated a corresponding amount of Kshs.3,044,252, resulting in an unexplained variance of Kshs.94,051.

Further, the statement of financial performance, and as disclosed in Note 10 to the financial statements, reflects an amount of Kshs.6,168,167 in respect of rendering of services - fees from students. However, the supporting schedule provided for audit reflected a corresponding amount of Kshs.7,491,907, resulting in an unexplained variance of Kshs.1,323,740.

In addition, the statement of financial performance reflects an amount of Kshs.6,479,053 in respect of use of goods and services as disclosed in Note 15 to the financial statements. However, review of the ledgers provided for audit revealed a corresponding amount of Kshs.631,197, resulting in an unreconciled and unexplained variance of Kshs.5,847,856.

In the circumstances, the accuracy and completeness of transfers from National Government, rendering of services, and use of goods and services amounts of Kshs.2,950,201, Kshs.6,168,167 and Kshs.6,479,053 respectively, could not be confirmed.

3. Unsupported Cash and Cash Equivalent Balance

The statement of financial position reflects a balance of Kshs.1,871,031 in respect of cash and cash equivalents which, as disclosed in Note 26 to the financial statements, includes Kshs.1,569,595 held in Grants Bank account at Kenya Commercial Bank. However, the bank statement and cash book for the account reflected a balance of Kshs.1,601,095, resulting in unreconciled variance of Kshs.31,500.

In the circumstances, the accuracy and completeness of the balance of Kshs.1,569,595 held in Grants Bank account could not be confirmed.

4. Misclassification of Items under Hire of Facilities and Equipment

The statement of financial performance, and as disclosed in Note 12 to the financial statements, reflects an amount of Kshs.337,500 in respect of hire of facilities and equipment. However, Management did not provide for audit journal vouchers to support the movement of expenditure items amounting to Kshs.239,770, previously misclassified and categorized under hire of facility income.

In the circumstances, the accuracy and completeness of the hire of facilities and equipment amount of Kshs.337,500 could not be confirmed.

5. Misclassification of Expenditure under Employee Costs

The statement financial performance, and as disclosed in Note 16 to the financial statements, reflects an amount of Kshs.997,300 in respect of employees' costs. However, Management did not provide for audit journal vouchers to support the movement of expenditure items amounting to Kshs.556,000 previously misclassified and categorized under employees' costs.

In the circumstances, the classification, accuracy and completeness of employees' costs amounting to Kshs.997,300 could not be confirmed.

6. Unsupported Use of Goods and Services

The statement of financial performance, and as disclosed in Note 15 to the financial statements, reflects an amount of Kshs.6,479,053 in respect of use of goods and services. However, review of sampled payment vouchers amounting to Kshs.1,834,224 revealed that they were not supported with the relevant documents.

In the circumstances, the accuracy and completeness of the use of goods and services amount of Kshs.6,479,053 could not be confirmed.

7. Unsupported Employees' Costs and Board Expenses

The statement of financial performance, and as disclosed in Notes 16 and 17 to the financial statement, reflects amounts of Kshs.997,300 and Kshs.105,000 in respect of employees' costs and Board expenses respectively. However, schedules and ledgers supporting these amounts were not provided for audit.

In the circumstances, the accuracy and completeness of the employees' costs and Board expenses amounts of Kshs.997,300 and Kshs.105,000 respectively, could not be confirmed.

8. Unsupported Depreciation and Amortization Expense

The statement of financial performance, and as disclosed in Note 18 to the financial statements, reflects an amount of Kshs.909,495 in respect of depreciation and

amortization expenses for buildings and workshops, office equipment, and furniture and fittings. However, review of documentation provided for audit revealed that Management maintained a manual asset register which was incomplete and lacked relevant information such as depreciation rate, annual depreciation, accumulated depreciation and net book values. As a result, the depreciation and amortization expense as reported could not be reconciled and agreed with the asset register. Further, no asset registers for buildings and workshops were maintained or provided for audit.

In the circumstances, the accuracy and completeness of the reported depreciation and amortization expense of Kshs.909,495 could not be confirmed.

9. Unsupported and Unreconciled Receivables from Exchange Transactions and Staff Advances

The statement of financial position reflects a balance of Kshs.481,826 in respect of receivables from exchange transactions under current assets. However, no supporting ledgers or aging analyses were provided to support this balance.

In the circumstances, the accuracy, completeness and recoverability of the reported receivables could not be confirmed.

10. Unsupported Property, Plant and Equipment Balance

The statement of financial position, and as disclosed in Note 31 to the financial statements, reflects a balance of Kshs.30,069,997 in respect of property, plant and equipment. However, review of the assets records revealed that Management maintained a manual asset register that was incomplete and lacked details such as depreciation rate, accumulated depreciation, annual depreciation, and net book values. Therefore, the net book values as indicated in the property, plant and equipment movement schedule under Note 31 of the financial statement could not be reconciled or confirmed with the asset registers. In addition, no asset register was provided or maintained for land, buildings and workshops and no ownership document or title deed was provided for the land on which the College occupied. Further, review of land records and related documents revealed that the land on which the College occupied was donated by four (4) property owners. However, no survey had been done to determine the sizes of land donated to the College and, therefore, the parcel number and actual size of land occupied by the College could not be determined.

In addition, included in Note 31 to the financial statements was Kshs.2,462,470 in respect of additions whose supporting ledgers and schedules were not provided for audit.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.30,069,997 could not be confirmed.

11. Unsupported Trade and Other Payables from Exchange Transactions Balance

The statement of financial position reflects trade and other payables from exchange transactions balance of Kshs.36,000 which, as disclosed in Note 34 to the financial

statements, relates to fees paid in advance. However, no supporting schedules and ledgers were provided to support this balance.

In the circumstance, the accuracy, completeness and authenticity of the trade and other payables from exchange transactions balance of Kshs.36,000 could not be confirmed.

12. Budgetary Control and Performance

The statement of comparison of budget and actual amounts for the year ended 30 June, 2022 reflects revenue budget of Kshs.15,999,5r66 against actual revenue of Kshs.18,036,533, resulting in over-funding of Kshs.2,036,967 or 13% of the revenue budget. Similarly, the College's actual expenditure was an amount of Kshs.16,125,172 against total actual revenue collected of Kshs.18,036,533 resulting in under expenditure of Kshs.1,911,361 or 11% of the actual revenue collected. Further, review of the budget revealed unsupported adjustments in budget line items as tabulated below:

Budget Item	Amount (Kshs)
Government grants and subsidies	1,163,014
Compensation of Employees	211,099
Use of goods and services	1,015,615
BOG Allowances	150,000
Restricted Funds Payments	-213,700

In addition, the statement reflects use of goods and services final budget amount of Kshs.5,052,602 and actual expenditure of Kshs.6,653,387, resulting in unexplained excess vote of Kshs.1,600,785.

In the circumstances, the under-expenditure affected the planned activities and may have impacted negatively on service delivery to the public, while the authorization of the over expenditure in use of goods and services could not be confirmed.

13. Failure to Maintain an Imprest Register

Review of the imprest records maintained by the College revealed that although ledgers provided for audit review indicated that the staff of the College were issued with imprests, the College did not maintain an imprest register to track the issue and surrender of imprest and account for outstanding imprest, contrary to Section 93 (4b) of 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 no outstanding imprests and the applicant has been recorded in the Imprest Register including the amount applied for.

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

14. Lack of an Approved Salary Structure

Review of the Human Resource records revealed that the College lacked an approved salary structure to guide in matters relating to the employees' remuneration, contrary to

Section 11(a) of the Salaries and Remuneration Commission (SRC) Act, 2011, which mandates the Commission to set and regularly review the remuneration and benefits of all State officers and advise the National and county governments on the remuneration and benefits of all other public officers. In the absence of this structure, Management may not achieve the objectives of the salary structure which are to:

- i. Attract and retain key skills needed to achieve overall corporate objectives.
- ii. Achieve transparency in the remuneration package.
- iii. Provide adequate pay differentials to compensate for skill and ability, experience, performance and responsibility.
- iv. Relate pay to performance as a means of promoting positive culture and motivating employees towards higher levels of achievements.
- v. Provide adequate incentives for increased managerial efficiency, improved accountability and controls.

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

15. Failure to Conduct an Annual Stock Take

The statement of financial position, and as disclosed in Note 29 to the financial statements, reflects a balance of Kshs.81,875 in respect of Inventories. However, there was no evidence of annual stock take conducted by the College to support this balance. This was contrary to Section 162 (1) and (2) of the Public procurement and Asset Disposal Act, 2015, which states that an accounting officer of a procuring entity shall ensure that all inventory, stores and assets purchased are received, but shall not be used until taken on charge and as a basis for ensuring that all procured items are properly accounted for and put in proper use as intended by the procuring entity and the head of procurement function shall arrange for occasional visits of inspection to the stores, at least quarterly in each calendar year, and conduct quarterly and annual inventory and stock taking in order to ensure compliance with all respective governing laws and submit the report to the accounting officer.

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

16. Lack of Risk Management Policy

Review of records revealed that the College lacked a Risk Management Policy, an indication that the College did not have a framework for management of any risk and hence, it was not possible to identify, assess and control risks. As a result, it was not possible to define the College's risk appetite and set the risk tolerance levels by identifying boundaries against unacceptable exposure to risks.

This was contrary to Section 165. (1) of the Public Finance Management (National Government) Regulations, 2015, which stipulates that the Accounting Officer of a Government entity should develop risk management strategies, which include fraud prevention mechanism; and a system of risk management and internal control that builds robust business operations

In the circumstances, the effectiveness of risk management and the College's ability to carry out risk analysis and respond to the risk identified could not be confirmed.

17. Failure to Provide an Approved Staff Establishment

During the year under review, it was noted that the College lacked an approved staff establishment, contrary to Section B.2 (1) of the Human Resource Policies and Procedures Manual for the Public Service (2016), which states that Every Ministry/State Department shall prepare Human Resource Plans to support achievement of goals and objectives in their Strategic plans. The plans shall be based on comprehensive job analysis and shall be reviewed every year to address emerging issues and needs.

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

18. Non-Compliance With Board Guidelines

Review of the Board of Management records maintained at the College revealed that the College held meetings without sending notices to the board members, contrary to Section 6(2) of the fourth schedule of the Basic Education Act, 2013, which states that every meeting of the Board of Management shall be convened by giving at least fourteen days' notice in writing to every member unless three quarters of the total members of a Board of Management otherwise agree.

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

Conclusion

I do not express a conclusion on the lawfulness and effectiveness in the use of public resources as required by Article 229(6) of the Constitution. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for my audit conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

I do not express a conclusion on the effectiveness of internal controls, risk management and governance as required by Section 7(1)(a) of the Public Audit Act, 2015. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient and appropriate audit evidence to provide a basis for my audit conclusion.

Responsibilities of the Management and Board of Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual

Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

The Board of Governance 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

09 December, 2025

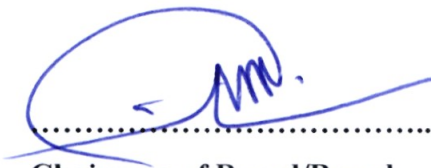
XIV. Statement of Financial Performance for the year ended 30 June 2022

Description	Notes	2021-2022 Kshs
Revenue from Non-Exchange transactions		
Transfers from National Government	6	2,950,201
Grants from donors and development partners	7	00
Transfers from other levels of government	8	00
Public contributions and donations	9	00
		2,950,201
Revenue from Exchange transactions		
Rendering of services- fees from students	10	6,168,167
Sale of goods	11	00
Income from Hire of facilities and equipment	12	337,500
Finance income	13	00
Other income	14	00
		6,505,667
Total Revenue		9,455,868
Expenses		
Use of goods and services	15	6,479,053
Employee costs	16	997,300
Board /Board Expenses	17	105,000
Depreciation and amortization expense	18	909,495
Repairs and maintenance	19	182,334
Contracted services	20	00
Grants and subsidies	21	00
Finance costs	22	00
Total Expenses		8,673,182
Other Gains/(Losses)		
Gain on sale of assets	23	00
Unrealized gain on fair value of investments	24	00
Impairment loss	25	00
Total Other Gains/(Losses)		00
Net surplus for the year/Deficit		782,636

(The notes set out on pages 1 to 6 form an integral part of the Annual Financial Statements).

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

Seme Teacher Training College
Annual Report and Financial Statements for the year ended 30th June 2022



Chairman of Board/Board

Date

16/12/21



Finance Officer

ICPAK No

Date

16/12/21

for 10/12/21

Principal

Date

16/12/21



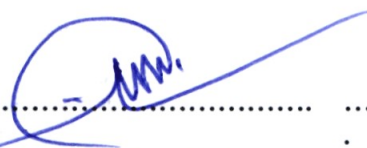
XV. Statement of Financial Position as at 30th June 2022

Description	Notes	2021-2022
		Kshs
Assets		
Current Assets		
Cash and cash equivalents	26	1,871,031
Current portion of receivables from exchange transactions	27(a)	481,826
Receivables from non-exchange transactions	28	00
Inventories	29	81,875
Investments	30	00
		2,434,732
Non-Current Assets		
Long term receivables from exchange transactions	27(b)	00
Investments	30	00
Property, plant, and equipment	31	30,069,997
Intangible assets	32	00
Investment property	33	00
		30,069,997
Total Assets		32,504,729
Liabilities		
Current Liabilities		
Trade and other payables from exchange transactions	34	36,000
Refundable deposits from customers	35	00
Current provisions	36	00
Finance lease obligation	37	00
Current portion of borrowings	41	00
Deferred income	38	00
Employee benefit obligation	39	00
Payments received in advance		00
		36,000
Non-Current Liabilities		
Finance lease obligation	37	00
Deferred income	38	00
Non-Current Employee Benefit Obligation	39	00
Non-Current Provisions	40	00

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Description	Notes	2021-2022
		Kshs
Borrowings	41	00
Service Concession Liability	42	00
Deferred Tax Liabilities	49	00
		00
Total Liabilities		36,000
Net Assets		32,468,729
Reserves		1,616,096
Accumulated Surplus		782,636
Capital Fund		30,069,997
Total Net Assets and Liabilities		32,468,729

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



Chairman of Board/Board

Date



Finance Officer

ICPAK No

Date

16/12/24

for



Principal

Date



XVI. Statement of Changes in Net Asset for the year ended 30 June 2022

Description	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/Development Grants/Fund	Total
At July 1, 2020	0	0	0	0	0
Revaluation gain	0	-	-	-	0
Fair value adjustment on quoted investments	-	0	-	-	0
Total comprehensive income	-	-	0	-	0
Capital/development grants received during the year	-	-	-	0	0
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	0	0	0
At June 30, 2021	0	0	0	0	xxx
	↻	↻	↻	↻	↻
At July 1, 2021	0	0	0	0	0
Revaluation gain	0	0	0	0	0
Fair value adjustment on quoted investments	-	0	0	0	0
Total comprehensive income	-	-	0	0	0
Capital/development grants received during the year	-	-	-	0	0
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	0	0	0
At June 30, 2022	0	0	0	0	0

(Note:

1. *For items that are not common in the financial statements, the college should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.*
2. *Prior year adjustments should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances needs to be done).*

SemeTeacher Training College
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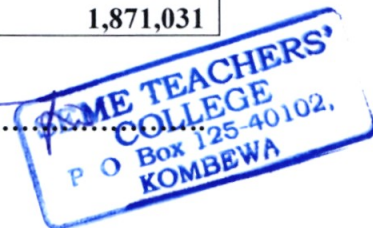
XVII. Statement of Cash Flows for the year ended 30 June 2022

Description	Note	2021-2022
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from other government entities/govt. Grants		2,950,201
Public contributions and donations		00
Rendering of services- fees from students		6,168,167
Sale of goods		00
Rental revenue from facilities and equipment		337,500
Finance income		00
Other income		36,000
Total Receipts		9,491,868
Payments		
Compensation of employees		997,300
Use of goods and services		6,479,053
Board Expenses		105,000
Repairs and Improvements		182,334
Total Payments		7,763,687
Net Cash Flows from operating activities	43	1,728,181
Cash flows from investing activities		
Purchase of property, plant, equipment and intangible assets		117,200
Proceeds from sale of property, plant and equipment		00
Net cash flows used in investing activities		00
Cash flows from financing activities		
Proceeds From Borrowing		00
Net cash flows used in financing activities		00
Net Increase/(Decrease) in Cash and Cash equivalents		1,610,981
Cash and Cash equivalents at 1 JULY	26	260,050
Cash and Cash equivalents at 30 JUNE	26	1,871,031

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

.....
Chairman of Board/Board **Finance Officer** **Principal**

Date **Date** **Date**



SemeTeacher Training College
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XVIII. Statement of Comparison of Budget & Actual amounts for the year ended 30 June 2022

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other govt entities and govt grants	957,087	1,163,014	2,120,101	2,950,201	(830,100)	39
Public contributions and donations	00	00	00	00	00	-
Rendering of services- fees from students	5,298,800	00	5,298,800	6,168,167	(869,367)	16
Sale of goods	00	00	00	00	00	-
Finance income	00	00	00	00	00	-
Other income- Hire of facility	00	00	00	337,500	(337,500)	100
Capital Grants from NG-CDF SEME CON.	8,580,665	00	8,580,665	8,580,665	00	-
Gains on disposal, rental income and agency fees	00	00	00	00	00	-
Total Income	14,836,552	1,163,014	15,999,566	18,036,533	2,036,967	13.36
Expenses						
Compensation of employees	1,063,200	211,099	1,274,299	997,300	276,999	21.74
Use of goods and services	4,036,987	1,015,615	5,052,602	6,653,387	(1,600,781)	31.78
Restricted Funds payments	1,055,700	(213,700)	842,000	00	842,000	100
Remuneration of directors	100,000	150,000	250,000	105,000	145,000	58
Capital Expenditure	8,580,665	00	8,580,665	8,369,485	211,180	2.46
Total Expenditure	14,836,552	1,163,014	15,999,566	16,125,172	125,606	0.79
Surplus For the Period	00	00	00	1,911,361	1,911,361	

(Budget notes)

1. More grants received more than expected
2. Facility hire was not anticipated at the time of preparing the budget
3. Rendering of services include Ksh. 15,700 per student for KNEC registration

XIX. Notes to the Financial Statements

1. General Information

Seme college is established by and derives its authority and accountability from Basic Education Act. The college is wholly owned by the Government of Kenya and is domiciled in Kenya. The college's principal activity is training Diploma in Primary Teacher Education course.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their

estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *college's* accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements

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

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

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2022.

IPSASB deferred the application date of standards from 1st January 2022 owing to covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022.

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an College's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an College's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p><i>(State the impact of the standard to the College if relevant)</i></p>

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Standard	Effective date and impact:
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting College provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the College;</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the College’s financial performance, financial position and cash flows.</p> <p><i>(State the impact of the standard to the College if relevant)</i></p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p><i>(State the impact of the standard to the College if relevant)</i></p>
<p>Other improvements to IPSAS</p>	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i>

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Standard	Effective date and impact:
	<p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023. <p><i>State the impact of the standard to the College if relevant</i></p>
IPSAS 43	<p><i>Applicable 1st January 2025</i></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 College.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>State the impact of the standard to the College if relevant</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></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> <p><i>State the impact of the standard to the College if relevant</i></p>

iii. Early adoption of standards

(The college) did not early-adopt any new or amended standards in year 2022.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the college and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

ii) Revenue from exchange transactions

Rendering of services

The college recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

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

Interest income

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

Dividends

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

4 Summary of Significant Accounting Policies (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions (continued)

Rental income

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

b) Budget information

The original budget for FY 2021/2022 was approved by the Board or Board on xxxx. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the college upon receiving the respective approvals in order to conclude the final budget. Accordingly, the college recorded additional appropriations of xxxx on the FY 2021/2022 budget following the Board/ Board's approval.

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

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

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

c) Taxes

Current income tax

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

Sales tax/ Value Added Tax

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

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

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

Notes to the Financial Statements (Continued)

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 a period of **xxx** years.

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 of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the college recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

f) Leases

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

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

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the College will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the College. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

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

h) Research and development costs

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

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

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit.

During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

i) Financial instruments

Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

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

4 Summary of Significant Accounting Policies (Continued)

i) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The College determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

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

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

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

Inventories (Continued)

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

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

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

k) Provisions

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

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

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

Contingent liabilities

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

Contingent assets

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

l) Nature and purpose of reserves

The College creates and maintains reserves in terms of specific requirements. (*College to state the reserves maintained and appropriate policies adopted*).

m) Changes in accounting policies and estimates

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

n) Employee benefits

Retirement benefit plans

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

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined 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.

o) 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.

p) Borrowing costs

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

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

q) Related parties

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

r) Service concession arrangements

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

s) 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.

t) Comparative figures

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

u) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2022.

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

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

Useful lives and residual values

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

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

Provisions

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

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

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

Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

Description	2021-2022
	Kshs
Unconditional Grants	
Capitation Grants	00
Operational Grant	2,950,201
Other Grants	00
	2,950,201
Conditional Grants	
Library Grant	00
Hostels Grant	00
Administration Block Grant	00
Laboratory Grant	00
Learning Facilities Grant	00
Other Organizational Grants	00
Total Government Grants and Subsidies	2,950,201

(a) Transfers from other Government entities (Categorized)

Name Of The Entity Sending The Grant	Amount recognized to Statement of Comprehensive Income Kshs	Amount deferred under deferred income Kshs	Amount recognised in capital fund.	Total grant income during the year
			Kshs	Kshs
Ministry of Education		0	0	2,950,201
Total		0	0	2,950,201

7. Grants from Donors and Development Partners

Description	2021-2022
	Kshs
JICA- Research Grant	00
World Bank Grants	00
In-Kind Donations	00
Other Grants	00
Total Grants from Development Partners	00

Reconciliations of grants from donors and development partners

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Description	2021-2022
	Kshs
Balance unspent at beginning of year	00
Current year receipts	00
Conditions Met - Transferred to Revenue	00
Conditions Yet To Be Met - Remain Liabilities	00

(Provide brief explanation for this revenue)

8. Transfers from Other Levels of Government

Description	2021-2022
	Kshs
Transfer from County XX	00
Transfer from XX University	00
Transfer from XX Institute	00
Total Transfers	00

9. Public Contributions and Donations

Description	2021-2022
	Kshs
Public Donations	00
Donations from Local Leadership	00
Donations from Religious Institutions	00
Donations from Alumni	00
Other Donations	00
Total Donations and Contributions	00

Notes to the Financial Statements (Continued)

10. Rendering of Services

Description	2021-2022
	Kshs
Boarding(BES)	1,859,183
Tuition Fees	308,872
LT & T	242,579
Medical	48,700
Activity Fees	431,550
VRM/Motor Vehicle	307,961
Administrative Cost	225,350
Teaching Practice/Practicum	249,852
EWSC	306,246
Students Council	38,550
Persona Emoluments	304,682
ICT	270,855
Track Suit	188,550
Students ID	26,423
Clubs/Environment	81,819
KNEC	955,431
Bank Charges	20,571
Registration	16,578
Library	60,650
Lesson Plan Books	60,879
Covid 19	151,586
Students Guide Book	11,300
Total Revenue from The Rendering Of Services	6,168,167

Fees received from students

11. Sale of Goods

Description	2021-2022
	Kshs
Sale of Books	00
Sale of Publications	00
Sale of Farm Produce	00
Cafeteria sales	00
Other	00
Total Revenue from Sale of Goods	00

12. Rental revenue from facilities and equipment

Description	2021-2022
	Kshs
Hire of Facilities and Equipment	337,500
Contingent Rental	00
Operating Lease Revenue	00
Total	337,500

Hosting ZIZI Group

13. Finance Income

Description	2021-2022
	Kshs
Cash investments and fixed deposits	00
Interest income from treasury bills	00
Interest income from treasury bonds	00
Interest from outstanding debtors	00
Total finance income	00

14. Other Income

Description	2021-2022
	Kshs
Insurance recoveries	00
Consultancy fees	00
Income from sale of tender	00
Services concession income	00
Reimbursements and refunds	00
Graduation fees	00
Miscellaneous (<i>specify</i>)	00
Total other income	00

15. Use Of Goods And Services

Description	2021-2022
	Kshs
Boarding/BES	1,998,375
Tuition/TES	500,505
LT & T	344,032
Track Suit	135,546
KNEC	1,287,400
Medical	7,455
Activity	717,388
Administrative Cost	236,276

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EWSC	339,815
Contracted Services	407,160
Lesson Plan	60,879
ICT	106,712
Hire of facilities related expenses	337,510
Total good and services	6,479,053

Notes to the Financial Statements (Continued)

16. Employee Costs

Description	2021-2022
	Kshs
Salaries and wages	997,300
Employee Costs	997,300

17. Board/Board Expenses

Description	2021-2022
	Kshs
Directors Emoluments/Transport reimbursements	105,000
Total	105,000

18. Depreciation and Amortization expense

Description	2021-2022
	Kshs
Property, plant and equipment	909,495
Intangible assets	00
Investment property carried at cost	00
Total depreciation and amortization	909,495

19. Repairs and Maintenance

Description	2021-2022
	Kshs
Total Repairs and Maintenance	182,334

20. Contracted Services

Description	2021-2022
	Kshs
Actuarial valuations	00
Investment valuations	00
Property valuations	00
Total contracted services	00

21. Grants and Subsidies

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Description	2021-2022
	Kshs
Community Development	00
Education Initiatives and Programs	00
Sporting Bodies	00
Total Grants and Subsidies	00

22. Finance Costs

Description	2021-2022
	Kshs
Borrowings (Amortized Cost)*	00
Finance Leases (Amortized Cost)	00
Unwinding of Discount	00
Interest on Bank Overdrafts	00
Interest on Loans from Commercial Banks	00
Total Finance Costs	00

23. Gain On Sale of Assets

Description	2021-2022
	Kshs
Property, Plant and Equipment	00
Intangible Assets	00
Other Assets not capitalised	00
Total Gain On Sale of Assets	00

24. Unrealized Gain on Fair Value Investments

Description	2021-2022
	Kshs
Investments at Fair Value	00
Total Gain	00

25. Impairment Loss

Description	2021-2022
	Kshs
Property, Plant and Equipment	00
Intangible Assets	00
Total Impairment Loss	00

26. Cash and Cash Equivalents

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Description	2021-2022
	Kshs
Current Account	1,802,291
Cash in hand	68,740
Fixed Deposits Account	00
Staff Car Loan/ Mortgage	00
Others (Specify)	00
Total Cash and Cash Equivalents	1,871,031

(The amount should agree with the closing and opening balances as included in the statement of cash flows)

26 (a). Detailed Analysis of Cash and Cash equivalents

Financial Institution	Account number	2021-2022
		Kshs
a) Current Account		
Kenya Commercial Bank	1286979056	232,696.00
Kenya Commercial Bank	1286957184	1,569,595.00
Sub- Total		1,802,291
Cash in Hand		68,740
Sub- Total		68,740
Grand Total		1,871,031

27. Receivables from Exchange transactions

27(a) Current Receivables from Exchange transactions

Description	2021-2022
	Kshs
Current Receivables	
Student Debtors	481,826
Rent Debtors	00
Consultancy Debtors	00
Other Exchange Debtors	00
Less: Impairment Allowance	00
Total Current Receivables	481,826

27(b) Long- term Receivables from Exchange transactions

Description	2021-2022
	Kshs

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Non-Current Receivables	
Refundable Deposits	0
Advance Payments	00
Public Organizations	00
Less: Impairment Allowance	00
Total	00
Current Portion Transferred To Current Receivables	00
Total Non-Current Receivables	00
Total Receivables	00

27 (c) Reconciliation for impairment Allowance on Receivables from Exchange Transactions

Description	2021-2022
	Kshs
At the beginning of the year	00
Provisions during the year	00
Recovered during the year	00
Write offs during the year	00
At the end of the year	00

28. Receivables from Non-Exchange transactions

Description	2021-2022
	Kshs
Current Receivables	
Capitation Grants*	00
Transfers from Other Govt. entities	00
Undisbursed Donor Funds	00
Other Debtors (Non-Exchange Transactions)	00
Less: Impairment Allowance	00
Total Current Receivables	00

28 (b) Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions

Description	2021-2022
	Kshs
At the beginning of the year	00
Additional provisions during the year	00
Recovered during the year	00
Written off during the year	00
At the end of the year	00

29. Inventories

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Description	2021-2022	
	Kshs	
Consumable stores		81,875
Total Inventories at lower of Cost and Net Realizable Value		81,875

30. Investments

Description	2021-2022	
	Kshs	
a) Investment in Treasury Bills and Bonds		
Financial Institution		
CBK		00
Sub- Total		00
b) Investment with Financial Institutions/ Banks		
Bank Y		00
Sub- Total		00
c) Equity Investments (Specify)		
Equity/ Shares in Company Xxx		00
Sub- Total		00
Grand Total		00

d) Shareholding in other entities

For investments in equity share listed under note 30 (c) above, list down the equity investments under the following categories:

Name of College where Investment is Held	No of Shares			Nominal Value of Shares	Fair Value of Shares	
	Direct Shareholding	Indirect Shareholding	Effective Shareholding		Current Year	Prior Year
	%	%	%	Kshs	Kshs	Kshs
College A	00	00	00	0	00	00
College B	00	00	00	00	00	00
	00	00	00	00	00	00

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Notes to the Financial Statements (Continued)

31. Property, Plant and Equipment

	Freehold Land	Buildings and workshops	Computers and related equipment	Furniture and fittings	Total
Cost	Kshs	Kshs		Kshs	
At 1 July 2021	5,000,000	23,247,022	0	270,000	28,517,022
Additions	00	00	117,200	2,345,270	2,462,470
Disposals	00	00	00	00	00
Transfers/Adjustments	00	00	00	00	00
At 30th June 2022	5,000,000	23,247,022	117,200	2,615,270	30,592,292
At 30th June 2022	5,000,000	23,247,022	117,200	2,615,270	30,979,492
Depreciation And Impairment					
At 1 July 2021	00	00	00	00	00
Depreciation	00	581,176	35,160	293,159	909,495
At 30 June 2022	00	581,176	35,160	293,159	909,495
Net Book Values	5,000,000	22,665,846	82,040	2,322,111	30,069,997
At 30th June 2022	5,000,000	22,665,846	82,040	2,322,111	30,069,997
Depreciation Rates	0%	2.5%	30%	12.5%	

Notes to the Financial Statements (Continued)

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). These amounts were adopted in the financial statements on xxx.

31 (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	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	5,000,000	00	5,000,000
Buildings	23,247,022	581,176	22,665,846
Computers and Related Equipment	117,200	35,160	82,040
Office Equipment, Furniture, And Fittings	2,615,270	293,159	2,322,111
Total	30,979,492	909,495	30,069,997

32. Intangible Assets

Description	2021-2022
	Kshs
Cost	
At beginning of the year	00
Additions	00
At end of the year	00
Additions–internal development	00
At end of the year	00
Amortization and impairment	
At beginning of the year	00
Amortization	00
At end of the year	00
Impairment loss	00
At end of the year	00
NBV	00

Notes to the Financial Statements (Continued)

33. Investment Property

Description	2021-2022
	Kshs
At beginning of the year	00
Additions	00
Disposal during the year	00
Depreciation	00
Impairment	00
At end of the year	00

34. Trade and Other Payables from Exchange transactions

Description	2021-2022
	Kshs
Trade payables	00
Fees paid in advance	36,000
Salary deductions	00
Third-Party Payments	00
Other Payables	00
Total Trade and Other Payables	36,000

35. Refundable Deposits from Customers/Students

Description	2021-2022
	Kshs
Consumer deposits	00
Caution money	00
Other refundable deposits	00
Total Deposits	00

Notes to the Financial Statements (Continued)

36. Current Provisions

Description	Leave provision	Bonus provision	Gratuity Provisions	Other provision	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance at The Beginning Of The Year	00	00	0	0	0
Additional Provisions	0	0	0	0	0
Provision Utilised	0	0	0	0	0
Change Due To Discount And Time Value For Money	0	0	0	0	0
Transfers From Non -Current Provisions	0	0	0	0	0
Total Provisions	0	0	0	0	0

37. Finance Lease Obligation

Description	2021-2022
	Kshs
At the start of the year	0
Discount interest on Lease Liability	0
Paid during the year	0
At end of the year	0

Maturity Analysis

Period	Amount
	Kshs
Year 1	0
Year 2	0
Year 3	0
Year 4	0
Year 5 and Onwards	0
Less: Unearned Interest	0
	0

Notes to the Financial Statements (Continued)

Analysed as:

Description	Amount
	Kshs
Current	0
Non- Current	0
Total	0

38. Deferred Income

Description	2021-2022
	Kshs
National Government	00
International Funding Bodies	00
Public Contributions and Donations	00
Total Deferred Income	00

The deferred income movement is as follows:

Description	National government	International funders/ donors	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance brought forward	0	0	0	0
Additions during the year	0	0	0	0
Transfers to capital fund	0	0	0	0
Transfers to income statement	0	0	0	0
Other transfers	0	0	0	0
Balance carried forward	0	0	0	0

Analysed as:

Description	Amount
	Kshs
Current	00
Non- Current	00
Total	00

Notes to the Financial Statements (Continued)

39. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	2021-2022
	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	0	0	0	0
Non-Current Benefit Obligation	00	00	00	00
Total Employee Benefits Obligation	00	00	00	00

Retirement benefit Asset/ Liability

The college does not operate a defined benefit scheme for all full-time employees.

40. Events After The Reporting Period

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

41. Ultimate And Holding College

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

42. Currency

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

