

REPUBLIC OF KENYA



REPORT

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ON

MOSORIOT TEACHERS TRAINING COLLEGE

FOR THE YEAR ENDED 30 JUNE, 2025

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	08 APR 2026
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TABLED BY:	Hon. Samuel Chepkwonyo
CLERK-AT THE-TABLE:	Mado



MOSORIOT TEACHERS TRAINING COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH JUNE 2025

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

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

BOM	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTC	Teacher Training College
CBE	Curriculum Based Education.

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Entity Information and Management

(a) Background information

Mosoriot Teachers Training College was established in 1959 at the current Kapsabet Girls High School Compound. The founder of Mosoriot Teachers Training College was Africa Inland Mission (AIM), currently Africa Inland Church (AIC). Mosoriot Teachers College was brought under the protestant education oversight, Christian Churches Education Association (CCEA) from 1964. This association (CCEA) was established in 1957. This body was under the management of the National Christian Churches of Kenya (NCCCK). African Inland Church (AIC) was the founder of NCCCK. AIC withdrew its membership from NCCCK in 1986. CCEA policy was ecumenical regulation of education in sister institutions, provision and custody of assets of protestant owned schools and colleges.

The college was re-located to its current site in 1960. The site had been reserved for cattle pasture during dry spells for the community by the Senior Chief Joel Kiptenai Malel in 1959. He was the Senior Chief of Kosirai Location. He had transferred his office to the current site that houses the Catholic Church, St. Francis Primary School and, St. Francis Girls Secondary School - Cheptarit. The college was named after the then colonial District Commissioner (DC) of Nandi by the name Hunter. The Hunters Tree College emanates from the zeal and passion of the DC in planting blue gum trees in the current site of the College and hence the name 'Kap-Hunters'.

The founder Principal of Mosoriot Teachers' College was Mr. J. Rogers (1960-1961). The name of the college was changed from Hunters Tree College to Mosoriot Teachers College probably to Africanize and indigenize it.

'Mosoriot' among the Nandi community is the name of the species of tree plant of the family of climbers that grows near river banks. The climber was used by the community in fixing the handles of the traditional hoes.

The College Board of Governors then, allocated the land on which Malel Primary School was constructed. The Chief of Mutwot location at that time, Mr. David Kemboi, spearheaded the establishment of Malel Primary School together with the then Principal (Mr. Gilbert Oriya).

Malel Mosoriot Teachers' College Primary School was started in 1987 as Cheptarit East Primary School. The school was intended to serve the college staff since other good schools were far off in Eldoret.

The college has been sitting on a 92-acre piece of land until 2013 when the process of establishment of a University Campus of the Proposed Koitalel Samoei University College (KSUC) was mooted. The college now sits on 41 acres of land: 10 acres of Lagoon land where the college sewage plant stands; and 31 acres of land which accommodates students' dormitories, staff houses, college gate, Tuition and administration block, library, all fields/playgrounds and Malel Mosoriot Teachers' College Primary School

(b) Principal Activities

Among the many functions that the college does, the following are some of the key ones

- ❖ Implementation of Teacher Education. -under Curriculum Based Education
- ❖ Identification and nurturing of talent through co-curricular activities
- ❖ Provision of guidance and Counselling services.
- ❖ Facilitation of staff skills development and professional progression.
- ❖ Training Diploma teachers for primary school.

VISION

To be a leading teacher training college of skilled, trustworthy and competent teachers

MISSION

To sustain the training of competent, qualified and effective teachers using modern techniques in order to satisfy the dynamic societal needs and expectations of the 21st century and beyond.

MOTTO

Training for excellence

THE CORE VALUES

The following shall be the main values that guide the college community code of conduct;

- God fearing
- Professionalism
- Team work
- Integrity
- Efficiency
- Respect for individual differences

(c) Key Management

Mosoriot teachers training college day-to-day management is under the following key organs:

Board of Governors
Accounting officer/ Principal
Management team

(d) Fiduciary Management

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

No.	Designation	Name	Academic Qualification
1.	Chief Principal	Mr. Michael Lelit	M,Ed.Management, Bed
2.	Deputy principal	Mr. Joseph Chepkonga	Bsc Edu
3.	Dean of Curriculum	Mrs. Rinny Lelei	Bed
4.	Dean of students	Ms. Mary Mukungei	Bed
5.	Head of Finance	Mr. Michael Munai	BBM Accounting/ CPA II
6.	Head of Procurement	Ms. Ruth Sambu	BBM Procurement
7.	Accountant	Henry Maiyo	CPA(K)

(e) Fiduciary Oversight Arrangements

The Finance, Procurement, Audit and risk Committee and Academic Committee of the Board provide overall fiduciary oversight on the activities of Mosoriot teachers training college. The reports and recommendation of the committee when adopted by the Board of Management are forwarded to the Management for action.

The Audit and risk Committee Members;

No.	Position	Name
1.	Chairman	Prof. Daniel Tarus
2.	Member	Mr. Benjamin Katam
3.	Member	Mr. Paul Kamau
4.	Member	Rev. James Mosonik
5.	Member	Mr. Michael Lelit

Academic Committee

No.	Position	Name
1.	Chairperson	Prof. Rose Korir
2.	Member	Titus Yego
3.	Member	Joseph Chepkonga
4.	Member	Michael Lelit
5.	Member	William Kuto

Key Entity Information and Management (Continued)

(f) Entity Headquarters

Mosoriot Teachers Training College
P.O. Box 100- 30307 Mosoriot
Kapsabet- Eldoret Road

(g) Entity Contacts

Telephone: (+254) 701065836
E-mail: mosoriotteacherscollege@yahoo.com
Website: www.mosoriot.ac.ke

(h) Entity Bankers

Kenya Commercial Bank Ltd
Kenyatta Street, Eldoret
Po Box 560-30100 Eldoret
Kenya

(i) Independent Auditors

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





(j) Principal Legal Adviser

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




3. BOARD OF GOVERNORS

1.	 <p>Dr. Andrew Tuimur – CBS, BOM chairman</p>	<p>BOM Chair. A carrier civil servant having served government in various positions. Served Principal Secretary and Chief Administrative Secretary, Ministry of Water</p> <p>Holder of Master of Science Degree from University of Edinburgh United Kingdom and a Bachelor of Veterinary Medicine University of Nairobi.</p>
2.	 <p>Michael Lelit- Senior Principal / BOM Secretary</p>	<p>Employed by Teachers service commission as a professional teacher, holder of Med, Education management, Bachelor Education from Kenyatta University. currently serving as a chief principal.</p>
3.	 <p>Prof. Daniel Tarus- BOM Member</p>	<p>A member of the BOM. Prof of Business and Finance. Currently serving as university Don and Deputy vice chancellor Rongo university.</p>




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4.	 Rev. James Mosonik -BOM member	A member of the BOM. Serves as a clergy and Ass. Bishop of the African Inland Church and Chairman Nandi Area. Holder of Bachelors of Arts in Theology and Pastoral Work
5.	 Rael Magut- BOM Member	A member of the BOM. Retired Lecturer of teacher training college with many years of experience in Management of schools. Holders BA degree
6.	 Moses Ouko- BOM Member	A teacher serving as staff representative in the BOM. Degree in Agricultural Education and Extension, Masters of Education Management.
7.	 Paul Kamau- BOM Member	Holder of Bachelor serves as stores controller /Procurement manager at RAI Plywood (K) Limited.





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8.	 Prof. Rose Korir- BOM Member	A member of the BOM. Prof of Education Psychology .Currently serving as university Don and Deputy Vice Chancellor Pwani university.
9.	 Benjamin Katam- BOM Member	A member of the BOMA holder of aBusiness Management degree and business man
10.	 Titus Yego- BOM member	A member of the BOM. Representative of special needs persons (PWD). Works with National Council of Persons living with Disability.

KEY MANAGEMENT TEAM.

1.	 Michael Lelit Senior Principal/ BOM Secretary	<ol style="list-style-type: none"> 1. Lead Teacher. 2. collection, Supervision and control of Finances – Accounting officer. 3. Keeping records of all College staff. 4. Presiding over Staff Meetings. 5. Secretary to the BOM. 6. Liaise with the Ministry of Education and Teachers Service Commission. 7. Represents the College in official functions. 8. Supervision of the Staff in terms of attendance to duty, among other duties.
2.	 Joseph Chepkonga - Deputy Principal	<ol style="list-style-type: none"> 1. Teaching. 2. Deputize and performs all duties as delegated/assigned by the Chief Principal. 3. Coordinates curricular and co-curricular activities. 4. Serves as recorder of minutes in Staff meetings. 6. In charge of students’ registration. 7. Chairman of Disciplinary Committee. 8. In charge of duty roster and calendar of events.
3.	 Michael Munai - Head of Finance	<ol style="list-style-type: none"> 1. Advises the principal and the Board on matters finance. 2. Ensure financial records are up to date. 3. Ensure timely quarterly and Annual financial reporting to the relevant authorities. 4. Supervise Non-Teaching Staff.

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4.	 Ruth Sambu – Head of Procurement.	<ol style="list-style-type: none"> 1. Offers professional opinion in regards to Procurement matters in the College. 2. Supervises the whole Procurement process in the College. 3. Prepares and submits mandatory reports to the respective authorities. 4. To liaise with the suppliers/service providers and maintain good relationships with them and the College.
5	 Rinny Lelei -Dean of Curriculum	<ol style="list-style-type: none"> 1. To oversee Curriculum implementation 2. Organise and supervise assessment of trainees. 3. Keeps records of students’ academic progress. 4. Secretary to the College Academic Board. 5. Coordinates research activities and in-service training of staff. 6. Coordinates micro-teaching and practicum 7. Coordinates timetable Committee.
6.	 Mary Mukungei - Dean of Student	<ol style="list-style-type: none"> 1. Secretary to the College Disciplinary Committee. 2. Controls students’ leave e.g. Sick leave and maternity leave. 3. Coordinates students’ co- curricular activities 4. Coordinates guidance and counselling activities 5. Coordinates students’ council activities. 6. Promote welfare of trainees 7. Conduct orientation of trainees.
7	 Henry Maiyo - Accountant	<ol style="list-style-type: none"> 1. Write the Cash book and Trial Balance 2. Ensure financial records are up to date. 3. Ensure timely quarterly and Annual financial/ statements/ reports to the relevant authorities.

4. CHAIRMAN'S STATEMENT

Financial year 2024/2025 was quite unique but a successful year with a number of activities taking place in Mosoriot Teachers Training College. At the moment, our financial records for the year ending June 2025 are ready.

The board strives to increase access and equity to quality training to enable both staff and trainees deal with dynamics in today's dynamic world in particular the Curriculum Based Education, whose successful realization is dependent on compliance work force. The college aims at producing teachers who are socially responsible with academic excellence at the foresight. We are optimistic that benefits of team work will propel the college to meet its objectives of trickling down the dream of government on the access to basic education. The board further intends to ensure the budget and procurement plans are aligned to the "Bottom-Up Transformation Agenda (BETA)"

As a board, we believe in the philosophy of inclusivity where all stakeholders are brought on board to enhance transparency and accountability of public resources under our custody.

I am grateful to all those who unreservedly gave us the support through the financial year despite the slow cash flow from the national government's Ministry of Education.

On behalf of the board of management, we strive to ensure prudent management of resources and to provide guidance and feedback at all times. We always uphold the values of professionalism, integrity and teamwork, as we embrace continuous improvement.



Dr. Andrew Tuimur, CBS
Chairman, Board of Governors

5. REPORT OF THE SENIOR PRINCIPAL

The Board of management was able to steer the college during the period of 2024/2025 Financial year amidst the rising cost of living, after a successful meeting the budget for financial 2024- 2025 was approved on 26st August 2024. Over the period, we managed to hold three full BOM meetings aimed at solving pertinent management issues.

SUCSESSES

1. The management was able to maintain the Current non-teaching staff by paying them their dues (salaries), through the year and recruited 3 more to bridge the gap. pending bills.
2. The college was able to put up 10 prefab classes and female dorm.
3. There were environmental improvement activities and beautification of the college by levelling part of playground.
4. Income Generating Activities (IGAs) were increased by adding one acres of Rhode grass.
5. The old hostel buildings were given a face lift by tilling and painting bathrooms.
6. On academics, our DPTE and DTE candidates are the pioneer classes and yet to write lled in the KNEC assessment.

COLLEGE REVENUE

The college operations are dependent on funds collected from students' fee and transfers from Ministry of Education for recurrent expenditure. The budget for the year ended June 2025 stands at Ksh.160,602,012.00

CHALLENGES

1. Relocation of the college occasioned by acquisition of most of the former college land by the Koitaleel Samoei University College. We therefore relinquished the original tuition infrastructural facilities, play grounds and staff quarters.
2. The college land acreage was reduced from 92 acres to 41 acres
3. Non-admission of students into the college which denied us the much-needed financing for operations, and also rendered the facilities idle.
4. Old halls of residence that require huge sums of money for rehabilitation of the floors and roofs. Most of their roofs are made of asbestos which have proven to be very expensive to replace with corrugated iron sheets. Removal of asbestos roof tiles will also require expensive safe disposal mechanism.

WAY FORWARD

1. The college management needs to come up with play grounds comprising of ball games' pitches and athletics track. A section of college grounds has been identified for this purpose. Funding for this project will also be sought from stakeholders.
2. The college BOM has requested the Ministry of Education for funding to put up new tuition facilities after surrendering its facilities to the university

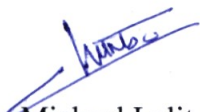
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3. The Board looks forward to admitting trainees as soon as recruitment is done by Ministry of Education. This will improve financial position as well as normalizing the operations of the college.
4. The Board, with the assistance of the Ministry of Education, will continue with the process of rehabilitation of halls of residence by repairing floors and replacing asbestos roofs.
5. The college shall seek funds for purposes of improving internet connectivity to enhance e-learning and e-management systems and KNEC assessment.

CONCLUSION

I wish to sincerely thank the Ministry of Education for the support so far given to the college. We look forward for more support in the areas mentioned above.



Michael Lelit

BOM SECRETARY / SENIOR PRINCIPAL

6.STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of Mosoriot teachers training college performance against predetermined objectives.

Mosoriot teachers training college has Four strategic issues and objectives within current Strategic Plan for the 2022- 2027. These strategic issues are as follows:

Mosoriot teachers training college develops its annual work plans based on the above Four. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The college achieved its performance targets set for the FY 2024/25 period for its four strategic issues, as indicated in the diagram below:

Strategic Issues	Objective	Key Performance Indicators	Activities	Achievements
1. Teaching and learning	<ul style="list-style-type: none"> To identify teaching and learning issues to enhance academic performance; To propose strategic actions to address the identified issues. 	<ul style="list-style-type: none"> Equipped library Availability of revision papers Efficient learning Record of class attendance 	<ul style="list-style-type: none"> Build and equip library with more course books Participate in symposia and contests Use revision papers from other colleges Ensure 100% class attendance Benchmark with other colleges Enhance student motivation 	<ul style="list-style-type: none"> Improvement in college performance
2. Students’ welfare	<ul style="list-style-type: none"> To identify basic students’ needs for their stability in college; To highlight best ways possible to meet the identified needs 	<ul style="list-style-type: none"> Functioning reward system Effective open forum Healthy competition 	<ul style="list-style-type: none"> Enhance students’ reward systems Improve preparation of college meals Empower guidance and counselling department staff Progressively introduce open forums Progressively Motivate top performing students 	<ul style="list-style-type: none"> Motivated students Improved results
3. Staff welfare	<ul style="list-style-type: none"> Identify staff needs. Enhance adherence of 	Efficient reward system Comfortable staff	<ul style="list-style-type: none"> Organize annual motivational trips. 	Well-Motivated staff

	<p>the prescribed laws and regulations on labour</p> <ul style="list-style-type: none"> • Enhance employee satisfaction 	room	<ul style="list-style-type: none"> • Provide protective gears for relevant staff • Organize capacity enhancing programs • Have performance reward system 	
4. Security	<ul style="list-style-type: none"> • To identify security needs of the college • To enhance overall security of the college's stakeholders and property • To ensure that all stakeholders within the college feel safe 	<p>Secure environment for students and staff.</p> <p>Assured safety of college property</p>	<ul style="list-style-type: none"> • Outsourcing security services • Enhance nyumba kumi initiative • Sensitize college community on security • Enhance security of computer software and data • Explore insurance of college buildings against fire. 	<ul style="list-style-type: none"> • Secure college • Safety of property

7. CORPORATE GOVERNANCE STATEMENT

Roles and Functions of the Board of Governors

- To promote the best interest of the institution and to ensure its development
- Promote quality of education for all pupils in accordance with the standards set under the Act or any other written law
- Ensure and assure the provision of proper and adequate physical facilities for the institution
- Manage the institution's affairs in accordance with the rules and regulations governing the occupational safety and health
- Advise the County Education Board on the staffing needs of the institution
- Determine cases of indiscipline and make reports to County Education Board
- Prepare comprehensive termly report on all areas of its mandate and submit the report to the County Education Board
- Facilitate and ensure the provision of guidance and Counselling to all learners
- Provide for the welfare and observe the human rights and ensure safety of the pupils, teachers and non-teaching staff in the institution
- Encourage the culture of dialogue and participatory democratic governance at the institution
- Promote the spirit of cohesion, integration and peace, tolerance, inclusion, elimination of hate speech, and elimination of tribalism in the institution
- Allow reasonable use of facilities of the institution for community, social and other lawful purposes subject to such reasonable and equitable conditions as it may determine, including charging of fees
- Encourage the learners, teachers and non-teaching staff, parents and community, and other stakeholders to render voluntary services to the institution
- Administer and manage the resources of the institution
- Recruit, employ and remunerate such number of non-teaching staff as may be required by the institution in accordance with this act
- Perform any other function to facilitate the implementation of its functions, under this act or any other written law

Process of Appointment and Removal of Board members as stipulated In Basic Education Act no. 14 of 2013

Appointment is carried out by County Education Board as follows:

- Six persons elected to represent parents /community
- One person nominated by County Education Board
- One representative of the teaching staff in the school elected by the teachers
- Three representatives of the sponsor of the school
- One person to represent special interest groups in the community
- One person to represent persons with special needs
- A representative of the students' council (an ex officio member)

The members shall elect their chairperson in their first meeting (staff representative cannot be elected to this position).

The following conditions shall be observed when making appointments:

- Ethnic and regional diversity of the people of Kenya
- Impartiality and gender equity
- Article 10 and Chapter 6 of the constitution

Removal of a Board member

- On expiry of the duration of the Board, if the member is not reappointed, he/she is deemed to have been removed.
- When a member has been absent from three consecutive meetings of Board of Management without leave
- Resignation by the Board member
- Revocation of membership if a member becomes insolvent
- Revocation of membership if a member is sentenced by a court of law to imprisonment for a term of six months or more
- Revocation of membership if a member is incapacitated by physical or mental illness
- When a member is deceased.
- If a nominating body has revoked appointment of a member
- A member of the Board of Management is unable or unfit to discharge his/her functions on account of any matter in the Basic Education Act.

Succession Plan

Any member who is removed from the Board of management can be replaced by the appointing authority; Perpetual succession is practiced. At the end of the term of Board of Management, some members are retained in the BOM to provide for continuity and guide the new members in the processes and procedures of the institutional management.

Training of Board members

This is carried out as per the identified needs of the Board

Conflict of interest

Members declare their interest by signing the necessary documents at the inaugural of meeting.

Board Remuneration

Members are paid subsistence/ transport reimbursement based on attendance to meetings

Ethics, Conduct and governance audit

These functions are carried out by Board committees on behalf of the Board. The committees report to the full Board on these matters. The Board deliberates on the reports of the committees for purposes of either adopting their resolutions, or coming up with parallel Board resolutions on the basis of evidence availed.

In the financial period which ended 30th June 2025, the College Board of Management held meetings as follows:

I) Full Board – held on:

- 12/07/2024 – 11/14 members including the Secretary attended the meeting.

- 31/01/2025 – 10/14 members attended with 3 apologies.
- 24/06/2025 – 12/14 Members attended.

II) Finance, audit committee

- Held on 21/10/2024 – All 5 members attended the meeting
- Held on 14/06/2025 - 4/5 attended the meeting.

8. MANAGEMENT DISCUSSION AND ANALYSIS

The Board of management was able to steer the college during the period of 2024/2025 Financial year. A number of issues geared towards improved service delivery were discussed including but not limited to; Development, approval and implementation of the budget. Staff and student and motivation strategies and Implementation of strategic objectives

PESTEL Analysis of our College

These factors influence the progress of the college in many ways

Political

Move by the government to subsidize college fees has boosted students' access to teacher training

- a) Adoption of the new constitution has created devolved structures that enhance implementation and decision-making in learning institutions
- b) Commitment by the government to provide quality education as enshrined in the Education Act 2013
- c) Provision of other sources of funds like the NG-CDF and County governments Bursary for college students
- d) Political interference in the management may affect the smooth running of the college's activities

Economic

- a) Poor remuneration of staff leads to Industrial stand-offs.
- b) Demand for better pay leads to low retention of qualified non-teaching personnel.
- c) Poverty level limits potential students from accessing their studies consistently.
- d) Low economic growth leads to poor funding by the government.

Social

- a) Diseases such as HIV/AIDS have led to the loss of experienced staff and students.
- b) Drug and Substance abuse has led to indiscipline, low completion rate among the students, and low staff performance.

Technological

Positive factors

- a) Advancement in technology has created more awareness among staff and students.
- b) Advancement in technology enables the college to reach more suppliers for improvement in the management of the college.
- c) Enhance linkages to education and government management officials, thus reducing frequent travel out the of institution by staff.
- d) Increased ICT resources for teaching and learning and KNEC Assessments.

Negative factors

Misuse of technology which has led:

- a) Indiscipline among students.
- b) Increase marketing of drugs in institutions of learning.
- c) Increased cheating in examinations.
- d) Immoral behavior among students that leads to increased HIV/AIDS infections. This is due to the negative influence of pornography and the exchange of immoral content.

Environmental

- a) Poor disposal of waste.
- b) Presence of Asbestos roofing
- c) Management of storm water

Legal

Existence of a legal framework within which the college operates as operationalized by the new constitution (2010).

9. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Mosoriot teachers training college exists to transform lives. This is our purpose and the driving force behind everything we do. It's what guides us to deliver our strategy of putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a highlight of strategies and activities that promote the organisation's strategic objectives.

Environmental performance

Mosoriot Teachers Training College is committed to ensuring conducive environment for learning. This is sustained by;

1. Identifying issues that touch on environment that need to be addressed
2. Ensuring that, the college conforms to the environmental standards as set out by NEMA
3. Conforming to other legal requirements on environment

Strategic actions:

- Mow grass regularly
- Planting more trees and flowers in appropriate areas
- Buying adequate dustbins
- avail provision of sanitary bins
- Improve the institutions drainage system
- Introduce college environmental day
- Dispose waste effectively
- Provide sufficient water for hand washing and cleaning to combat Covid – 19 Pandemic

Employee welfare

Mosoriot teachers training college staff are in two categories i.e Teaching and Non-teaching. Teachers are recruited and posted by Teacher's service commission (TSC); whereas non-teaching staff are recruited by Board of Management through competitive process and in strict adherence to the prescribed labour laws and regulations.

The management team takes responsibility of ensuring a good work environment through;

- Provision of non-teaching staff uniforms and protective gears for relevant staff policy on safety and Compliance with Occupational Safety and Health Act of 2007,
- Organize capacity enhancing programs
- Have a performance reward system
- Have a progressive gender balance in staff employment
- Provide comfortable furniture at the staffroom
- Buy dustcoats for lecturers handling practical oriented subjects.
- Organize annual motivational trips
- Source for funds to construct staff houses

Corporate Social Responsibility / Community Engagements

The college have natured a good working relation with the community through supplies of basic commodities, farm produce and employment with a view of promoting the governments agenda and procurement regulations of local content “buy Kenya build Kenya’

10.REPORT OF THE BOARD OF GOVERNORS

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

Principal activities

The principal activities of the entity are;

- Implementation of Teacher Education.
- Identification and nurturing of talent through co-curricular activities
- Provision of guidance and counselling services.
- Facilitation of staff skills development and professional progression

Results

the results of Mosoriot Teachers Training College for the year ended June 30 are set out in page 1 to 28 of the financial statement.

BOARD OF GOVERNORS.

The members of the Board who served during the year as shown on page vii – ix, were appointed with effect from July 2022 to date.

Auditors

The Auditor General is responsible for the statutory audit of Mosoriot teachers training college in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year/period ended June 30, 2025.



Michael Lelit
SECRETARY OF THE BOARD.

11. STATEMENT OF BOARD OF GOVERNORS RESPONSIBILITIES

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

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

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

Nothing has come to the attention of the Board to indicate that Mosoriot 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

Mosoriot teachers training college financial statements were approved by the Board on August 2025 and signed on its behalf by:

Name..... *Andrew Tumus*

Signature..... *[Signature]*

Chairperson Board of Management.

Name..... *Michael Leut*

Signature..... *[Signature]*

Senior Principal

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON MOSORIOT TEACHERS TRAINING COLLEGE FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

- A. Report on the 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 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 intended purpose; and,
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Mosoriot Teachers Training College set out on pages 1 to 29, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net

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

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

Basis for Qualified Opinion

1. Misclassification of Prepaid Insurance

The statement of financial performance reflects use of goods and services amount of Kshs.90,288,639 as disclosed in Note 10 to the financial statements. Included in the amount is Kshs.381,606 for insurance expense which also includes Kshs.179,315 related to insurance cover extending into the subsequent financial year. This amount was, however, fully expensed in the year under review instead of being recognized as a prepaid expense under current assets.

In the circumstances, the accuracy of the insurance expense of Kshs.381,606 could not be confirmed.

2. Unsupported Expenditure on Travelling and Accommodation

The statement of financial performance reflects use of goods and services amount of Kshs.90,288,639 as disclosed in Note 10 to the financial statements which included Kshs.4,179,163 for travelling and accommodation. However, the supporting documents revealed that there were no invitation letters, approval letters, work tickets, reports, minutes, and attendance registers .

In the circumstances, the accuracy of travelling and accommodation expenditure of Kshs.4,179,163 could not be confirmed.

3. Unsupported Payments to Casuals

The statement of financial performance reflects use of goods and services amount of Kshs.90,288,639 as disclosed in Note 10 to the financial statements. Included in the amount is Kshs.314,000 relating to casuals. However, review of supporting documents provided for audit revealed that there were no signed payment schedules with staff names, ID numbers, and signatures, approved memo authorizing the engagement of casuals and the attendance registers.

In the circumstances, the accuracy, of the payment to casual of Kshs.314,000 could not be confirmed.

4. Doubtful Payments of Fuel and Oil

The statement of financial performance reflects use of goods and services amount of Kshs.90,288,639 as disclosed in Note 10 to the financial statements. Included in the amount is Kshs.4,420,810 relating to fuel, oil and lubricants. However, review of records revealed that the payments were not supported by fuel statements and reconciliations of monthly fuel consumption, detailed expenditure schedules, and vendor statements indicating vehicle registration numbers, litres drawn, and cost per litre.

In addition, fuel consumption was recorded only as monthly totals without daily breakdowns.

In the circumstances, the accuracy of the expenditure of fuel, oil and lubricants amount of Kshs.4,420,810 could not be confirmed.

5. Unsupported Board Expenses

The Statement of financial performance reflects board expenses amount of Kshs.610,000 as disclosed in Note 12 to the financial statements. Verification of documentation provided for audit revealed that the payment vouchers were not supported with the Board invitations letters, approved internal memo for the budget allocation schedule of allowances payable (names, positions, sittings attended, rates) and attendance register.

In the circumstances, the accuracy of board expenses amount of Kshs.610,000 could not be confirmed.

6. Implementation of an Enterprise Resource Planning (ERP) System

The statement of financial position reflects Intangible Assets (ERP Software) balance of Kshs.2,430,000 as disclosed in Note 21 to the financial statements. However, the College continues to prepare manual financial reports outside the system. The ERP system is only being used for school fees collection, student data, and registration.

In addition, the intangible assets were not amortized over their useful life contrary to IPSAS 31 requirements.

In the circumstances, the accuracy and completeness of the intangible assets balance of Kshs.2,430,000 could not be confirmed.

7. Long-Term Outstanding Receivables from Exchange Transactions

The statement of financial position reflects long-term receivables from exchange transactions balance of Kshs.4,313,874 as disclosed in Note 17(b) to the financial statements. However, ageing analysis provided indicated that these receivables have been outstanding for more than two years raising doubt on their recoverability.

In the circumstances, the valuation, recoverability and legality of long-term receivables from exchange transactions of Kshs.4,313,874 could not be confirmed.

8. Inaccurate Ageing Analysis of Account Receivables

The statement of financial position reflects receivables from non-exchange transactions of Kshs.20,484,113 as disclosed in Note 17 to the financial statements. However, it was noted that a total of kshs.5,556,411 classified under current receivables included aggregated long-term debts owed by students over the years thereby overstating the portion of current receivables from non-exchange transactions by Kshs.5,556,411.

In the circumstances, the accuracy and completeness of current receivables from non-exchange transactions balance of Kshs.20,484,113 could not be confirmed.

9. Misclassification of Repair and Maintenance Expenditure

The statement of financial position reflects acquisition of assets balance of Kshs.47,360,991 as disclosed in Note 19 to the financial statements. Included in the balance is plant and equipment of Kshs.7,032,300. However, review of supporting documents revealed Kshs.177,300 was paid to an engineering company for repair of one hundred and ninety-seven (197) double decker beds. The expenditure was erroneously capitalized as an addition to plant and machinery instead of being charged to repairs and maintenance. Therefore, this led to understatement of expenditure and overstatement of assets by Kshs.174,701. This was in contravention to IPSAS 45 on property, plant and equipment, Section 81(2)(a) of the Public Finance Management Act, 2012, and the fair presentation requirements under IPSAS 1.

In the circumstances, the accuracy and completeness of the property, plant and equipment acquisition balance of Kshs.47,360,991 could not be confirmed.

10. Unsupported Expenditure on Travel and Accommodation

The statement of financial performance reflects use of goods and services amount of Kshs.90,288,639 as disclosed in Note 10 to the financial statements. Included in the amount is Kshs.4,179,163 relating to travelling and accommodation expenses. However, the amount was neither surrendered nor recorded in the imprest register. In addition, the College did not maintain an imprest management system to regulate and monitor imprest. Further, no imprest register was provided for audit verification.

In the circumstances, the accuracy of the travelling and accommodation expense of Kshs.4,179,163 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.198,404,272 and Kshs.155,721,278 respectively resulting to under receipts Kshs.42,682,994 or 21%. of the budget. Similarly, the College incurred an actual expenditure of Kshs.107,985,764 against an approved budget of Kshs.198,985,272 resulting to an under expenditure of the budget by Kshs.47,735,514 or 44%.

The under expenditure may have negatively affected the implementation of the College's programmes and service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Matters

In the audit report of the previous year, several paragraphs were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, no report nor recommendations from the Management and oversight bodies was submitted for audit verification. The issues remain unresolved contrary to Section 68(2) (I) of the Public Finance Management Act, 2012 which require Accounting Officers designated for National Government entities to try to resolve any issues resulting from an audit that remain outstanding. **See Appendix I**

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Lack of Inventory Management System

During the year under review, it was noted that the College had not implemented an Inventory Management System despite having an ERP software contrary to Section 161(1) of the Public Procurement and Asset Disposal Act, 2015 read together with Regulation 166(4)(d) of the Public Procurement and Asset Disposal Regulations, 2020 which requires that for effective, economic, efficient, and transparent use of Government inventory, stores, and assets at all levels, an Accounting Officer shall ensure that systems, processes, and procedures both electronic and manual are in place. The absence of such a system limits the ability to enhance accountability, accuracy, and security of inventory records. An automated store management software would provide real-time data on the location, condition, and reorder levels of stores, thereby strengthening inventory control and transparency.

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

2. Asbestos Roofing for Staff Quarters

Included in the property plant and equipment balance of Kshs.418,437,943 and as disclosed in Note 19 to the financial statements is Kshs.151,780,404 in respect to buildings. However, audit inspection carried out in the month of September, 2025 for residential halls revealed that the houses were still roofed with asbestos sheets. Asbestos is a hazardous material whose use in Kenya was banned in 2006 due to its severe health risks, including causing lung cancer and other respiratory complications. The continued

use of asbestos in residential houses exposes tenants and staff to significant health and safety risks. International health bodies such as the World Health Organization (WHO) and the International Labour Organization (ILO) have also advocated for a global ban on asbestos because of its toxicity and long-term effects on human health. The presence of asbestos roofing materials in the College's houses demonstrate non-compliance with national regulations and undermines the constitutional right of occupants to the highest attainable standard of health.

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

3. Inadequate Insurance Cover for Assets

The statement of financial position reflects property, plant and equipment balance Kshs.418,437,943 as disclosed in Note 19 to the financial statements. However, it was noted that, a number of assets including; buildings, plant and equipment, computers and office equipment, furniture and fittings with a combined net book value of Kshs.122,474,577, were not insured during the year under review. This was contrary to requirements of IPSAS 45 Property, Plant and Equipment, which require management to ensure adequate safeguarding and protection of assets including maintaining sufficient insurance coverage.

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

4. Irregular Procurement of Lecture Chairs

Note 19 to the financial statements reflects additions of assets balance of Kshs.47,360,991 which include purchase of office equipment, furniture and fittings of Kshs.7,032,300. Review of supporting documents provided revealed that seven hundred (700) metallic lecture chairs with a basket, costing Kshs.3,255,000 were purchased during the year. However, the procurement amount exceeded the Request for Quotation (RFQ) threshold of Kshs.3,000,000 prescribed under the Second Schedule of the Public Procurement and Asset Disposal Regulations, 2020 which prescribe that the maximum level of expenditure under the Request for Quotation (RFQ) method is Kshs.3,000,000 per request for quotation.

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

5. Irregular Payment to Kenya Teachers College Sports Association (KTCASA)

The statement of financial performance reflects use of goods and services amount of Kshs.90,288,639 as disclosed in Note 11 to the financial statements. Included in the amount is Kshs.4,420,810 which relates to fuel, oil and lubricants. However, review of documents revealed that an amount of Kshs.991,744 was incurred as subscription fees to the Kenya Teacher College Sports Association (KTCASA – National). The payment was not supported by any legislation.

In the circumstances, the regularity of the expenditure could not be confirmed.

6. Irregular Payment to a Religious Leader

The statement of financial performance reflects employee costs amount of Kshs.10,608,073 as disclosed in Note 11 to the financial statements. Review of the staff establishment provided in line with the Ministry of Education Circular No.PTTC/GEN.3/1/VOL.1(4) dated 27 October, 2021, which issued a standardized staffing template to guide the number and cadre of staff required in public colleges, revealed that the College paid a religious leader a total of Kshs.277,200 during the year under review. However, the position of religious leader is not included in the approved staff establishment issued by the Ministry of Education.

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

7. Non-Compliance with the Law on Ethnic Composition

Audit review of the College's governance and staffing structure revealed that seven (7) out of ten (10) members of the Board of Governors and all seven (7) members of the Key Management Team were drawn from the same ethnic community. Similarly, analysis of payroll and Human Resource Records showed that out of forty-one (41) employees, thirty-eight (38), representing 93%, were from the local dominant ethnic community. Further, the College recruited thirteen (13) new employees during the year, all belonging to the same ethnic group. This was contrary to the requirements of Section 7(2) of the National Cohesion and Integration Act, 2008, which stipulates that all public establishments shall ensure that at least one-third of their staff do not come from the same ethnic community to promote national cohesion and inclusivity.

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

8. Gender Imbalance

Review of the College's governance and staffing structure revealed that only two (2) out of ten (10) members of the Board of Governors were female representing (20%). Similarly, review of payroll and recruitment records revealed that the College recruited thirteen (13) new employees during the year, of whom only two (2), were female, representing (15%), while eleven (11) were male. This was contrary to Article 27(8) and Article 232(1)(i) of the Constitution of Kenya, 2010, as well as Section B.5(1) of the Human Resource Policies and Procedures Manual for the Public Service, 2016, which require that not more than two-thirds of members of the same gender shall be represented in public offices and that appointments should uphold the principles of fairness, merit, and inclusivity.

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

9. Inadequate Number of Board Meetings

The statement of financial performance reflects board expenses amount of Kshs.610,000 as disclosed in Note 12 to the financial statements. However, review of supporting documents provided revealed that the full Board held only three (3) meetings during the

financial year under review. This was below the minimum statutory requirement of at least four (4) meetings per year, therefore, contravening the provisions of Section 6(1) of the Basic Education Act, 2013. In addition, the Board did not prepare an annual meeting almanac/calendar to guide the scheduling of its sessions. This weakness in planning contributed to the irregular convening of meetings and limited effective oversight. This was contrary to Section 6 of the Basic Education Act, 2013 under the fourth schedule on the conduct of business and affairs of the Board of Management.

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

10. Non-Compliance with Occupational Safety and Health

Review of the College's Occupational Safety and Health Regulation, established that the College has not constituted a Safety and Health Committee at the workplace, contrary to the requirements of Section 9(1) of the Occupational Safety and Health Act, 2007. In addition, Management had not provided evidence of a Safety and Health Audit Report as required under Section 11(1) of the Act, which stipulates that the occupier of a workplace shall cause a thorough safety and health audit to be conducted at least once every twelve months by a registered Safety and Health Advisor. This was contrary to provisions of the Occupational Safety and Health Act, 2007 requiring that every occupier is to ensure the safety, health and welfare of the occupants and other users.

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

11. Non-Compliance with Budget Formulation Process

Review of the budget estimates revealed that there was no evidence that the estimates had been submitted to the parent Ministry for consideration and onward transmission to the National Treasury and the National Assembly. This was contrary to paragraph 5.0 of the National Treasury Circular No.13/2023 dated 13 December, 2023 requiring all Accounting Officers to submit their budget estimates to the parent Ministry for review and recommendation, prior to forwarding them to The National Treasury and subsequently to the National Assembly.

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

12. Lack of an Approved Data Protection Policy

The College did not have an approved Data Protection Policy in place. It routinely collects and maintains sensitive personal information relating to students and staff, however it lacks a formal policy to safeguard such data in line with statutory requirements. Absence of the policy exposes the College to non-compliance with data protection laws and increases the risk of mishandling personal data. This was contrary to Regulation 23(1) of the Data Protection Regulations, 2021 that requires that every data controller or data processor has to develop, publish, and regularly update a policy reflecting their personal data handling practices.

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

13. Rights and Privileges of Persons with Disabilities in Staffing

The statement of financial performance reflects employee costs amount of Kshs.10,608,073 as disclosed in Note 11 to the financial statements. However, review of the payroll established that the College had a total staff establishment of forty-one (41) employees, out of which only one (1) employee was reported as a person living with disability, representing 2.4%. However, Management did not provide a disability certificate to confirm the status of the reported employee. In addition, during the year under review, the College recruited thirteen (13) new employees, none of whom was a person with disability. This was contrary to Section B.23(2) of the Human Resource Policies and Procedures Manual for the Public Service, 2016 which requires that at least five percent (5%) of all appointments be reserved for persons with disabilities.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Property Plant and Equipment

Included in the property, plant, and equipment balance of Kshs.418,437,943 as disclosed in Note 19 to the financial statements is Kshs.248,000,000 relating to land. However, review of records revealed that the College has three (3) parcels of land out of which one parcel has no title deed. In addition, a balance of Kshs151,780,404 relating to buildings and structures was also included in the property, plant, and equipment. However, Management did not provide evidence of the most recent revaluation and audit review established that more than five years had elapsed since the last valuation was conducted. This was contrary to Section 119(1) of the Guidelines on Asset and Liability Management in the Public Sector, 2020, which requires that land and buildings be revalued at least once every five years. Further, the College had not tagged some assets including office equipment (Kshs.3,255,000) computers (Kshs.896,159), and plant and machinery

(Kshs.7,032,300), all totaling Kshs.11,183,459. A land search revealed that this parcel was registered under Sirikwa City Council instead of the College.

In the circumstances, the ownership of the land and the accuracy of the property, plant, and equipment balance of Kshs.418,437,943 could not be confirmed.

2. Failure to Submit Annual Governance Report

Audit review established that the College had not prepared and submitted the mandatory Annual Governance Report to the Director of Basic Education for the year under review as required under Section 70(2) of the Basic Education Act, 2013.

In the circumstances, the effectiveness of Management compliance with the provisions of Basic Education Act could not be confirmed.

3. Lack of Risk Management Policy Framework

During the year under review, it was noted that the College has not developed a risk management policy framework. Consequently, there was no structured process in place for the identification, assessment, mitigation, and monitoring of risks affecting the achievement of organizational objectives. This was contrary to Regulation 165 of the Public Finance Management Regulations, 2015 requiring that every public entity to establish and maintain effective systems for risk management, including developing a college risk management policy framework to guide identification, assessment, monitoring, and reporting of risks. The absence of Risk Management Policy Framework undermines the adequacy and effectiveness of the College's risk management processes and exposes the entity to significant governance and operational risks

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

4. Direct Employment of Staff

The statement of financial performance reflects employee costs amount of Kshs.10,608,073 as disclosed in Note 11 to the financial statements. However, thirteen (13) employees were recruited during the year under review without evidence of a recruitment plan or staffing-needs assessment being undertaken. This was contrary to Section 2.1 of the College's Human Resource Policy Manual which requires recruitment planning, needs assessment, and transparent advertisement of vacancies. Further, the recruitment process did not comply with the prescribed procedures as vacancies were not duly advertised. The advertisement provided for audit review was dated 23 March, 2025, while some of the recruited staff had submitted applications as early as September, 2024.

In the circumstances, the regularity of the recruitment process could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and overall governance

were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the College 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.

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

Auditor-General's Responsibilities for the Audit

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

01 December, 2025

Appendix I: Prior Year Audit Matter

No.	Financial Year	Audit Issue
	Report on the Financial Statements	
1.	2023-2024	Inaccuracy in the Statement of Financial Position
2.	2023-2024	Cash and Cash Equivalents
3.	2023-2024	Current Receivables from Exchange Transactions
	Emphasis of Matter	
4.	2023-2024	Budgetary Control and Performance
	Report on Lawfulness and Effectiveness in Use of Public Resources	
5.		Failure to Observe Ethnic Balance on Staff Composition
	Report on the Effectiveness of Internal Controls, Risk Management and Governance	
6.	2023-2024	Weak Information Communication Technology (ICT) Internal Control Environment
7.	2023-2024	Lack of Approved Human Resource Policy

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

1. Statement of Financial Performance For The Year Ended 30 June 2025


	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Revenue from non-Exchange transactions			
Transfers from other National Government entities (MOE)	6	11,213,754	13,449,785
Transfers from other National Government entities (SNE)	6(b)	128,000	192,000
		11,341,754	13,641,785
Revenue from Exchange transactions			
Rendering of services- fees from students	7	161,130,179	87,855,113
Sale of goods	8	454,370	385,829
Rental revenue from facilities and equipment	9	18,000	1,500
Finance income		590,962	6,850,580
Revenue from Exchange transactions		162,193,511	95,093,022
Total Revenue		173,535,265	108,734,807
Expenses			
Use of goods and services	10	90,288,639	54,120,047
Employee costs	11	10,608,073	10,844,251
Board Expenses	12	610,000	325,000
Depreciation and amortization expense	13	4,813,094	4,965,850
Repairs and maintenance	14	15,564,597	5,809,352
Contracted services	15	1,775,225	1,944,394
Finance cost	15 (b)	0	8,556
Total Expenses		123,659,628	78,017,450
Net surplus for the year		49,875,637	30,717,357

(The notes set out on 7 pages to 27 form an integral part of the Annual Financial Statements).

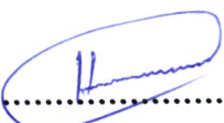
The Financial Statements set out on pages 1 to 27 were signed by order of the Board:



Chairman of the Board



Senior Principal



Accountant

Date

Date 29/10/25

Date

ICPAK No 34126

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

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

Description	Notes	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	16	31,976,154	30,187,742
Receivables from non-exchange transactions	17	20,484,113	16,380,585
Inventories	18	4,400,740	3,588,460
Total Current Assets		56,861,007	50,156,787
Non-Current Assets			
Long term receivables from exchange transactions	17(b)	4,313,874	3,985,739
Investments			
Property, plant, and equipment	19	418,437,943	375,890,046
Biological Assets	20	547,000	514,000
Intangible Assets	21	2,430,000	2,430,000
Total Non-Current Assets		425,728,817	382,819,785
Total Assets (A)		482,589,824	432,976,572
Liabilities			
Current Liabilities			
Refundable deposits from customers	21(b)	0	875
Employee benefit obligation	21(c)	0	261,385
Total Current Liabilities		0	262,385
Total Liabilities (B)		0	262,385
Net Assets (A-B)		482,589,824	432,714,187
Represented By:			
Accumulated Surplus		88,169,057	38,293,420
Capital Fund		394,420,767	394,420,767
Net Assets		482,589,824	432,714,187

The Financial Statements set out on pages 1 to 28 were signed by order of the Board :

.....
Chairman of the Board

.....
Senior Principal

.....
Accountant

Date

Date 25/10/25

Date

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

3. Statement of Changes in Net Asset For The Year Ended 30 June 2025

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2024	-	7,576,063	6,240,000	13,814,758
Surplus for the year	-	38,293,420	-	38,293,420
Capital grants received during the year	-	-	394,420,767	394,420,767
At June 30, 2024	-	38,293,420	394,420,767	432,714,187
At July 1, 2025	-	-	-	-
Revaluation gain	-	-	-	-
Surplus for the year	-	49,875,637	-	88,169,057
Capital grants received during the year	-	-	394,420,767	394,420,767
At June 30, 2025	-	88,169,057	394,420,767	482,589,824

Note:

- 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.*

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

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

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from National Government entities	6	11,213,754	13,449,785
Special grant (SNE)	6(b)	128,000	192,000
Rendering of services- fees from students	7	162,419,244	87,855,113
Sale of goods	8	454,370	385,829
Rental revenue from facilities and equipment	9	18,000	1,500
Other Income		0	6,850,580
Total Receipts		174,233,368	108,734,807
Payments			
Use of goods and services	10	82,408,968	54,120,047
Employee costs	11	10,608,073	10,844,251
Board Expenses	12	610,000	325,000
Repairs and maintenance	14	15,564,459	2,298,917
Contracted services	15	1,775,225	1,944,394
Total Payments		110,966,725	73,051,600
Net Cash Flows from operating activities		63,266,643	35,683,207
Cash flows from investing activities			(8,040,767)
Purchase of property, plant, equipment and intangible assets		(42,380,991)	0
Net cash flows used in investing activities		(42,380,991)	(8,040,767)
Net Increase/(Decrease) in Cash and Cash equivalents		1,788,412	16,265,207
Cash and Cash equivalents at 1 JULY	16	30,187,742	13,922,535
Cash and Cash equivalents at 30 JUNE	16	31,976,154	30,187,742

(PSASB has prescribed the direct method of cash-flow preparation and presentation for all public sector entities reporting under the IPSAS Accrual basis of accounting)

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

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Budget carryovers from the previous year*	37,802,260	0	37,802,260	0	0	0
Receipts						
Transfers from other National Government entities	11,169,760	-	11,169,760	11,213,754	(44,000)	1.39%
Rendering of services- fees from students	114,525,200		148,411,840	142,118,726	6,293,114	91.7%
Sale of goods	864,000	-	864,000	850,000	14,000	98.38%
Rental revenue from facilities and equipment	156,000	-	156,000	18,000	138,000	11.54%
Total Receipts	164,642,220		198,404,272	155,721,278		
Payments						
Use of goods and services	80,711,345	3,448,251	84,159,596	76,968,342	7,191,254	91.45%
Employee costs	14,659,476	3,600,000	18,259,476	11,183,583	7,075,893	61.25%
Board Expenses	1,140,000	-	1,140,000	810,000	330,000	71%
Repairs maintenance and Improvement	2,900,000	-	2,900,000	2,810,450	90,000	96.9%
Contracted services	1,708,800	427,200	2,136,000	1,775,225	360,775	83.11%
Local Transport and Travelling	2,400,000	-	2,400,000	4,179,163	(1,779,163)	174.13%
Vehicle insurance	736,100	-	736,100	581,606	154,494	79%
KUCCPS	750,000	510,000	1,260,000	1,260,000	0	-
KNEC Assessment	15,433,100	-	15,433,100	6,362,230	9,070,870	49.48%
Repair of motor vehicles	2,458,000	442,000	2,900,000	2,055,165	844,835	70.87%
Total Expenditure Payments	122,896,821		131,324,272	107,985,764		
Surplus for the Period	41,745,399		67,080,000	47,735,514		
Capital Expenditure Payments	41,745,399	25,334,601	67,080,000	47,735,514	19,344,486	71.16%

(Budget carryovers is an amount of Kshs. 37,802,260 carries from previous year. (2023/2024 FY)*

Budget notes

1. The under- utilization was as a result of the late disbursement of recurrent grants from Ministry of Education.
2. The changes between the original and final budget is due increase in the student enrolment.

Budget Reconciliation

Description of Particulars		Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	47,735,514
1	Amount budgeted for projects	47,735,514
	Closing Cash and Cash Equivalent as per the statement of Cash flows	31,976,154

6. Notes to the Financial Statements

1. General Information

Mosoriot Teachers Training College is established by and derives its authority and accountability from Education Act 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity’s principal activity is teacher training.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 6 to 28. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Mosoriot Teachers Training College. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, Education Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

When an IPSAS becomes effective on 1st January 2025, it is applicable in Kenya from 1st July 2025

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

There are no new and amended standards issued in the financial year.

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

Standard	
IPSAS 43: Leases	<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 Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>Mosoriot TTC had no leases during the year.</p>

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<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
<p>IPSAS 45: Property Plant and Equipment</p>	<p><i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
<p>IPSAS 46: Measurement</p>	<p><i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47: Revenue</p>	<p><i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
<p>IPSAS 48: Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>

IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity’s financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii. Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early.*

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of

revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the Board. 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 entity upon receiving the respective approvals to conclude the final budget. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of Cashflows has been presented.

c) Taxes

Current income tax

The pays all taxes as required by the Tax Act.

d) Investment property

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

e) Property, plant and equipment

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

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. 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 Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity 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 Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible assets

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

h) Biological Assets

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

i) Research and development costs

The Entity expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Entity 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.

j) Financial instruments

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

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity, or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect

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contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made an irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and

significant judgments made by management in determining the expected credit loss (ECL) are set out.

Financial liabilities

Classification

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

k) Inventories

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

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

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

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

Inventories

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 Mosoriot TTC.

l) Provisions

Provisions are recognized when the Mosoriot TTC 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 Mosoriot TTC 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 *Entity* 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 *Entity* 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

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events not wholly within the control of the Mosoriot TTC 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.

m) Social Benefits

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

n) Nature and purpose of reserves

The College creates and maintains reserves in terms of specific requirements.

o) Changes in accounting policies and estimates

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

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

q) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

r) Borrowing costs

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

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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.

s) Related parties

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

t) 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.

u) 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.

v) Comparative figures

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

w) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Mosoriot TTC 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.

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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 Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

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

- The condition of the asset based on the estimated cost the Mosoriot TTC.
- 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.

6. Transfers from other National Government entities

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Operations Grant	11,213,754	13,449,785
Total Government Grants and Subsidies	11,213,754	13,449,785

6 (a) Transfers from other Government entities (Categorized)

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Comparative FY 2023/2024
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department of Basic Education	0	0	0	11,213,754	13,449,785
Total	0	0	0	11,213,754	13,449,785

6 (b) Transfers from other Government entities (SNE)

Description	2024/2025 FY	2023/2024 FY
	Kshs	Kshs
SNE grants	128,000	192,000

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7 . Rendering of Services

Description	2024-2025 FY	2023-2024 FY
	Kshs	Kshs
Tuition Fees	3,856,462	2,709,804
Activity Fees	3,857,723	2,844,972
Teaching Practice	4,865,513	2,507,537
Examination Fee	16,857,179	6,079,474
Medical fees	1,649,875	816,186
Stores	4,570,470	4,058,129
Boarding fees	65,047,980	34,884,788
Repair and Maintenance	5,196,140	3,420,764
Vehicle repair and Maintenance	9,380,941	5,732,235
Contingencies / Administration costs	4,322,158	1,988,504
Electricity and Conservancy	6,671,687	4,002,046
Personal emoluments	14,636,346	8,087,644
Student council	753,732	464,342
Clubs and Environment	701,036	486,490
Computer and Internet	6,178,186	4,004,857
Local Transport and Travelling	6,629,362	4,283,841
KUCCPS	1,318,126	1,483,500
Tracksuits	2,186,873	0
Hosting fee	2,427,900	0
Student ID	22,490	0
Total Revenue from The Rendering of Services	161,130,179	87,855,113

(Revenue from student fees.)

8 . Sale of Goods

Description	2024/2025 FY	2023/2024 FY
	Kshs	Kshs
Sale of bull and sheep	162,250	0
Sale of Farm Produce	292,120	373,829
Sale of tender	0	12,000
Total Revenue from Sale of Goods	454,370	385,829

(Revenue from sale of farm produce)

9 . Rental revenue from facilities

Description	2024/2025 FY	2023/2024 FY
	Kshs	Kshs
Staff houses	18,000	1,500
Total	18,000	1,500

(Rent from staff house.)

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10 . Use of Goods and Services

Description	2024/2025 FY	2023/2024 FY
	Kshs	Kshs
Teaching and learning materials	3,517,363	3,085,196
Boarding	45,765,046	22,607,412
Electricity	2,993,967	2,498,751
Activity	5,066,449	2,898,096
Contingency and Administration	839,038	569,044
Clubs and Societies	99,500	126,850
Practicum	23,000	0
Examination fees	10,362,500	49,700
Medical	706,533	351,915
Hosting	969,065	2,135,990
Travelling and accommodation	4,179,163	3,155,147
Fuel and oil	4,420,810	2,797,755
Farming	354,245	1,345,189
Internet services	2,313,950	2,056,418
KUCCPS	1,318,126	1,476,000
Insurance	381,606	1,709,997
Student ID	315,300	496,000
Taxes	542,755	107,106
Rent expenses	1,470,000	0
Track suits	2,160,780	2,317,788
Student Council	18,000	63,614
Stores	0	2,885,699
Administration Costs	0	1,047,187
Refund	241,970	102,893
TP Books	0	189,100
Registration	0	47,200
Casuals	314,000	0
ICT	1,915,473	
Total goods and services	90,288,639	54,120,047

11 . Employee Costs

Description	2024-2025 FY	2023-2024 FY
	Kshs	Kshs
Basic Salaries and wages	10,346,563	10,152,859
Gratuity	261,510	691,392
Total Costs	10,608,073	10,844,251

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12 . Board Expenses

Description	2024/2025 FY	2023/2024 FY
	Kshs	Kshs
Sitting allowance	610,000	325,000
Total	610,000	325,000

13 . Depreciation and Amortization expense

Description	2024/2025 FY	2023/2024 FY
	Kshs	Kshs
Property, plant and equipment	4,813,094	4,965,850
Total depreciation and amortization	4,813,094	4,965,850

14 . Repairs and Maintenance

Description	2024/2025 FY	2023/2024 FY
	Kshs	Kshs
Equipment and machinery	14,368,432	3,801,410
Vehicles	1,196,165	2,007,942
Total Repairs and Maintenance	15,564,597	5,809,352

15 . Contracted Services

Description	2024/2025 FY	2023/2024 FY
	Kshs	Kshs
Security Services	1,775,225	1,944,394
Total contracted services	1,775,225	1,944,394

15 (b)

Description	2024/2025 FY	2023/2024 FY
	Kshs	Kshs
Finance cost	0	8,556
Total finance cost	0	8,556

16 . Cash and Cash Equivalents

Description	2024/2025 FY	2023/2024 FY
	Kshs	Kshs
Current Account	20,721,269	19,172,843
Savings Account	11,254,885	11,014,899
Total Cash and Cash Equivalents	31,976,154	30,187,742

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

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

Financial Institution	Account number	2024/2025	2023/2024
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1102484024	11,827,322.35	9,247,573.45
Kenya Commercial Bank	1102484121	8,893,946.95	9,925,270.35
Sub- Total		20,721,269	19,172,843.80
b) Savings Account			
Kenya Commercial Bank	1101513179	1,278,919	1,628,829.65
Kenya Commercial Bank	1103435590	9,862,510	2,613.25
Kenya Commercial Bank – Fixed Deposit	1103435590	-	9,270,000
Kenya Commercial Bank-Reserve account	172000261	113,456	113,456
Sub- Total		11,254,885	11,014,989
Grand Total		31,976,154	30,187,742.80

17. Receivables from Non-Exchange transactions

(a) Current Receivables from Non-Exchange transactions

Description	2024/2025	2023/2024
	Kshs	Kshs
Current Receivables		
Student Debtors	20,484,113	16,380,585
Total Current Receivables	20,484,113	16,380,585

17 b) Long- term Receivables from Exchange transactions

Description	2024/2025	2023/2024
	Kshs	Kshs
Non-Current Receivables		
Student debtors	3,911,374	3,985,739
Rent Debtors	402,500	402,500
Total Receivables	4,313,874	3,985,739

17.(c) Ageing Analysis of Receivables from Exchange transactions

Description	2024/2025		2023/2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	20,484,113	82%	-	%
Between 1- 2 years	610,224	2.4%	-	%
Between 2-3 years	988,232	4%	-	%
Over 3 years	2,715,418	11.6%	-	%
Total (a+b)	24,797,987	100%	-	%

17.(d) Reconciliation for impairment Allowance on Receivables from Exchange Transactions

Description	2024/2025	2023/2024
	Kshs	Kshs
At the beginning of the year	3,985,739	4,249,164
Provisions during the year	20,886,613	-
Recovered during the year	(74,365)	(263,425)
At the end of the year	24,797,987	3,985,739

18. Inventories

Description	2024/2025	2023/2024
	Kshs	Kshs
Consumable stores	1,979,570	1,654,330
Catering stores	2,421,170	1,934,130
Total Inventories at lower of Cost and Net Realizable Value	4,400,740	3,588,460

(Inventory as per end year stock take report.)

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19. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Total
	Kshs		Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation Rate		2.5%	25%	12,5%	30%	10%	
At 1 July 2020	248,000,000	119,000,000	14,650,000	1,038,250	602,000	1,620,000	384,910,250
Disposals	-	-	-	289,554	-	-	289,554
At 30th June 2021	248,000,000	119,000,000	14,650,000	748,696	602,000	1,620,000	384,620,696
Depreciation and Impairment	-	2,975,000	3,662,500	93,587	180,600	162,000	7,073,687
At 1 July 2022	248,000,000	116,025,000	10,987,500	655,109	421,400	1,458,000	377,547,009
Disposal	-	-	-	-	-	-	-
Net Book Values At 30th June 2022	248,000,000	116,025,000	10,987,500	655,109	421,400	1,458,000	377,547,009
At 1 st July 2023	248,000,000	116,025,000	10,987,500	655,109	421,400	1,458,000	377,547,009
Disposal	-	-	1,020,000	210,250	-	-	1,230,250
Additions	-	2,700,000	-	-	-	-	2,700,000
Depreciation and Impairment	-	2,900,625	2,746,875	81,889	126,420	145,800	6,001,609
Net Book Values At 30th June 2023	248,000,000	115,824,375	7,220,625	362,970	294,980	1,312,200	373,015,150
At 1 st July 2024	248,000,000	115,896,890	7,220,625	362,970	294,980	1,312,200	373,015,150
Disposal				127,506			127,506
Additions	-	5,565,767	-	2,475,000	-	-	8,040,767
Depreciation and Impairment	-	2,895,609	1,805,156	45,371	88,494	131,220	4,965,850
Net Book Values At 30th June 2024	248,000,000	118,567,048	5,415,469	2,520,063	206,486	1,180,980	375,890,046
At 1 st July 2024	248,000,000	118,567,048	5,415,469	2,520,063	206,486	1,180,980	375,890,046
Additions	-	36,177,048	-	3,255,000	896,159	7,032,300	47,360,991
Depreciation and Impairment	-	2,964,176	1,353,469	315,008	61,945	118,098	4,813,094

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	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Total
Cost	Kshs		Kshs	Kshs	Kshs	Kshs	Kshs
Net Book Values At 30th June 2025	248,000,000	151,780,404	4,061,602	5,460,055	1,040,700	8,095,182	418,437,943

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Notes to the Financial Statements (Continued)

Valuation

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

19 (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	248,000,000	-	248,000,000
Buildings	154,744,580	2,964,176	151,780,404
Plant And Equipment	8,213,280	118,098	8,095,182
Motor Vehicles	5,415,469	1,353,867	4,061,602
Computers and Related Equipment	1,102,645	61,945	1,040,700
Office Equipment, Furniture, And Fittings	5,775,063	315,008	5,460,055
Total	423,251,037	4,813,094	418,437,943

20. Biological Assets

FARM ANIMALS

SNO	NAME	VALUE
1	3 Dairy Cows	240,000
2	2 young Bulls	16,000
3	1 Heifers	10,000
4	2 Boers (pigs)	15,000
5	3 Sows (pigs)	30,000
6	3 piglets	6000
7	4 Ram (sheep)	40,000
8	25 Ewe (sheep)	190,000
	TOTAL	547,000

21. INTANGIBLE ASSETS (ERP SOFTWARE)

SNO	NAME	VALUE
1	Intellimis ERP software	1,560,000
2	Bio metric	870,000
	TOTAL	2,430,000

21. (b) REFUNDABLE DEPOSITS

Description	2024/2025 FY	2023/2024 FY
Refundable Deposits	0	875
TOTAL	0	875

21. (c) EMPLOYEE BENEFIT OBLIGATION

Description	2024/2025 FY	2023/2024 FY
Employee Benefit Obligation	0	261,385
TOTAL	0	261,385

22. Financial Risk Management

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

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

(i) Credit risk

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

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

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

Financial risk management (continued)

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

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

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

(ii) Liquidity risk management

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

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

(iii) Market risk

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

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

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

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

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

23. Events After The Reporting Period

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

24 . Ultimate And Holding Entity

The Mosoriot Teachers Training College is under the Ministry of Education, state Department of Basic Education. Its ultimate parent is the Government of Kenya.

25 . Currency

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


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Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Inaccuracies in financial statement	Inaccuracies shall be addressed in next financial period	Resolved	FY 2025/2026
2.	Unbalanced Budget.	Management has drawn a balanced budget	Resolved	FY 2024/2025
3.	Weak ICT internal control environment	ICT policy is now in place	Resolved	FY 2024/2025
4.	Lack of human resource policy	Human report policy now in place	Resolved	FY 2024.2025



.....
Name Michael Lelit.
Senior Principal
Date 25/10/25

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Appendix II- Inter-Entity Confirmation Letter

Mosoriot teachers training college wishes to confirm the amounts received as at 30th June 2025 from the Ministry of Education, State Department of Basic Education in the table below.

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June (Current FY)					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
MOE.TTC/2/1/1VOL1(61)	25/09/2024	3,694,332	0	3,694,332	1 st Quarter
MOE.TTC/2/1/1VOL1(62)	08/01/2025	3,759,711	0	3,759,711	2 nd Quarter
MOE.TTC/2/1/1VOL1(94)	27/06/2025	3,694,332	0	3,694,322	3 rd Quarter
Total		11,148,375		11,148,375	

I confirm that the amounts shown above are correct as of the date indicated.

Head of Accounts Department
 Name Michael Mbonae Sign [Signature] Date 29/10/25