

REPUBLIC OF KENYA



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REPORT

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 29 APR 2025	DAY. Tuesday
TABLED BY:	Hon. Julius Melly, MP on behalf of LOM
CLERK-AT-THE-TABLE:	Benson Inzafu

THE AUDITOR-GENERAL

ON

KERICHO TEACHERS TRAINING COLLEGE

**FOR THE YEAR ENDED
30 JUNE, 2023**



KERICHO TEACHERS TRAINING COLLEGE

AMENDED ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30TH JUNE , 2023**

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

KERICHO TEACHERS' TRAINING COLLEGE ANNUAL REPORT AND INANCIAL STATEMENTS FOR THE YEAR ENDED 30.June.2023

KERICHO TEACHERS' TRAINING COLLEGE ANNUAL REPORT AND INANCIAL STATEMENTS FOR THE YEAR ENDED 30.June.2023

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KERICHO TEACHERS' TRAINING COLLEGE ANNUAL REPORT AND INANCIAL STATEMENTS FOR THE YEAR ENDED 30.June.2023

1. Acronyms &Glossary of Terms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTC	Teacher Training College
Fiduciary Management	Key management personnel who have financial responsibility in the college
KETECO	Kericho Teachers Training college

2. Key Entity Teachers Information and Management

(a) Background information

Kericho Teachers' Training College was established under the Basic Education Act 2013. The College is domiciled in Kenya and is under the Ministry of Education.

(b) Principal Activities

The college purpose

To provide quality and transformative education and training.

Core Mandate of Kericho T.T.C

Kericho T.T.C was established through the Education Act of 1968. The college is mandated to carry out the following responsibilities:

- To train teachers.
- To carry out co-curriculum activities.
- To instil discipline.
- To award and present certificates

The college Motto

Kericho T.T.C's motto is "Elimisha wajielimishe".

Vision statement

A model institution in the training and development of competent and Multi-skilled teachers.

Mission statement

- To provide quality training and equip teachers with practical and theoretical knowledge, skills and positive attitudes for professional competence and integrity to meet the needs of a dynamic society.

Strategic Objectives

- a) To train and develop competent and multi-skilled teachers.
- b) To expand training opportunities and enhance discipline.
- c) To develop and maintain quality infrastructure.
- d) To ensure compliance with the established quality assurance standards in education and training and enhance research and consultancy.
- e) To increase the efficiency and effectiveness of human resource.
- f) To ensure prudent utilization of resources and fully embrace the use of ICT.

Philosophy statement

Excellence in teacher training and management.

The college core values/ guiding principles

The college, in cognizant of the following values, will strive to achieve its goals as illustrated below:

Customer focus

It is a series of activities designed to deliver customer satisfaction based on the understanding of what the customer wants and needs. The management shall ensure that student requirements are met with an aim of enhancing their satisfaction, security and sustainability for instance teacher availability, improved infrastructure, access to information and effective complaint-handling process, transparency and accountability.

Integrity and ethics

It is adherence to moral and ethical values. It means being true to ourselves and being honest, upright and decent in our dealing with others. It is consistency of actions, values, methods, measures, principles, expectations, and outcomes. Factors such as corruption, immorality, theft, poor time management and gossip are likely to affect the achievement of the college objectives. Kericho Teachers' Training College shall aspire to adapt to the above moral values to totally discourage concepts that may hinder the development of good morals.

Resilience

It is the ability to withstand and cope with stress and challenges of all kinds. The college will ensure that human resource is able to utilize their skills and strengths to cope and recover from challenges encountered. The challenges such as corruption, procrastination, fear, misuse of college resources, negative attitude and rigidity are likely to hinder the achievements of institutional objectives.

Timeliness

It refers to the principle where information is presented to the users in time to fulfil their decision making needs. The concepts of timeliness include meeting deadlines, security of information, mode of information delivery and feedback of information. The college will put measures that ensure timeliness is observed.

Teamwork

It is a combined effort of a group of individuals towards achieving institutional objectives. It is a cooperative and coordinated effort on part of a group of persons acting together in the interest of a common cause. Feedback, responsibility, coordination, monitoring, communication, cooperation and shared objectives are components that the college aspires to achieve.

(c) Key Management- The entity's day-to-day management is under the following key organs

- Board of Management
- Accounting officer/ Principal

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(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

S/N	Name	Designation
1	Ms. Elda P. Achungo	Chief Principal
2	Mr Fredrick Nyawanda	Deputy Principal
3	Mr John Bett	The Dean of Curriculum
4	Mr Geoffrey Ngeno	The Dean of Students
5	Mr Daniel Keter	Finance and Administrative Officer
6	Mr Evans Cheruiyot	Procurement Officer

(e) Fiduciary Oversight Arrangements

i. FINANCE, PROCUREMENT AND GENERAL PURPOSE

S/N	NAME	DESIGNATION
1	Mr.Peter Korir	Chairperson
2	Mr. Rasto Chepkwony	Member
3	Mr. Abdallah Bii	Member
4	Ms. Janet Langat	Member

ii. ACADEMIC STANDARDS, QUALITY AND ENVIRONMENT

S/N	NAME	DESIGNATION
1	Prof. Charles Tibbs	Chairperson
2	Dr. Vicky Chepkorir	Member
3	Dr. Daniel Nyongesa	Member
4	Ms Lydia Sigilia	Member

iii. DISCIPLINE, ETHICS AND INTEGRITY

S/N	NAME	DESIGNATION
1	Ms Stellah Koech	Chairperson
2	Mr. Fredrick Nyawanda	Member
3	Mr. Joel Mitei	Member
4.	Mr.Abdallah Bii	Member

iv. AUDIT

S/N	NAME	DESIGNATION
1	Dr. Vicky Chepkorir	Member
2	Prof. Charles Tibbs	Chairperson
3	Dr. Joyce Kirui	Member
4	Dr. Daniel Nyongesa	Member

v. HUMAN RIGHTS AND STUDENT WELFARE

S/N	NAME	DESIGNATION
1	Mr. Abdallah Bii	Chairperson
2	Ms. Stella Koech	Member
3	Prof. Charles Tibbs	Member
4	Dr. Vicky Chepkorir	Member

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(f) Entity Headquarters

Kericho Teachers Training College
P.o Box 10 – 20200 KERICHO

(g) Entity Contacts

Kericho Teachers Training College
P.O. Box 10 – 20200 KERICHO
Telephone: (254)721457785
E-mail: kerichottc@yahoo.com
Website kerichottc.ac.ke

(h) Kericho Teachers' Training College Banker

KCB BANK
P.O. Box 491
KERICHO, KENYA

(i) Independent Auditors

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








(j) Principal Legal Adviser

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

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3. The Board of Management Team

Category of persons	Name of persons	Gender	Photo	Highest Education Qualification	Professional Qualification	Current occupation	COUNTY
Representatives of parents/local community	Dr. Joyce Kirui	F		Phd	Health management	Lecturer kenyatta university	Kericho
	M/s Lydia chepkoech sigilai	F		Degree	B.Com	Business woman	Kericho
	Ms. Stella Koech	F		Degree	Lawyer	Advocate	Kericho
	Mr. Peter Korir	M		Masters	MBA	Managing Director Nyayo Tea Zone	Kericho
	Mr. Rasto Chepkwony	M		Masters	Masters in distrib. technology	Director – KEWASCO	Kericho
	Ms. Janet Langat	F		Masters	Master in Planning Management	Procurement Officer- Athi water Agency	Nairobi
	One representative of Teaching staff	Mr. Fredrick Nyawanda	M		Masters	Tutor	Tutor
Three representative of sponsors	Dr. Charles Yugi Tibbs	M		Phd.	Lecturer	Lecturer MMUST	Kisumu






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	Mr. Abdallah Cheruiyot	M		Degree	Lawyer	Deputy Director, legal services-National Commission for science, technology and innovation	Nairobi
	Dr. Vickiy B. Chepkorir	F		PHD	Education	Asst. Director Kenya Water Towers Agency	Bomet
One person nominated by CEB	Mr. Sammy Kirui	M		Masters	MBA	General Manager, James Finlays(K) ltd.	Kericho
One representative s with special interest group	Dr. Daniel Nyongesa	M		Masters	Medical Doctor	Consultant surgeon Kericho Referral Hospital	Bungoma
One representative of person with special needs	Joel Mitei	M		O-level	Certificate	Retired Telcom employee/Farmer	Kericho
Principal/Secretary to the Board	Ms. Achungo E. P	F		Masters	Lecturer	Chief Principal	Kericho

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4. Key Management Team

S/NO.	NAME/PASSPORT	DETAILS
	 MS ACHUNGO ,ELDA.P	Secretary BOM/Chief Principal. Master Degree Chief Principal
	 Mr.FREDRICK NYAWANDA	Deputy Principal. Degree Senior Tutor
	Mr. JOHN BETT 	Dean of Curriculum. Degree Senior Tutor
	MR.GE OFFRY NGEN O 	Dean of students. Degree Senior Tutor
	CPA DANIEL KETER 	Finance Officer. Master in Business Management (Finance and Accounting option) CPA K holder.

5. Board Of Management Chairman's Statement

It gives me great pleasure to present to you a brief statement on the mandate, challenges and the way forward for Kericho Teachers Training College for the year 2023.

The cardinal mandate of Kericho Teachers Training College as enshrined in Basic Education Act 2013 is to prepare teacher trainees for Pre-Service Diploma in Primary Teacher Education (DPTE) and Diploma in Early Child Teacher Education (DECTE). The college also offers Upgrade Diploma in Primary Teacher Education (UDPTE) and Upgrade Diploma in Early Child Teacher Education (UDECTE) courses. We seek to expose teacher trainees to practical teaching exercises to equip them with the right knowledge, skills, attitudes for the much needed 21st century teacher. As a college we not only endeavour to enhance pedagogical approaches in various learning areas but also provide transformative leadership that is a requisite to sustainable socioeconomic development. It is our undertaking to ensure that Teachers Training College has a credible Strategic Plan and Performance Contract that delivers the desired goals. It is also our undertaking that we perform our responsibilities diligently and to the best of our abilities to support the Governments Big Four Initiatives of Food Security, Universal Health Care, Affordable Housing and Manufacturing for the realization of the Bottom Up Model Economy.

I feel humbled to thank each one of our students, employees, partners, shareholders, suppliers, lenders and community at large for their continued support in building and developing this college. God bless Kericho TTC

This report aims at streamlining the activities of Kericho T.T.C in the education sector to suit the 21st century education challenges. It underpins the pedagogies and sophisticated modern tools that learners and teachers can embrace during the teaching and learning sessions. The bottom-line is production of quality teachers who are able to deliver the Competence Based Curriculum (CBC) and the unique needs of our nation in the 21st century economy driven by relevant skills, knowledge and positive attitudes.

Mr. Sammy Kirui 
Board Of Management Chairperson

6. Report of The Principal

Kericho Teachers' Training College is a public college established in 1964 to provide quality teacher education, training, research and innovation for the advancement of individual and society.

Currently, it has over 600 students, 38 academic staff and 46 non-teaching staff.

All over the world, colleges have always been strategic national institutions whose developments have punctuated the advancement of nations with progressive economies. Such countries would not have developed as much as they have without allocating significant investment in teacher-preparedness. Education in Kenya is a costly investment and Kericho T.T.C is faced with scarcity of resources. The high cost of infrastructure development and equipment to adequately meet the requirements for quality education has made it difficult for any institution to be absolutely self-sufficient in meeting all its requirements.

Kericho Teacher's training College has actively participated in the implementation of the wider government of Kenya policies and the Vision 2030 Strategy among others. In this regard, the college embarked on reviewing its annual report and financial statement in tandem with new government policies and priorities in order to enhance efficiency and effectiveness in teacher training management program. This has been done in keeping with its vision statement "To be a leading developer of quality teachers for a dynamic society".

The college will endeavour to establish the basis for ensuring that efficient and effective services are delivered to Kenyans in line with the provisions of the Constitution of Kenya 2010 that enable innovativeness and adaptability of public services to the needs of the Constitution and by requiring Kericho T.T.C to adapt systems that it uses.

The Challenge for the college is therefore to develop and review its annual report and financial statements in line with its mandate, its Vision, National Government agenda, Vision 2030 Blue print and to develop appropriate implementation of current Competence Based Curriculum that will anticipate infrastructural, social-cultural, economic, political and technological changes and identify relevant opportunities outside the traditional work practices. The development of this report has therefore become a priority if the college is to realize its strategic goals in line with the Basic Education Act of 2013.

The college envisage to engage the use of digital technologies and the internet, which are, potentially powerful enabling tools for educational change especially in implementing the new curriculum and reforms that will help expand access to education, strengthen the relevance of education to increasingly digital work place and raise educational quality among others, helping make teaching and learning into an engaging, active process connected to real life.

I expect a paradigm shift in curriculum and pedagogy, institutional readiness, teacher competencies and effectiveness, cost, equity and sustainability, among others.

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I urge all stakeholders to join me in taking our institution to greater heights of success through implementation of this report and other relevant policies. In conclusion the management fully embraces the new financial reporting guidelines and will strive to adhere and comply as required by the law. We remain open for guidance in this endeavour.

Thank you



Dr. Emily C. Kibet

CHIEF PRINCIPAL/SECRETARY TO Board Of Management.

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7. Statement of Performance Against Predetermined Objectives

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the national government entity's performance against predetermined objectives.

Kericho Teachers Training College has 4 strategic pillars and objectives within current Strategic Plan for the Financial Year 2019- 2020. These strategic pillars are as follows:

Pillar 1: Conduct training programs based on Diploma in Primary Teacher Education and Diploma in Early Childhood Teacher Education curriculum

Pillar 2: To construct, modernize infrastructure and improve physical environment

Pillar 3: To enhance safety and security in the college

Pillar 4: To enhance leadership and governance

Kericho Teachers Training college develops its annual work plans based on the above 4 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The college achieved its performance targets set for the FY 2022/23 period for its 2 strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements	
Pillar / 1	To enhance safety and security in the college				
	<ul style="list-style-type: none"> -Enhance fencing -Install modern security gadgets and programs 	<ul style="list-style-type: none"> -Proper fence -Kei-apple (Kayaba) -Chain link -Gadgets (Biometric kit -Pass words) -Programs -Receipts -Delivery notes -Rumps -Doors and windows opening outside 	<ul style="list-style-type: none"> - Demarcate - Type of fencing -Identify and fence - Frequent repairs - Install gadgets -Identify areas of sensitization -Resource persons - Fire drills 	<ul style="list-style-type: none"> -Secure environment -Serene environment Improved skills in disaster management -Peaceful co-existence 	
Pillar / 2	To enhance leadership and governance				
	<ul style="list-style-type: none"> -Capacity build the Board of Management 	<ul style="list-style-type: none"> -Good leadership and governance 	<ul style="list-style-type: none"> Handbook Minutes Budget 	<ul style="list-style-type: none"> - Meetings - Build capacity 	<ul style="list-style-type: none"> Management skills -Motivated managers -Improved discipline -Efficient college management

8. Corporate Governance Statement

The current Board of Management was appointed into office in 27th June, 2022 and upon appointment immediately took charge of their mandate to steer the college forward through application of best governance practices and standards.

The Appointment Boards of Management of Public Teacher Training Colleges is done under section 55 of the Basic Education Act 2013. Under this Act, the Education cabinet secretary shall, by regulations prescribe the qualifications for persons who may be appointed to or co-opted into the Board of Management. (55(i). According to the Act, the Board shall consist of:-

- (a) Six persons elected to represent parents will represent the community
- (b) One person nominated by the County Education Board
- (c) One representative of the Teaching staff
- (e) One person to represent special interest groups in the community
- (f) One person to represent persons with special needs, and
- (e) One representative of the students' council who will be an *ex-officio* member.

In Kericho Teachers' College, there are 14 BOM members in compliance with the requirements of the Act. The cabinet Secretary, Ministry of education through the County director of education, makes appointments. A board of Management holds office for a period of Three years, renewable.

The functions of the Board are stipulated in the Education act and are as follows.

- (a) Promote the best interests of the institution and ensure its development;
- (b) Promote quality education for all pupils in accordance with the standards set under this Act or any other written law;
- (c) Ensure and assure the provision of proper and adequate physical facilities for the institution.
- (d) Manage the institution's affairs in accordance with the rules and regulations governing the occupational safety and health.
- (e) Advise the County Education Board on the staffing needs of the institution;
- (f) Determine cases of pupils' discipline and make reports to the County Education Board;
- (g) Prepare a comprehensive termly report on all areas of its mandate and submit the report to the County Education Board.
- (h) Facilitate and ensure the provision of guidance and counselling to all learners.

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- (i) Provide for the welfare and observe the human rights and ensure safety of the pupils, teachers and non-teaching staff at the institution;
- (j) Encourage a culture of dialogue and participatory democratic governance at the institution;
- (k) Promote the spirit of cohesion, integration, peace, tolerance, inclusion, elimination of hate speech, and elimination of tribalism at the institution;
- (l) Encourage the learners, teachers and non-teaching staff and other, parents and the community, and other stakeholders to render voluntary services to the institution.
- (m) Allow reasonable use of the facilities of the institution for community, social and other lawful purposes, subject to such reasonable and equitable conditions as it may determine including the charging of a fee.
- (n) Administer and manage the resources of the institution.
- (o) Receive, collect and account for any funds accruing to the institution;
- (p) Recruit, employ and remunerate such number of non-teaching staff as may be required by the institution in accordance with this Act; and
- (q) Perform any other function to facilitate the implementation of its functions under this Act or any other written law.

The Board provides for formation of committees of the Board as follows

- (a) Finance, procurement and general purposes committee;
- (b) Academic standards, quality and environment committee;
- (c) Discipline, ethics and integrity committee;
- (d) Audit committee; and
- (e) Human rights and student welfare committee

Boards of Management once nominated, are sworn in by the County Director of Education–MOE.

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The Board of Management members do not draw any salaries, but are reimbursed fare and lunches whenever they attend Board Meetings at a rate discussed and agreed by members and sanctioned by the county Director of Education, subject to availability of funds.

A member of the Board can be removed from office if the member resigns and communicates the decision in writing, or fails to attend 3 consecutive Board meetings without apology. The Board secretary is then required to notify the nominating entity of the situation with a view of finding a suitable replacement.

In all full Board Meetings and meetings of committees of the Board, a conflict of interest register is kept and signed by members after the Agenda of the day has been adopted.

9. Management Discussion and Analysis

In this financial year 2022/2023 Kericho Teachers' Training College was able to do some improvements and innovations. These include; lighting points extended in the college compound, installation of CCTV cameras in dining hall, along the highway road, internet installation of extra 11mbps, repairs of students beds. Fencing of the college fences with chain-link wires. All were possible through prudent management of finances.

10. Environmental and Sustainability Reporting Statement

Kericho Teachers Training college exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on five pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements during the year under review.

1. Sustainability Strategy and profile.

The college has laid down a policy of planting trees within the water catchment areas and ensures 75% survival rate.

2. Market place practices-

Being a public Institution, there is the perception that there is a lot of resources to be utilised. The reality is far from that and the resources we have are carefully managed to have the most impact. To this end we carry out the following exercises to get the best partners for continued provision of goods and services.

a) Supplier prequalification

We are guided by the Public Procurement and asset Disposal act,2015 and Regulations of 2020 and the PPRa guidelines on how to identify suppliers. This is an open and public process and takes into consideration the reservations for youth, women and people with disabilities.

- b) With our prequalified suppliers, we endeavour to meet our obligations on time so that we may be able to sustain relations for future partnerships.
- c) Being a national Government entity's the college makes a nationwide advert through newspaper and use of the local administration notice boards, social media to market opportunities in the College.
- d) List of registered tenderers
The college also maintains and updates the list of registered tenderers as per the requirements

e) Sustainability strategy and profile

Kericho Teachers Training College is a Government facility funded fully by the Government through Student fees and MOE grants. The College management strives to make prudent use of the available resources to maintain and improve the existing college facilities.

f) Employee Welfare

Kericho Teachers college's non-teaching staff Employees are hired and paid by the Board of Management and deployed to suitable workstations within the college. The remunerations of the employees are in strict adherence of the SCR recommendations on salaries and allowances. Where casuals are employed, the Board adheres to the existing labour laws and pays the recommended minimum wages.

All statutory deductions payable by an employee (i.e. PAYE, NSSF, NHIF and SACCO DUES) are duly deducted and remitted every month.

Progression from one job group to a higher one is effected upon recommendation of the BOM.

The Board aims at motivating all the college employees through supply of adequate working equipment, uniforms and tools where applicable.

g) Community Engagements

In the spirit of corporate social responsibility, the college has allowed unlimited access of the college field to the local community sportsmen and women

11. Report of The Board Of Management

The Board members submit their report together with the audited financial statements for the year ended June 30, 2023 which show the state of the college.

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Principal activities

The principal activities of Kericho Teachers College continue to be Training of Teachers to teach in Primary schools in Kenya.

Results

The results of Kericho Teachers College for the year ended 30th June, 2023 are set out on page as follows


Board of Management

The members of the Board of Management who served during the year are shown on page vii. During this year, no Board Member resigned.

Auditors

The Office of Auditor General is responsible for the statutory audit of Kericho Teachers Training College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act, 2015.

By Order of the Board


.....
Secretary of the Board of Management
Kericho Teachers College

Date 23/12/2024

12. Statement of Board of Management Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 require the BOM members to prepare financial statements in respect of Kericho Teachers Training College, which give a true and fair view of the state of affairs of the college as at 30th June, 2023 and the operating results of the college for the quarter. The BOM members are also required to ensure that the college keeps proper accounting records which disclose with reasonable accuracy the financial position of the college. The BOM members are also responsible for safeguarding the assets of the college.

The BOM members are responsible for the preparation and presentation of the college's financial statements, which give a true and fair view of the state of affairs of the college for and as at 30th June, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the college; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The BOM members accept responsibility for the college's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act. The BOM members are of the opinion that the College's financial statements give a true and fair view of the state of entity's transactions as at 30th June, 2023 and of the college's financial position as at that date. The council members further confirm the completeness of the accounting records maintained for the college.

Approval of the Financial Statements

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The college's financial statements were approved by the Board on 29/09/2023 and signed on its behalf by:

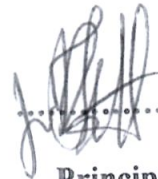
Approval of the financial statements

Kericho Teachers' Training College financial statements were approved by the Board on 15TH September 2023 and signed on its behalf by:

1. 

Chairperson of the B.O.M

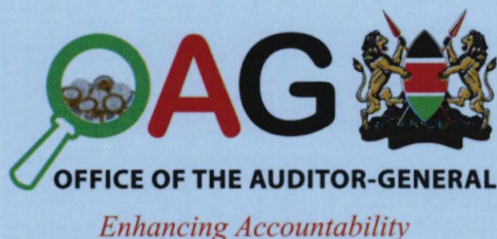
2.



Principal/Secretary

REPUBLIC OF KENYA

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



HEADQUARTERS
Anniversary Towers
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KERICHO TEACHERS TRAINING COLLEGE FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kericho Teachers Training College set out on pages 1 to 35, which comprise the statement of financial position as

at 30 June, 2023 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the 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 Kericho Teachers Training College as at 30 June, 2023 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 Basic Education Act, 2013 and the Public Finance Management Act, 2012

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Review of the financial statements' components for the year ended 30 June, 2023 reveals some of components differ with the Notes to the financial statements as detailed below:

Item	Notes	Balance as per Financial Statements	Notes to the Financial Statements	Variance (Kshs)
		(Kshs)	(Kshs)	
Rendering of services- Fees from students	7	58,284,371.65	58,278,371.65	6,000
Receivables from debtors	19	15,664,410.00	15,710,870.00	46,460
Farm A/C	24	12,249,423.50	9,633,737.00	2,615,686
Capital Fund	26	826,683,842.00	834,467,842.00	7,784,000

The statement of financial performance for the year ended 30 June, 2023 as presented had erroneous totals in the total revenue amount of Kshs.92,062,579 while the correct revenue totals was Kshs.85,553,886. The net surplus/(deficit) for the year was also incorrectly computed as Kshs.-9,103,053 instead of Kshs.15,611,746. Management did not revise the financial statements.

In the circumstances, the accuracy and completeness of the financial statements for the year ended 30 June, 2023 could not be confirmed.

2. Inaccuracies In the Statement of Cash Flow

The statement of cash flow presented for the year under review was not accurately prepared and the amounts indicated in the net increase/(decrease) in cash balance of

Kshs.9,933,622 is computed incorrectly and could not be traced to financial statements adjustments.

In the circumstances, the accuracy and completeness of the cash flow statement for the year ended 30 June, 2023 could not be confirmed.

3. Unsupported Repairs and Rehabilitation

The statement of financial performance under Note 15 to the financial statements reflects repairs and maintenance amount of Kshs.9,249,404. Included in the balance is Kshs.7,780,347 in respect of repairs and rehabilitation. However, the renovation works were not supported by way of defects assessment reports detailing recommended renovations to be made and post inspection reports to verify whether the renovations were undertaken as per recommendations.

In the circumstances, the completeness of the expenditure of Kshs.7,780,347 in respect of repairs and rehabilitation included under repairs and maintenance in the statement of financial performance could not be confirmed.

4. Misstatement of Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalent balance of Kshs.6,602,624. However, the following observations were made:

- a) The cash and cash equivalent balance comprise of bank balance of Kshs.6,415,754 held in five (5) bank accounts and cash at hand of Kshs.186,560. However, a re-cast of the bank balance amounts to Kshs.6,602,314 resulting in a variance of Kshs.310.
- b) The bank balance of Kshs.6,415,754 includes an amount of Kshs.530,121 in respect to Kenya Commercial Bank main account which is the balance as per the bank certificate instead of the adjusted cash book balance of Kshs.730,431 resulting in a variance of Kshs.200,310. Further, the bank reconciliation statement reflects balance as per the cash book of Kshs.530,431 whereas the cashbook reflects a balance of Kshs.730,431 resulting in a variance of Kshs.200,000.
- c) The cash book for the college fund account reflects a balance of Kshs.1,395,482. However, a re-cast of the cashbook reveals a balance of Kshs.4,166,290 resulting in unexplained variance of Kshs.2,770,808. Further, the bank reconciliation statement reflects unpaid cheques issued between April 2022 and February 2023 totaling to Kshs.206,000. Management explained that the cheques had bounced and hence remained unpaid. However, as at 30 June, 2023 the cheques had not been reversed in the cash book and replaced.
- d) Note 17 reflects cash in hand totaling Kshs.186,560 which was not supported with the board of survey report as at 30 June, 2023.

In the circumstances, the accuracy and completeness of cash and cash equivalent balance of Kshs.6,602,624 could not be confirmed.

5. Current Receivables from Debtors

The statement of financial position reflects receivables from debtors of Kshs.15,664,610 which includes students' debtors and rent debtors amounting to Kshs.5,024,335 and Kshs.74,990, respectively. The following observations were made:

- a) During the year under review, debtors amounting to Kshs.19,003,739 were written off as bad debts. However, a schedule in support of the debts and indicating for how long they had been outstanding was not provided for audit review. Further, it was not possible to determine the criteria used to write off the debts and whether there were collection efforts made before the debts were written off. A formal approval from the board to write off the debts was not provided for audit review.
- b) The College does not have a debt management policy which outlines the guidelines for managing debtors, ensuring timely collections and minimizing the risk of bad debts and hence there was provision for bad and doubtful debts.
- c) The debtors ageing analysis for the debtors' balance of Kshs.15,664,610 was not provided for audit review. In addition, the College has not provided any evidence on the efforts being made to collect the outstanding debts.

In the circumstances, the accuracy and completeness of Kshs.15,664,610 included under current receivables from debtors in the statement of financial position could not be confirmed.

6. Biological Assets

The statement of financial position as at 30 June, 2023 reflects biological assets balance of Kshs.7,784,000 as indicated in Note 28 to the financial statements. However, the recorded balance has not been supported by evaluation report or stock take report. Therefore, the presentation and disclosure of biological assets do not comply with IPSAS 27-Standards on Presentation of Financial Statements.

In the circumstances, the accuracy and completeness of biological assets balance of Kshs.7,784,000 could not be confirmed.

7. Unsupported Uniform Account

The statement of financial position as disclosed in Note 25 reflects a balance of Kshs.173,925.25 under current liabilities for the uniform account as of June 30, 2023. However, it was observed that the entity did not maintain a supporting schedule detailing the composition and transactions associated with this liability.

In the circumstances, the completeness and accuracy of the uniform account balance of Kshs.173,925 could not be confirmed.

8. Over Expenditure

The statement of financial performance reflects total expenses of Kshs.101,165,632. However, the approved budget was Kshs.74,006,782 resulting to unauthorized expenditure of Kshs.27,158,850. Therefore, the expenditure of Kshs.27,158,850 exceeded the approved budget.

In the circumstances, the propriety of the over expenditure of Kshs.27,158,850 for the year ending 30 June, 2023 could not be confirmed.

9. Unsupported Inventories

The statement of financial position as at 30 June, 2023 reflects inventories balance of Kshs.612,235. However, board of surveys in support of stock taking , stock ledgers and bin cards were not provided for audit review. Further, physical verification of stores on 5 December, 2024 revealed that the stores department did not maintain stores records.

In the circumstances, it was not possible to confirm the accuracy and completeness of the inventories balance of Kshs.612,235.

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

1. Under Absorption of Funds

The statement of comparison of budget and actual amounts for the year ended 30 June, 2023 reflects final budget expenditure and actual on comparable basis of Kshs.74,006,782 and Kshs.103,792,277, respectively, resulting to under absorption of Kshs.29,785,495 or 28 % of the budget. The under absorption of funds affected the planned activities and may have impacted negatively on service delivery to the public.

The under-funding and under-expenditure could have affected the planned activities and may have impacted negatively on service delivery to the Public.

2. Failure to Prepare a Balanced Budget

Review of the statement of comparison of budget and actual amounts in respect to original budget total income balance of Kshs.72,686,782 and total expenditure balance of Kshs.74,006,782, respectively, results to a deficit of Kshs.1,320,000 contrary to Regulation 33 (c) of the Public Finance Management (National Government) Regulations, 2015 that requires the budget to be balanced.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues 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, Management has not explained how the issues were resolved or disclosed them in the financial statements under the Progress on Follow-Up of the Auditor's Recommendation as required by the reporting template.

Other Information

Management are responsible for the Other Information set out on item i to xxi which comprise of the Key Kericho Teachers Information and Management, the Board of Management Team, Key Management Team, Board of Management Chairman's Statement, Report of the Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting Statement and Report of the Board of Management Responsibilities.

In connection with my audit on the 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 effects 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. Inaccuracies in the Statement of Changes of Net Assets

Review of the financial statements submitted for audit revealed that Management did prepare the statement of changes in net assets as prescribed by the Public Sector Accounting Standards Board and the prescribed reporting template. No satisfactory explanation was provided by Management for the omission.

In the circumstances, the presentation and disclosure of the statement of changes in net assets did comply with IPSAS 1- standards on presentation of financial statements and the Public Sector Accounting Standards Board reporting template.

2. Failure to Regularly Update and Maintain the Cash Books

The statement of financial position reflects cash and cash equivalent balance of Kshs.6,602,624 which includes an amount of Kshs.594,682 held in Kenya Commercial Bank farm account. However, there was no evidence that cash books were regularly updated and maintained in respect to the farm account during the year since posting of transactions in the cashbook was not up to date.

Management, therefore contravened Section 100 of Public Finance Management (National Government) Regulations 2015 which states that an Accounting Officers shall keep in all offices concerned with receiving cash or making payments a cash book showing receipts and payments and shall maintain such other books registers as may be necessary for the proper maintenance and production of the accounts of the vote for which he or she is responsible.

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

3. Unsupported Property, Plant, and Equipment

The statement of financial position together with Note 22 reflects a balance of Kshs.826,683,842 for property, plant, and equipment. However, it was observed that the Institution did not maintain a detailed assets register of its non-current assets, including essential details such as asset descriptions, acquisition dates, locations, costs, accumulated depreciation, and net book values contrary to section 143. (1) of the Public Finance Management Regulations, 2015 which state that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

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

4. Failure to Comply with National Cohesion and Integration Commission Act on Ethnicity

Review of the staff bio data revealed that the representation of the one community is more than the one third of the stipulated threshold contrary to the provision of section 7 of the National Cohesion and Integration Commission act No 12 of 2008.

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

The audit was conducted in accordance with ISSAI 3000 and 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 and based on the audit procedures performed, except for the matters described in the Basis for Conclusion on the 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.

1. Lack of a Fraud Policy

Management of Kericho Teachers' Training College had not yet formulated a fraud policy contrary to the provisions of Regulation 165(1)(a) of the Public Finance Management Act (National Government) Regulations, 2015 which states that The Accounting Officer shall ensure that the national government entity develops risk management strategies, which include fraud prevention mechanism. The College therefore lacks a formal basis of evaluating fraud risks and associated impact, and the required mitigation measures in the event of occurrence of fraud.

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

2. Lack of Risk Management Policy and Disaster Recovery Plan

During the year under review, the College did not have a risk management policy and a disaster recovery plan contrary to Regulation 165(1) (b) of the Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer shall ensure that the national government entity develops a system of risk management and internal control that builds robust business operations.

In the circumstances, lack of risk management policy exposed the College to risk with no option of immediate recovery in the event of loss. Further, Management was in breach of the law.

3. Weak Human Resources Management Practices

Review of personnel records indicate that the College did not have an approved human resource policy, an approved scheme of service for its staff, defined job categories by profession, qualifications and experience, career progression and conditions of progression. In the absence of the scheme of service, it was not possible to ascertain

how recruitment, promotion and rewards of staff were determined. This has the effect of creating unfair human resource practices affecting employee's morale negatively.

In addition, the payrolls were maintained in excel format which can be altered without a trail. Further, the payrolls did not include date of employment, date of retirement and job grade of the employees.

In the circumstances, the regularity of employee costs could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Public Sector Accounting Standards (Accrual) and for maintaining effective internal control 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 control, risk management and governance.

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

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

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

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 for Supreme Audit Institutions (ISSAIs). The Standards requires 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

27 December, 2024

KERICHO TEACHERS TRAINING COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE 2023

14. Statement of Financial Performance For The Year Ended 30 June 2023

	Note	2022-2023	2021-2022
			Kshs
Revenue from non-exchange transactions			
Transfers from the National Government-grants	6	18,029,384.70	25,571,322.00
Total Revenue from non-exchange		18,029,384.65	25,571,322.00
Revenue from exchange transactions			
Rendering of services- Fees from students	7	58,284,371.65	89,121,759.13
Sale of goods	8	2,783,404.00	1,621,695
Rental revenue from staff houses	9	738,690.00	662,550.00
Other income	10	5,718,036.00	3,662,821.00
Revenue from exchange transactions		74,033,195.00	95,068,825.13
Total revenue		92,062,579.65	120,640,147.10
Expenses			
Use of goods and services	11	51,439,638.60	60,900,123.69
Employee costs	12	13,190,287.30	12,041,934.00
Board expenses	13	5,169,000.00	414,000.00
Depreciation	14	4,087,918.00	
Repairs and maintenance	15	9,249,404.65	8,603,686.00
Covid -19	16		1,249,077.00
Grants (contra entry)	C	18,029,384.20	25,571,322.00
Total expenses		101,165,632.5	108,780,142.69
Net surplus /(deficit) for the year		-9,103,053.10	11,860,004.40

The notes set out on pages **11 to 34** form an integral part of the Annual Financial Statements.



MR. SAMMY KIRUI



DANIEL KETER



DR. EMILY C. KIBET

Chairman of BO M
BOM

Finance Officer

Chief Principal/Secretary

Date 23/12/2024


ICPAK No. 13664

Date 23/12/2024

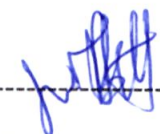
Date 23/12/24

KERICHO TEACHERS TRAINING COLLEGEANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE 2023**15. Statement of Financial Position As At 30 June 2023**

	Notes	2022-2023	2021-2022
			Kshs
Assets			
Current assets			
Cash and cash equivalents	17	6,602,624.05	17,017,452.75
Current Receivables –investment	18	97,191.85	97,191.85
Receivables from debtors	19	15,664,410.00	31,065,049
Inventories	21	612,235.00	1,518,654.00
Debtor recoveries	20	89,346.30	272,346.30
Total current assets		23,066,007.20	49,970,693.90
Non-current assets			
Biological assets	28	7,784,000.00	-
Property, plant and equipment	22	826,683,842.20	830,771,760.00
Total assets		857,533,849.40	862,235,381.75
Liabilities			
Current liabilities			
Uniforms a/c	25	173,925.25	173,925.25
Sundry creditors	23	6,833,503.80	5,427,534.25
Farm a/c	24	12,249,423.50	10,941,580.50
Total current liabilities		19,256,852.55	16,543,040.00
Total liabilities		19,256,852.55	16,543,040.00
Net assets		4,353,360.45	33,427,653.90
Accumulated surplus	27	18,656,415.65	16,543,039.49
Capital Fund	26	826,683,842.00	830,771,760.00
Total net assets and liabilities		857,533,849.40	880,742,453.39

The Financial Statements set out on pages **1to 10** were signed by:


MR. SAMMY KIRUI


DANIEL KETER


DR. EMILY C. KIBET
**Chairman of BO M
BOM****Finance Officer****Chief Principal/Secretary**Date 23/12/24

ICPAK No. 13664

Date 23/12/24Date 23/12/24

KERICHO TEACHERS TRAINING COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023

16. Statement of Changes in Net Assets For The Year Ended 30 June 2023

	Ordinary share capital	Revaluation Reserve	Fair value adjustment Reserve	Retained Earnings	Proposed dividends	Capital/Development Grants/Funds	Total
At July 1, 2022							
LESS- accumulated depreciation							
Add-additional							
Less- disposal							
Add Capital grant							
Add-accumulated fund -surplus							
totals							
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	-	-	-	-
Dividends paid – 2022	-	-	-	-	-	-	-
Interim dividends paid – 2022	-	-	-	-	-	-	-
Proposed final dividends	-	-	-	-	-	-	-
At June 30, 2023	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
At July 1, 2019	-	-	-	-	-	-	-
Issue of new share capital	-	-	-	-	-	-	-
Revaluation gain	-	-	-	-	-	-	-
Transfer of excess depreciation on revaluation	-	-	-	-	-	-	-
Deferred tax on excess depreciation	-	-	-	-	-	-	-
Fair value adjustment on quoted	-	-	-	-	-	-	-

KERICHO TEACHERS TRAINING COLLEGEANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE 2023

	Ordinary share capital	Revaluation Reserve	Fair value adjustment Reserve	Retained Earnings	Proposed dividends	Capital/Development Grants/Funds	Total
investments							
Total comprehensive income	-	-	-	-	-	-	-

KERICHO TEACHERS TRAINING COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE 2023

17. Statement of Cash Flows For The Year Ended 30 June 2023

		2022-2023	2021-2022
	Note		Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entity	6	18,029,384.6	25,571,722.0
Rendering of services- Fees from students	7	58,282,371.6	89,121,759.13
Sale of goods	8	2,783,404.00	1,621,695.00
Rental revenue from facilities	9	738,690.00	662,550.00
Other income	10	5,718,036.00	3,662,821.00
Total Receipts		92,663,015.9	120,640,147.
Payments			
Use of goods and services	11	51,439,638.6	60,900,123.6
Compensation of employees	12	13,190,287.3	12,041,934.0
Board expenses		5,169,000.00	414,000.00
Repairs and maintenance	15	8,144,723.00	8,603,686.00
Covid-19	16		1,249,077.00
Grants (contra entry)		18,029,384.6	25,571,322.0
Total payments		95,482,196.8	108,780,142.
Net cash flows from operating activities		-	11,860,004.4
Less adjustment of items not involving movement			
Depreciation and amortization expense	14		0
Movement in working capital			33,427,113.6
Increase/Decrease in receivables-purchase of Assets			
Increase/Decrease in inventory-		897,419.00	154.00
Increase in trade debtors (rent and students fees)		(3,649,561.0)	298,796.00
Debt recovered		89,328.30	272,346.30
Increase / decrease in creditors		1,405,968.80	(709,845.75)
Changes in working capital			33,016,217.9
cash flow from investing activities		-	-
Purchase of assets		0	
Net cash flow from investing activities			

KERICHO TEACHERS TRAINING COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE 2023

Cash flow from financing activities			
Development funds		0	
Net cash flows used in financing activities			
Net increase/(decrease) in cash and cash equivalents		9,933,622.90	
Cash and cash equivalents as at 1 July 2022		17,071,452.7	656,590.15
<u>Cash and cash equivalents as at 30 June 2023</u>		<u>6,602,624.05</u>	<u>17,071,452.7</u>

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.

KERICHO TEACHERS TRAINING COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE 2023

18. Statement of Comparison of Budget and Actual Amounts for The Year Ended 30 June 2023

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization difference
	2022-2023	2022-2023	2022-2023	2022-2023	2022-2023	2022-2023
	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers from government	16,000,000		16,000,000	18,029,384.70	2,029,384	12.7
Rendering of services- Fees from students	53,852,600		53,852,600	58,298,929.65	11,540,901.25	21.4
Fees arrears	1,419,782		1,419,782	1,271,764.00	-148,018.00	10.4
Other Income	2,757,400		2,757,400	8,501,404	5,744,004.00	208.3
Rental revenue from facilities	1,229,650		1,229,950	738,690.00	-491,260	39.9
Total income	72,686,782		75,259,732	93,934,743	21,274,961	28.3
Expenses						
Compensation of employees	18,980,730		18,980,730	13,190,287.30	-5,590,442.70	31.5
Use of goods and services	47,679,302		47,679,302	51,439,638.60	3,760,336.60	7.8

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Repairs and maintenance	2,253,650		2,253,650	7,780,347.45	5,526,697.45	2452
Vehicle Repairs and Replacement	1,584,700		1,584,700	1,469,057.20	-115,642	7.3
Board expenses	720,000		720,000	5,169,000	4,449,000	617.9
Farm operation	2,188,400		2,188,400	3,534,763	1,346,363	61.5
Grants contra entry				18,029,384.00		
Graduation	600,000		600,000		2,579,800	429.9
Total expenditure	72,686,782		74,006,782	103,792,277	29,785,495	40.2

Budget notes

30% of expected income from students was not received during the period. The arrears therefore will be collected before release of their Certificates

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19. Notes to the financial statements

General information

Kericho Teachers College- is established by and derives its authority and accountability from Basic Education Act, 2013. The College is wholly owned by the Government of Kenya and is domiciled in Kenya. The College principal activity is training teachers.

STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the College's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed.

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

The financial statements have been prepared in accordance with the Public Finance Management Act, the State Corporations Act, 2004, the Basic Education Act, 2013 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented

KERICHO TEACHERS TRAINING COLLEGEANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE 2023**Notes to The Financial Statements Adoption of New and Revised Standards****Relevant new standards and amendments to published standards effective for the year ended 30 June 2023**

Standard	Impact
Other Improvements to IPSAS	<p>Applicable: 1st January 2021:</p> <p>Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks.</p> <p>IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment.</p> <p>Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved.</p> <p>IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets.</p> <p>Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs).</p> <p>Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.</p> <p><i>(Entity to state the impact of the amendments to the financial statements))</i></p>

NOTES TO THE FINANCIAL STATEMENTS (Continued)**New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021.**

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Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1 January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity’s future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> •Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held; •Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and •Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p><i>(State the impact of the standard to the entity if relevant)</i></p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and <p>I The impact of such social benefits provided on the entity’s financial performance, financial position and cash flows.</p> <p><i>(State the impact of the standard to the entity if relevant)</i></p>
<p>Amendments to</p>	<p>Applicable: 1st January 2023:</p>

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Standard	Effective date and impact:
Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>

Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2021.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**(a) Revenue recognition****i) Revenue from non-exchange transactions****Transfers from other government entities**

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

ii) Revenue from exchange transactions**Revenue from exchange transactions (Continued)****Rendering of services**

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KETECO recognizes revenue from rendering of services.

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, it includes sale of farm produce and ESD goods.

Rental income

Rental income arising from staff living in college houses.

Interest Income

(b) Budget information

The original budget for Financial Year 2022-2023 was approved by the Board on 6th July, 2022. Subsequent revisions of the budgets were made to the approved budget. Amended budget was approved on 27th November 2022 with a students population of 850 students from a previous 1000 students.

(c) Taxes

Current income tax

KETECO is exempt from paying taxes as per Income Tax Act Cap.470

Sales tax/ Value Added Tax

Expenses and assets are recognized net of the amount of sales tax.

(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.

(e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

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For annual depreciation, the college will formulate a policy on how to depreciate its fixed assets.

(f) Leases

(g) Intangible assets

(h) Research and development costs

(i) Financial instruments

- Financial assets
- Subsequent measurement
- Amortized cost
- Fair value through net assets/equity
- Fair value through surplus or deficit
- Trade and other receivables
- Impairment

Impairment of financial assets (Continued)

The debtors or an entity of debtors are experiencing significant financial difficulty

Default or delinquency in interest or principal payments

The probability that debtors will enter bankruptcy or other financial reorganization

Observable data indicates a measurable decrease in estimated future cash flows (e.g., changes in arrears or economic conditions that correlate with defaults)

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of International Public Sector Accounting Standard 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The College determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

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

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

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.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Inventories (Continued)

(k) Provisions

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

-Contingent liabilities

-Contingent assets

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

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

l) Social Benefit

m) Nature and purpose of reserves

KETECO creates and maintains reserves in terms of specific requirements. The College has Retained Earnings as a reserve and the purpose of this is to clear any pending bills accrued in the prior financial year once income is realized.

(n) Changes in accounting policies and estimates

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

(o) Employee benefits

Retirement benefit plans

KETECO provides retirement benefits in form of gratuity for its employees. Defined contribution plans are post-employment benefit plans under which an entity pays fixed

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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.

(p) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date.

(q) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Related parties

KETECO 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 College, or vice versa. Members of key management are regarded as related parties and comprise the Board of Management, the Chief Principal and Senior Managers.

(s) Service concession arrangements

KETECO analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. 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.

(t) Cash and cash equivalents

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

(u) Comparative figures

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

(v) Subsequent events

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and assumptions

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

Useful lives and residual values

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

The condition of the asset based on the assessment of experts employed by the College

The nature of the asset, its susceptibility and adaptability to changes in technology and processes

The nature of the processes in which the asset is deployed

Availability of funding to replace the asset

Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available.

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. Transfers from National Government Ministries

Description	2022-2023	2021-2022
	Kshs	KShs
Unconditional grants	18,029,384.65	25,571,722.00
Ministry grants		
Total government grants	18,029,384.65	25,571,722.00

7. Rendering of Services

Description	2022-2023	2021-2022
	Kshs	KShs
Boarding equipment and stores	16,575,606.00	21,094,302.00
Tuition ,equipment and stores	4,018,527.38	6,412,885.00
Local Transport and Travelling	334,208.00.00	3,286,151.70
Medical fee	501,177.00.00	521,600.00
Activity	3,523,187.34	2,996,179.00
Administrative/ contingencies	1,890,125.00	2,419,690.00
Teaching Practice	2,083,391.00	2,128,486.00
Electricity, water and conservancy	1,810,666.00	3,316,865.00
Computer studies	1,586,339.00	3,668,071.00
Per. Emolument	11,990,664.93	10,987,075.79
Student council	219,831.00	417,615.00
Examination	3,238,321.00	12,572,208.00
Repairs, maintenance and improvements		5,660,676.64

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	1,699,752.00	
Vehicle Replacement& repairs	2,830,179.00	3,452,948.00
Gratuity		1,034,597.00
Arrears	1,271,764.00	1,531,686.00
Student Registration	115,900.00	174,200.00
Track suit	985,200.00	2,085,625.00
Students IDS	124,950.00	157,173.00
Clubs/Environ	183,750.00	816,000.00
Hockey stick	1,156,130.00	601,852.00
Library Books	266,432.00	537,831.00
Set Book Shows	110,524.00	86,459.00
College Magazine		
	95,520.00	167,727.00
Students Guide book	53,370.00	170,200.00
TP Lesson BOOK	1,212,223.00	970,896.00
Covid- 19		1,637,791.00
Bank Charges	54,542.00	214,969.00
KUCCPS	346,092.00	
	58,284,371.65	89,121,759.13

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8. Sale of Goods

	Kshs	Kshs
Sale of farm produce	2,226,920.00	1,194,045
ESD project	556,484.00	427,650.00
Total revenue from sale of goods	2,783,404.00	1,621,695.00

9. Rental Revenue from Facilities

Description	2022-2023	2021-2022
	kshs	Kshs
Rental income	738,690.00	662,550.00
	738,690.00	662,550.00

10. Other Income

Description	2022-2023	2021-2022
	kshs	Kshs
Income from sale of tender forms	4,700.00	81,000.00
Hosting /facilitation	3,905,810.00	3,581,821.00
Hire of halls and fields	105,000.00	
Graduation fee	1,519,526.00	
Debtors/recovaries	183,000.00	
Total other income	5,718,036.00	3,662,821.00

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11. Use of Goods and Services

Description	2022-2023	2021-2022
	kshs	Kshs
Boarding expenses	18,492,402.00	19,535,389.00
Teaching, equipment expenses	1,432,044.00	4,744,351.00
Local Transport and Travelling expenses	2,336,566.00	2,684,803.00
Medical expenses	255,180.00	328,146.00
Activity expenses	4,463,855	1,961,572.00
Administrative / Contingencies expenses	2,048,955.13	1,456,947.00
Teaching Practicums expenses	2,144,209.00	313,664.00
Electricity, water and conservancy	4,737,745.00	3,774,729.00
Computer studies expense	2,874,136.87	1,149,180.00
Graduation expenses	3,179,800.00	
Creditors	3,252,388.00	6,397,003.69
Examination expenses	2,579,100.00	10,615,720.00
Sale of tenders expenses		83,618.00
ESD Project	248,700.00	152,434.00
Hosting /Facilitation	917,031.00	1,732,162.00
Students Registration		139,500.00
Students Government	177,350.00	12,000.00
Track suits	1,037,300.00	1,955,000.00
Students IDS	117,375.00	146,840.00
Club/Environ	119,436.00	489,197.00
Hockey sticks		531,960.00
Library books	77,660.00	252,317.00
Set book shows		

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College magazine		
Bank charges	70,905.00	
T.P Lesson book	877,500.00	
Covid -19		1,249,077.00
Graduation fee		1,194,514.00
Total goods and services	51,439,638.60	60,900,123.69

12. Employee Costs

	2022-2023	2021-2022
	kshs	Kshs
Salaries and wages	9,071,389.30	8,020,014.00
Medical allowance	297,675.00	264,450.00
House allowance	2,051,720.00	1,905,650.00
Employer NSSF	1,181,084.00	1,092,632.00
Gratuity	588,419.00	759,188.00
Employee costs	13,190,287.30	12,041,934.00

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13. Board Allowances

	2022-2023	2021-2022
	kshs	Kshs
Board Allowances	5,169,000.00	414,000.00

14. Depreciation Expenses

Description	2022-2023	2021-2022
		Kshs
Motor vehicles -10% of shs 20,939,000	2,093,900.00	
Furniture and fittings -20% of shs 5,000,000	1,000,000.00	
Computers -30% of shs 3,152,560	945,768.00	
Plant and machinery -10% of shs 120,00	12,000.00	
Other assets 5% of shs 725,000	36,250.00	
Total depreciation	4,087,918.00	

15. Repairs and Maintenance

Description	2022-2023	2021-2022
	Kshs.	KShs
Repairs and rehabilitation	7,780,347.45	5,507,055.00
VRM/Replacement	1,469,057.20	3,096,631.00
Furniture and fittings		
Equipment and machinery		
Total repairs and maintenance	9,249,404.65	8,603,686.00

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JUNE 2023**16. COVID-19**

Description	2022-2023	2021-2022
	Ksh.	KShs
Covid-19 expenses		1,249,077.00
Total expenses		1,249,077.00

Cash and Cash Equivalents

Description	2022-2023	2021-2023
	kshs	Kshs
Current account	2,358,192.30	13,457,009.9
Savings account	4,057,871.75	3,613,551.85
cash in hand	186,560.00	
Total cash and cash equivalents	6,602,624.05	17,071,452.75

17. Detailed Analysis of Cash and Cash Equivalents

	2022-2023	2022-2023
Financial institution	Kshs	Kshs
Current account		
Kenya Commercial bank - 1107169887	530,121.15	
Kenya Commercial bank- 1107170168	860,276.20	12,323,289.95

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Kenya Commercial bank -1215778686	372,802.00	372,688
Kenya Commercial bank 1102279323	594,682.75	761,922
Savings account		
Kenya Commercial bank1102695270	4,057,871.75	3,613,551.85
Sub- total		17,071,452.75
Others(specify)		
cash in hand	186,560.00	
Grand total	6,602,624.05	

18. Investment

Description	2022-2023	2021-2022
	kshs	Kshs
Bal/ forward	97,191.85	97,191.85
Total Current receivables		

19. Debtors (fees and rent) receivables from exchange transaction

Description	2022-2023	2021-2022
	kshs	Kshs
Current receivables		
Debtors b/f	31,065,049.00	31,065,049.00
Add -Student fees balances 2023	5,024,335.00	
Add -Rent debtors balances 2023	74,990.00	
Less- Fees arrears collected	1,271,764.00	
Less- Rent arrears collected	178,000.00	
Less bad debts written off	19,003,739.15	

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Total current receivables	15,664,610.00	31,065,049.00
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20. Debt Recovered

Description	2022-2023	2021-2022
	kshs	Kshs
Bal /forward	272,346.30	272,346.30
Less amount recovered	(183,000.00)	
Total Current receivables	89,346.30	272,346.30

21. Inventories

Description	2022-2023	2021-2022
		Kshs
Boarding Equipment stores (catering stores)	512,400.00	360,000.00
Maintenance stores		560,000.00
Electrical		12,500.00
Teaching Equipment stores (consumable stores)		300,000.00
Cleaning materials		56,000.00
Medical stores (Health unit stores)	108,835.00	230,154.00
Total inventories at the lower of cost and net realizable value	621,235.00	1,518,654.00

22. Property, Plant and Equipment

Asset	Motor Vehicles	Furniture and Fittings	Computers	Books		Plant and Equipment	Other Assets	Land and buildings	TOTALS
		Kshs	Kshs	Kshs		Kshs	Kshs	Kshs	kshs
As at 1st July 2022	20,939,000	5,000,000	3,152,560	835,200	120,000		725,000	800,000,000	830,771,750
Additions									
As at 30 June 2021	20,939,000	5,000,000	3,152,560	835,200	120,000		725,000	800,000,000	830,771,750
Accumulated depreciation as at 1 July 2022									
Depreciation for the year	2,093,900	1,000,000	9,45,768		12,000		36,250		4,087,918
Additional biological assets									7,784,000

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Disposal									
Accumulated depreciation 30 June 2023	2,093,900	1,000,000	9,45,768		12,000		36,250		4,087,918
Net Book Value 30 June 2022	18,845,100	4,000,000	2,206,792	835,200	108,000		688,750	800,000,000	834,467,842

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23. Trade and Other Payables from Exchange Transactions

Description	2022-2023	2021-2022
Trade payables 1.07.2023	5,427,534.25	6,137,380.00
Add; unpaid bills 2023	4,658,357.55	5,687,157.94
Less; payment made	3,252,388.00	6,397,003.69
Total trade and other payables	6,833,503.80	5,427,534.25

24. Farm Account

Description	2022-2023	2021-2022
		Kshs
Bal/forward	10,941,580.50	10,941,580.50
Add : receipts	2,226,920.00	
Less: payments	3,534,763.00	
Total	12,249,423.50	10,941,580.50

25 .Uniform Account

Description	2022-2023	2021-2022
		Kshs
Bal/ forward	173,925.00	173,925.00

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26. CAPITAL FUND

Description	2022-2023	2021-2022
	kshs	Kshs
Capital fund brought forward as at 1 st July,2022		
	830,771,760.00	830,771,760.00
Add: purchase- Biological assets	7,784,000.00	
Less disposal		
Less depreciation	4,087,918.00	
Total	834,467,842.00	830,771,760.00

27. ACCUMULATED FUND

Description	2022-2023	2021-2022
		Kshs
Balance brought forward as at 1 st July,2022	27,759,468.55	32,568,728.00
deficit for the year	-9,103,052.90	-4,809,259.45
Bal/d	18,656,415.65	27,759,468.55

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28 .BIOLOGICAL ASSETS

Description	2022-2023	2021-2022
Steers	120,000.00	
Sheep	55,000.00	
Pigs	260,000.00	
Piglets	4,000.00	
Heifer	25,000.00	
Sukuma wiki 2 acres	120,000.00	
Eucalypus trees 6 acres	7,200,000.00	
TOTALS	7,784,000.00	

Employee Benefit Obligations

Retirement benefit Asset/ Liability

KETECO contributes to the National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act.

20. Appendix 1: Progress on Follow up of Auditor Recommendations

The college is submitting its financial records to the Auditor General for the first time hence the table below is blank as no report has been issued in respect to all audit of the college

The college is submitting its financial records to the Auditor General for the first time hence the table below is blank as no report has been issued in respect to all audit of the college

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
1.0	Inaccuracies in the financial statement	Activity expenses captured as current expenditure for 2021-2022 should have been treated as a creditor. The college has acquired an ERP system that will help in accountability and transparency of the reporting system that will ensure that the inaccuracies in financial statements are minimised	Resolved	Done
2.0	Failure to prepare statement of changes in assets	Going forward the statement of changes in assets will be prepared in consultation with other professional in the field	Not Resolved	2024-2025
3.0	Unsupported property, plant and Equipment	The value of PPE could not be ascertain because on no depreciation policy and no valuation. The college management have committed themselves to address the two issues raised by the auditors	Resolved	2024-2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
4.0	Unsupported Receivables	The statement of financial position reflect a receivable from debtors of kshs 31,065,049, the finance committee has been tasked to come up with policy of writing of bad debts and aging analysis of the debtors	Resolved	Done
5.0	Unsupported Inventories	Before any payments are made, all the supporting documents should be attached	Resolved	Done
6.0	Unsupported cash and cash equivalent	The disparity in the balances were because monthly bank reconciliation were not prepared in time, but currently it has been prepared	Resolved	Done
7.0	Inaccuracies in Employment costs	The figure kshs 759,188 was included in the salary expenses for the current year, the amount should have treated as sundry creditor. Correction has been made	Resolved	Done
8.0	Suspense Account	On this issue of suspense account ,the debtor has cleared all the pending balances as at December 2023	Resolved	Done
9.0	Misclassification of Boarding expenses	Correction has been made and going forward proper classification of vote heads are maintained.	Resolved	Done

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Guidance Notes:

Use the same reference numbers as contained in the external audit report;

Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;

Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;

Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.

Dr. Emily C. Kibet

Chief Principal/Secretary to the Board

Signature.....