

REPUBLIC OF KENYA



*Enhancing Accountability*



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**REPORT**

**OF**

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 30 APR 2025	DAY. Wed
TABLED BY:	Hon George Mungara, MP
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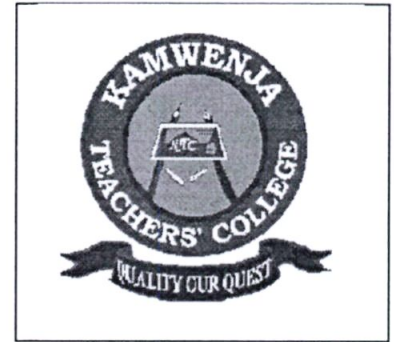
**THE AUDITOR-GENERAL**

**ON**

**KAMWENJA TEACHERS COLLEGE**

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

Revised Template: 30 June 2021

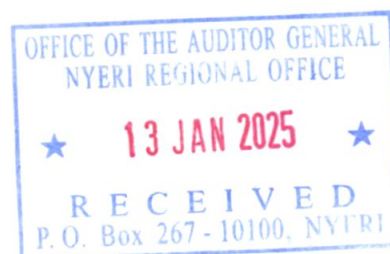


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**KAMWENJA TEACHERS COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2022**

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



**KAMWENJA TEACHERS COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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**1. Acronyms & Glossary of Terms**

BOG	Board of Governors
BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College
Fiduciary Management	Key management personnel who have financial responsibility in the entity

## **I. KEY ENTITY INFORMATION AND MANAGEMENT**

### **(a) Background information**

Kamwenja Teachers College was established in 1924 by Bishop Perlo Vicar Apostolic of Nyeri under the sponsorship of Consolata Missionary Society. Its original name was Nyeri Teachers' Training College whose first site was within Mathari Mission Complex, where the present pastoral centre stands.

The industrial wing that was added to the college in 1930 was later relocated to Mugoiri (Gati-iguru) in Murang'a.

In 1938, the college was split into three and relocated as follows:

- The primary section at the Nyeri St. Paul's Minor Seminary
- The secondary section at Nyeri High School
- The college section at the present site whereby it acquired the new name – Kamwenja Teachers' College

The Consolata Missionary Society from Italy managed the college until 1958 when the Christian Brothers Schools from America took over and introduced KT 1 and KT 2. P1 P2 has since been phased out. From 1970, the college has been under able management of indigenous Kenyans. Initially, the college trained male teachers only but in 1970, co-education was introduced whereby 20 women students were admitted. In 1974, the St. Cecilia Women Teachers' Training College that had been established at Mathari Mission Complex closed down and joined Kamwenja for efficient economic management.

In 1977, a special Education class for the teachers undertaking S1 course for the hearing-impaired children (deaf) was transferred from Siriba (Maseno University) to Kamwenja. This class lasted for ten years when it joined the Kenya Institute of Special Education (KISE) at Kasarani (Nairobi) in 1986.

The college is under the Ministry of Education.

There are seven main departments developed by Teachers' Service Commission which organize academic programmes for implementation purpose namely:

- Professional course Department (ICT, Practicum)
- Mathematics Department
- Science Department (Science, Agriculture, Home science)
- Social Sciences (IRE, CRE, Social Studies)
- Languages Department (English, Kiswahili, Mother tongue)
- Creative Arts Department (Music, Art and Craft, P. E.)
- Guidance and Counselling

Members of Departments are appointed by the Teachers' Service Commission to head the various departments listed above according to their areas of specialization.

**(b) Principal Activities**

**i) OUR VISION STATEMENT**

To be a leading Teachers Training Institution, offering quality and effective service.

**ii) OUR MISSION STATEMENT**

To provide and promote quality teacher education and training through innovation, creativity and inculcating moral values for individual and national development.

**iii) OUR MOTTO**

Quality Our Quest.

**iv) CORE VALUES**

- Professionalism
- Integrity
- Courtesy, respect and honesty
- Impartiality, fairness and justice
- Loyalty and patriotism
- Team spirit, commitment and dedication to duty
- Innovativeness and creativity
- Transparency and accountability
- Efficiency
- Customer focus

The change in curriculum has brought other core values and core competencies. As shown below.

**v) CBTE CORE VALUES**

- Love
- Responsibility
- Respect
- Unity
- Peace
- Patriotism
- Social justice
- Integrity

**vi) CBTE CORE COMPETENCIES**

- Communication and collaboration
- Critical thinking and problem solving
- Creativity and innovation
- Citizenship and leadership
- Digital literacy skills
- Learning to learn and reflective practice
- Self-efficacy
- Pedagogical content knowledge
- Assessment competency

**(c) Key Management**

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

- Board of Management
- Chief Principal
- Deputy Principal
- Dean of curriculum
- Dean of students

**(d) Fiduciary Management**

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

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Principal	Wycliffe Wafula
2.	Deputy Principal	Elizabeth Onyango
3.	Dean of Curriculum	Jamlick Mbae
4.	Dean of Students	Mary Macharia
5.	Bursar	Josephine Muturi
6.	Procurement Officer	Beatrice Kiai

**(e) Fiduciary Oversight Arrangements**

**Audit and Risk committee activities**

- Risk management policy
- Risk mitigation plan
- Risk register established
- Looks at the college records and financial systems
- Internal control systems
- Whether the procurement is within the vote heads and as per the procurement act

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- Maintenances of banking records
- There is an established risk management committee, risk register and risk assessment.
- Risks are assessed as follows:
- Loss of property
- Loss or hacking of college data
- Financial mismanagement
- Failure to attend to tasks/sessions
- Adherence to the college timeline by tutors, non-tutorial staff and students

**Finance and Operations committees activities**

- Promote the best interests of the institution and ensure its development;
- Ensure and assure the provision of proper and adequate physical facilities for the institution;
- Administer and manage the resources of the institution;

**Academic committee activities**

- Maintenance of admission registers of all students
- Trusted with students' certificates
- Use of anti-fire cabinet to safeguard the students' certificates
- Serializing all documents as related to students
- It looks at the issuance of certificates
- Management of assessment and tutorial records
- Attendance to sessions by tutors and students
- Implementation of the curriculum designs by tutors
- Brainstorming various activities and operations which will enhance academic achievements of the college

The oversight committee or the B.O.M has operation committees such as:

- ***Academic standards, quality and environment***- This committee does the oversight task of ensuring the colleges commitment towards curriculum implementation.
- ***Discipline, Ethics, Integrity, Human rights and Students welfare committee*** – This committee oversees the healthy environment of the college's operations.
- ***Agri-business committee*** – This committee looks at the income generating activities in the college which has an agricultural bias.

**OTHER OVERSIGHT ACTIVITIES:**

**CORRUPTION PREVENTION COMMITTEE**

- Mitigates against corruption in the institution
- Sensitization about taking care of college property
- Overseeing implementations of the issues raised in the college anti-corruption policy document

**COMPLAINTS HANDLING COMMITTEE**

Management of complaints

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A policy to oversee implementations of the issues that are raised in the institution

**DISABILITY MAINSTREAMING COMMITTEE**

Ensuring 5% are persons with disability

**ALCOHOL AND SUBSTANCE ABUSE MAINSTREAMING COMMITTEE**

- Sensitize and mitigate against use of hard drugs

**HIV COMMITTEE**

- Sensitize trainees and staff to self-protection and stigma

**ROAD SAFETY MAINSTREAMING COMMITTEE**

- Sensitize toward road safety
- A road safety policy

**KEY ENTITY INFORMATION AND MANAGEMENT**

**(f) Entity Headquarters**

P.O. Box 152-10100 NYERI

Kamwenja Teachers College (KAMCO) is located in Nyeri Central District of Nyeri County, about 8 kilometres West of Nyeri town, near the Mathari Consolata Mission Hospital on the Eastern Slopes of the Aberdare ranges right at the foot of Nyeri Hill.

**(g) Entity Contacts**

Telephone: (254) 0726238121

E-mail: [kamwenjacollege@gmail.com](mailto:kamwenjacollege@gmail.com)/[kamwenjattc@yahoo.com](mailto:kamwenjattc@yahoo.com)

Website: [www.kamwenjattc.ac.ke](http://www.kamwenjattc.ac.ke)

**(h) Entity Bankers**

ABSA Bank

P.O Box 239 – 10100,

**NYERI.**

**(i) Independent Auditors**

Auditor-General

Office of Auditor General

Anniversary Towers, Institute Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

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• (j) **Principal Legal Adviser**

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




**II. BOARD OF MANAGEMENT**

NO	NAME	Designation	Date of birth	Profession	Academic qualifications	Work experience
1	MR. FRED NGATIA	Chairman	1956	Advocate	LLB (Hons) LLM	Ngatia & Associates
2	WYCLIFFE WAFULA	Secretary	1966	TEACHER	Masters in Education	Chief Principal
3	REV. FR. EVARISTUS MARANGA	Member		Lecturer	M.A. Philosophy	Christ the King Major Seminary Nyeri And Dedan Kimathi University
4	MS. LUCY MWAI	Member	1962	Lawyer	LL.B. Hons.	Sole legal practitioner (Lucy Mwai & co. Advocates- Nyeri)
5	MRS. NANCY W. NJAI	Member	1976	Marketing	Bachelor of commerce	Kings Capital Ltd.
6	MS. GRACE MBUTHIA	Member	1958	Principal Lecturer- KMTCC	Diploma in advanced nursing, registered community health nursing	KMTCC Nyeri Campus
7	DR. BEN KANINA KAMAU	Member	1963	Consultant surgeon	M.Med. Surgery, certificate in Urology &	Consultant Surgeon & Urologist- Mt. Kenya Urology clinic, Nyeri.
8	MR. BENARD GITONGA KAMENYA	Member	1960	Radiography /Sonography	Diploma in Health Care Management - higher Diploma in Diagnostic	Chief Government Radiographer/ Sonographer- Nyeri County



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					Medical Imaging sciences	
9	DR. STANLEY WAHOME MUREITHI	Member	1985	Medical officer	Bachelor of medicine & surgery (MBChB)	Karen Hospital-Karatina Branch
10	MS. GRACE WAMBUI NGATIA	Member	1990	Journalist	Diploma in journalism	ROYAL Media service, Nyeri Branch
11	MRS. EMERENSIANA W. WAMAE	Member	1954	Retired tutor	Diploma in education	Senior Lecturer-Kamwenja TTC
12	DR. ESTHER GACICIO	Member			- Bachelor of Education (Arts) - Diploma in leadership development in IC	KICD

### III. MANAGEMENT TEAM

S.N O.	NAME	PROFESSION	ACADEMIC QUALIFICATIONS	RESPONSIBILITY
1.	Mr. Fred Ngatia - 	Lawyer (Senior counsel)	LLB (Hons) LLM	B.O.M Chairman
2.	Mr. Wycliffe Wafula 	Teacher	Masters in Education	Chief Principal
3	Mrs. Elizabeth Onyango 	Teacher	Bachelors of Education	Deputy Principal

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3	Mr. George Gachago 	Teacher	Bachelors of Education	Dean of Curriculum
	Mrs. Mary Macharia 	Teacher	Masters in Education	Dean of Students

#### IV. CHAIRMAN'S STATEMENT

Welcome to the International Public Sector Accounting Standards (IPSAS) report for Kamwenja TTC. The report details about the performance against predetermined objectives. The corporate governance statement, management discussion and analysis. a highlight of the environment sustainability strategy. And finally, a report of the Board of Management.

The Board of Management operates within the frame work of The Basic Education Act 2013 as provided for in section 59 - a, b, c, d, e, j, k, l, m, n, o, p, q; section 60,61 & 62. In order to effectively deliver on its mandate, the Board operates through committees whose resolutions are then tabled before the full Board for adoption and or amendments. The committees are as follows:

- The Executive Committee;
- Finance, procurement and general purposes committee;
- Academic standards, quality and environment committee;
- Discipline, ethics and integrity committee.

The college was established in 1924 and therefore has old infrastructure that requires major improvements. Most of the buildings have asbestos roofing. The Board requires resources to change such roofs for improved work environment. It is important to note that the Government has not allocated the college funds for development for a long time and therefore improvement of infrastructure is slow.

The college has been training certificate teachers for primary schools in Kenya, a good number of these teachers found employment in the East African countries. The change to Competence Based Curriculum in the year 2021 requires the college to train teachers at diploma level. This transition came at a time when the country was grappling with a pandemic-Covid-19; which called for a lock down of the country for nearly two years. The college did not enroll students during the lockdown period and this affected the college financial base since most of the funds to run the college comes from school fees collection. It was therefore difficult to sustain the recurrent expenses of the college which included personnel emoluments for Non-Teaching Staff

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(NTS), outsourced security services, water, electricity and livestock. Grants received from the Government were not increased to mitigate the effects of the lockdown. This affected the financial stability of the college up to and including during the period under review – FY 2021/22.

The change in curriculum caused review of the entry criteria as set by Teachers Service Commission and Ministry of Education. This revised criterion attracted few students' enrolment. This can be attributed to higher course requirements, economic hardships in the country and unpredictable job market. In order to align the college to the Competence Based Teacher Education (CBTE) curriculum increased funding was required to support staff workshops and seminars. This included funds to improve existing infrastructure especially in the area of ICT. During the year under review 236 students graduated from the college. The college is offering upgrading training for those teachers who had acquired the certificate course-(P1).

The college is guided by a 5 years' strategic plan which is implemented through annual work plans and an approved budget. The board is also committed to realize its mandate through the annual performance contracts as part of the strategy for accelerated development and improvement of the operating environment. Key activities during the last two years include:

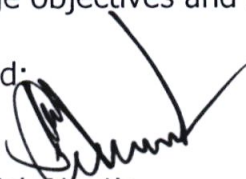
- a) Overhaul of the dilapidated college sewerage system, to make it efficient in waste management;
- b) Improvement in the college farm to enhance productivity:
  - i) Milk production through improved animal breed, feeding management and the cattle shed;
  - ii) Increase in horticulture crops production through modern management;
  - iii) Recruitment of a farm manager for improved farming practices and records keeping.

Other college activities include:

- c) Refurbishment of the student's dwellings (Hostels) through extensive repair and maintenance.
- d) Enhancement of the college data connecting and LAN network to conform with the CBC, CBTE requirements.
- e) Purchase of additional computers (laptops), LCD projectors to improve curriculum delivery.
- f) Renovation of Dean of Curriculum and Dean of Students offices.

The term of the current Board of Management expired in December 2021. The County Education Board in consultation with relevant Ministry of Education offices has selected a new Board. Part of the membership of the exiting Board was retained for continuity. The Board members serve a maximum of 2 terms. The Board commits itself to serve the college with a view to realizing the college objectives and mandate.

Signed:



Fredrick Ngatia

**CHAIRMAN, BOARD OF MANAGEMENT**

## **V. REPORT OF THE PRINCIPAL**

Welcome to the International Public Sector Accounting Standards (IPSAS) financial reporting for Kamwenja Teachers College for the period up to 30 June 2022.

Kamwenja Teachers College was established in the year 1924 as a primary teacher training college issuing P1 certificates. This has since changed as the college has been upgraded to diploma status, offering majorly three courses DPTE (Diploma in Primary Teacher Education), DECTE (Diploma in Early childhood Education) and UPGRADE DPTE (an upgrade program of P1 certificate teachers to diploma status). Our graduates have found places in all primary schools in Kenya, giving positive feedback about their abilities.

The college is managed by a B.O.M which is appointed by the Ministry of Education on three yearly basis. The Board has sub-committees as stated below, the Board meets at least three times in a year or as need arises. The sub-committees meet when specialized tasks or needs arise.

The principal activities of the college are to train competent professional Diploma teachers to meet the 21<sup>st</sup> century needs. The college has a fiduciary management committee or the principal's advisory council or the top management as seen in the consecutive chapters of the report. The college has other specialized committees with specific tasks given by the Chief Principal to streamline the management of the institution.

The statement of performance against predetermined objectives indicates the strategic pillars or objectives of the institution which are stated as follows:

1. To train a competent professional diploma teacher to meet the 21<sup>st</sup> century demands;
2. To enhance the motivation and capacity of the human resources for effective and efficient management;
3. To maintain, develop and expand college infrastructure services for improved college service delivery;
4. To strengthen the college financial management to achieve its financial obligations;
5. To create and enhance a conducive environment for working and learning.

In the report achievements have been tied to performance contracts against the stated pillars.

Kamwenja College exists to transform lives this is our purpose, the driving force behind everything we do, we put our customers first as envisaged by our service delivery charter posted in strategic positions in our administration block.

Our sustainability strategies and profile are well laid out in the report.

Our environmental policy guiding the organization provides evidence of policy successes, shortcomings, efforts to manage bio-diversity, waste management and efforts to reduce environmental impacts of our college's waste products as seen in the chapters in the report.

There is in place policies guiding the hiring, taking into account the gender ratio, improvement of skills, management of careers, appraisal and reward system for good performance. Best practices are addressed in terms of responsible competition e.g. in anti-corruption, responsible political involvement, fair competition and respect for competitors. Responsible supply chain and supplier relations in order to maintain good business practices through honoring contracts and respecting payment practices. The institution's social responsibility/community engagement has a great impact to the society as indicted in the chapters of the document.

The college is guided by a 5 year's strategic plan which is implemented though annual work plans and approved budget. The Board also has an annual performance contract as part of the strategy for accelerated development and improvement of the operating environment. Key activities during the last financial year include:

- a) Overhaul of the dilapidated college sewerage system to make it efficient in waste management;
- b) Improvement in the college farm to enhance:
  - i) Milk production;
  - ii) Increase in horticulture crops production;
  - iii) Improvement of farm management through recruitment of a Farm Manager;
  - iv) Refurbishment of student's hostels;
  - v) Enhancement of the data connectivity to conform with the CBTE requirements;
  - vi) Improvement of the ICT infrastructure;
  - vii) Renovation of offices that is the DOC and DOS offices.

The college has high potential in the fields of performance as indicated in the report that we have qualified personnel. Similarly in production the college has adequate land and managerial capacity. Let us all journey together in achieving our desired objectives.

Signed



Wycliffe Wafula

**CHIEF PRINCIPAL/SECRETARY B.O.M**

## VI. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

Kamwenja Teachers College has 5 strategic pillars/objectives as in the current strategic plan for the year 2018-2023. The pillars are:

1. To train competent diploma teachers to meet the 21<sup>st</sup> century demands;
2. To enhance the motivation and capacity of the Human Resource for effective and efficient service delivery;
3. To enhance the college financial management system so as to achieve its financial objectives;
4. To expand and maintain college infrastructure for improved service delivery and housing.
5. To manage the college environment by enhancing conducive environment.

The pillars/objectives are achieved through the implementation of the following activities:

1. Renovations of hostels- Complex
  - Paradise
  - J1- J4
2. Renovations of DOS and DOC's offices;
3. Overhaul sewer pod removal & repairs;
4. Activities towards improvement of pod in the farm:
  - i) Clearing of bushes to increase the acreage;
  - ii) Enhanced management through contracting of a Farm Manager;
  - iii) Improved feeding & cow silage;
  - iv) Improved dwellings through tilling;
5. Apiary establishment through installation of beehives;
6. Purchase of laptops, computers & LCD projectors;
7. LAN expansion and Wi-Fi hotspots;
8. Purchase of gas & electric cookers for Home science department.

Kamwenja Teachers College has 5 strategic pillars/objectives for the current strategic plan for the FY 2021-2022.

<b>Strategic Pillar</b>	<b>Objective</b>	<b>Key Performance Indicator</b>	<b>Activities</b>	<b>Achievements</b>
Diploma Teacher Training	1.To train competent diploma teachers to meet the 21 <sup>st</sup> century demands	- Certified competent diploma teachers	- Training in CBTE curricular. - Enhanced extracurricular activities. - Sensitization on social responsibility	- The training is continuing

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Human Resource appraisal	2. To enhance the motivation and capacity of the Human Resource for effective and efficient service delivery.	- A motivated and appraised tutorial & non-tutorial staff.	- Sensitization workshops. - Seminar attendance. - Trips. - Luncheons.	- A motivated staff.
Proper financial management	3. To enhance the college financial management system so as to achieve its financial objectives.	- Good audit report.	- Sensitization on good financial record keeping. - Good financial reporting.	- Well-kept financial records.
College infrastructure	4. To expand and maintain college infrastructure for improved service delivery and housing.	- Refurbished college infrastructure.	- Repair & maintenance of sewage, dorms and offices.	- Refurbished infrastructure.
Environmental management	5. To manage the college environment by enhancing conducive environment.	- Clean & conserved environment	- Cleaning. - Proper waste management. - Planting of trees.	- A clean conducive environment

**VII. CORPORATE GOVERNANCE STATEMENT**

S/N	NAME
1	MR. FRED NGATIA- CHAIRMAN
2	CHIEF PRINCIPAL - SECRETARY
3	REV. FR. EVARISTUS MARANGA
4	MS. LUCY MWAI
5	MRS. NANCY W. NJAI
6	MR. SIMON MUREITHI
7	MS. GRACE MBUTHIA
8	DR. BEN KANINA KAMAU
9	MR. BENARD GITONGA KAMENYA
10	DR. STANLEY WAHOME MUREITHI
11	MS. GRACE WAMBUI NGATIA
12	MRS. EMERENSIANA WAIGUMO WAMAE
13	DR. ESTHER GACICIO
14	SR. ARPUDA JAYASEELI

### Attendance to B.O.M meetings

Date	Present	Absent	Absent with apology
16/7/ 2021 – Full Board	13	-	1
20/7/2021 – Finance/Infrastructure Board	6	-	1
29/ 9/2021 – Finance/Infrastructure Board	5	-	2
22/10/2021- Full Board	9	-	4
26/11/2021 – Finance/Infrastruccture Board	7	-	1
28/2/2022 – Finance/Infrastructure Board	4	-	3
25/3/2022 – Executive Board	6	-	0
14/6/2022 – Virtual meeting – Executive Board	4	-	1

### Board of management charter

The Board of Management charter is in the process of being developed.

### Process of appointment and removal.

The appointment of B.O.M members is in accordance with the Education Act.

### Functions

The functions of the B.O.M is as per to the Education Act.

### Induction & training

Induction and training were done during the inauguration meeting.

### Board remuneration.

The Board remuneration is as per the recommendation of the Education Act.

## VIII. MANAGEMENT DISCUSSION AND ANALYSIS

Financial report

- a) Bank accounts
- b) Audit report 2020-2021

The college made the following investments

- a) Enhanced milk production through:
  - i) Improved breed;
  - ii) Improved feeds and feeding program;
  - iii) Improved cow sheds and feeding troughs.
- b) Apiary (Bee keeping) establishment by purchase and setting of 52 beehives in Strategic positions.

## **IX. ENVIRONMENTAL AND SUSTAINABILITY REPORTING**

Kamwenja Teachers College exists to transform lives. Its own purpose is to train quality Diploma Primary and Early Childhood teachers.

The driving force behind everything we do, is what guides us to deliver on strategy, putting the customer/citizen first, delivering relevant goods and services, and improving operational excellence.

Below is a highlight of strategies and activities that promote the organization's strategic objectives.

### **Sustainable strategy and profile.**

- a) Proper financial management and reporting;
- b) 100% attendance to training session by tutorial staff;
- c) Maintenance of training records and updated entries;
- d) Attendance to sessions by students i.e. greatly encouraged and supervised;
- e) Adherence to the service charter when attending to visitors and stakeholders;
- f) Prompt payment to suppliers for quality foods processed;
- g) Proper management of our environment by cleaning and planting trees;

### **Environmental performance**

The college is developing an environmental policy document, but there are environmental regulations present and adhered to:

- a) Proper disposal of waste by putting up of designated bins;
- b) Establishment of a botanical garden as advised by management to bring about biodiversity improvement;
- c) Waste management improvement through overhaul and repair works on the college sewerage system.

### **Employee welfare**

The college has established welfare groups of tutorial and non-tutorial staff who periodically advise the Chief Accounting Officer. The hiring process is through adverts in the national media where all are encouraged to apply against the stated qualifications with the gender specifications given.

The college has a robust appraisal system where exemplary performance is awarded through commendation letters and presents.

Sensitization workshops and seminars are internally held or officers sent outside the college.

### **Market place practice**

- The college had cohesion and values policy which stipulates how to undertake responsible competition with issues of anti-corruption, responsible political involvement, fair competition practice and respect for competitive.
- The college advertises for tenders in the national media. Has very competitive tendering process with affirmative sensitization on women, youth and persons with disabilities in prescribed tenders, the qualification of tenders goes through a transparent public process.
- Procurement is through LPOs or LSOs with detailed procurement qualities and demands.
- Payments of supplies are within the stipulated time upon delivery of quality goods.
- Advertises for jobs, vacancies and student's intake is done in the national media. Intake of students is a vigorous open process.

### **Corporate social responsibility/Community Engagements.**

The college has employees of semi-skilled areas from the local community. It also sources casual laborers from the same. This improves the lives of the local community.

### **Economy**

The college links with the local primary schools during practicum and teaching as a social responsibility.

## **X. REPORT OF THE COUNCIL/BOARD OF GOVERNORS**

This report is compiled by the Board of Management. Annexed is the audited financial statement of the year ended 30 June 2021, which shows the state of the Kamwenja Teachers College affairs.

### **Principal activities**

The principal activities of the B.O.M of Kamwenja Teachers College are:

- i) To oversee the training of competent high quality professional diploma primary school teachers.
- ii) To oversee the processes of motivation and capacity building of the human resources for effective and efficient management.
- iii) To oversee the development, maintenance the college infrastructure for improved service delivery in college.
- iv) To oversee the college financial management so as the college to achieve its financial obligations.

The above activities will enhance a conducive environment for working and learning.

### **Results**

- a) Academic results of the FY 2021-2022 were good.
- b) Farm production FY2021-2022 was good and records kept well
  - Milk, plus vegetables.

KAMWENJA TEACHERS COLLEGE  
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FOR THE YEAR ENDED 30 JUNE 2022

**Board of management**

The list of the B.O.M Members in the FY-2022 is as shown in another section above.

**Auditors**

The Auditor General is responsible for the statutory audit of the entity in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 to carry out the audit of the entity for the year/period ended June 30, 2021 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

**XI. STATEMENT OF BOARD OF GOVERNORS/ COUNCIL MEMBERS' RESPONSIBILITIES**

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

The B.O.M. 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 for and as at the end of the financial year (period) ended on 30 June 2022. This responsibility includes:

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the college;
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safeguarding the assets of the college;
- (v) Selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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

Nothing has come to the attention of the council members to indicate that the college will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

The college's financial statements were approved by the Board on \_\_\_\_\_ and signed on its behalf by:

Name.....*George Kamwenja*

Signature.....*[Signature]*

*[Signature]*  
Chairperson of the Board

Name.....*W. Wafu*

Signature.....*[Signature]*

Accounting Officer/Principal

# REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

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

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

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Kamwenja Teachers College set out on pages 1 to 28, which comprise the statement of financial position as at 30

June, 2022 and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion Section of my report, the financial statements present fairly, in all material respects, the financial position of Kamwenja Teachers College as at 30 June, 2022 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (IPSAS) and comply with the Public Finance Management Act, 2012

### **Basis for Qualified Opinion**

#### **Misclassification, Valuation and Disclosure of Biological Assets**

The statement of financial position reflects Kshs. 254,836,330 in respect to property, plant and equipment which includes Kshs. 1,580,000 in respect to biological misclassified under property, plant and equipment contrary to paragraph 6 of IPSAS 17. Further, a valuation report was not provided for audit review to show the basis of the values of biological assets disclosed. In addition, Management did not disclose the methods and significant assumptions applied in determining the fair value of each group of biological assets as required under paragraph 45 of IPSAS 27.

In the circumstances, the accuracy and completeness of Kshs. 254,836,330 in respect to property, plant and equipment could not be confirmed.

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects receipts budget and actual on comparable basis of Kshs. 50,735,999 and Kshs. 60,743,473 respectively resulting to revenue over-realization of Kshs. 10,007,474 or 20% of the budget.

The revenue over realization may be an indicator of unrealistic planning and budgeting.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. I have determined that there are no key audit matters to communicate in my report.

## **Other Information**

### **Conclusion**

The Management is responsible for the Other Information set out on page iii to xx, which comprise of Key Entity Information and Management, The Board of Governors, Key Management team, Chairman's statement, Report of the Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Report of the Board of Governors and Statement of Board of Governors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

### **Basis for Conclusion**

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

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

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matter 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**

#### **Unbalanced Budget**

The statement of comparison of budget and actual amounts reflects budgeted income of Kshs.50,735,999 against budgeted expenditure of Kshs.76,435,994 resulting to a budget deficit of Kshs.25,699,996. This is contrary to Regulation 33(c) of the Public Finance Management (National Government) Regulations, 2015 which states that 'unless provided otherwise in the Act, these Regulations or any other guidelines developed in furtherance of the Act or these Regulations, that at all times during budget formulation and approval it must be ensured that the budget shall be balanced.

In the circumstances, the management was in breach of the law

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

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

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

### **Responsibilities of the Management and those Charged with Governance**

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

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements

comply with the authorities which govern them and that public resources are applied in an effective way.

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 require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP 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**

**20 January, 2025**

**KAMWENJA TEACHERS COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
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**I. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022**

	Notes	2021-2022	
			Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the National Government—grants/ gifts in kind	6	21,701,393	
		<b>21,701,393</b>	
<b>Revenue from exchange transactions</b>			
Rendering of services- Payment from students	7	26,547,685	
Sale of goods	8	3,454,239	
Rental revenue from facilities and equipment	9	2,839,302	
Finance income-external investments	10	6,200,854	
<b>Revenue from exchange transactions</b>		<b>39,042,080</b>	
<b>Total revenue</b>		<b>60,743,473</b>	
<b>Expenses</b>			
Use of goods and services	11	35,664,835	
Employee costs	12	29,821,480	
Remuneration of Directors	13	802,500	
Repairs and maintenance	14	7,889,152	
Finance costs	15	932,528	
<b>Total expenses</b>		<b>75,110,495</b>	
<b>Net Surplus for the year</b>		<b>-14,367,022</b>	

The notes set out on pages 1 to 29 form an integral part of the Annual Financial Statements.

**KAMWENJA TEACHERS COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

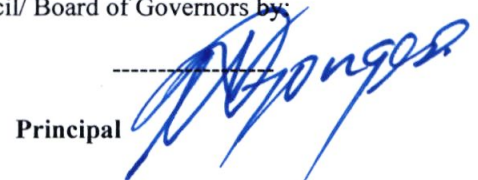
**II. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022**

	Notes	2021-2022	
		Kshs	
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	16	48,555,467	
Current portion of receivables from exchange transactions	17	792,380	
Inventories	18	1,136,990	
		<b>50,484,837</b>	
<b>Non-current assets</b>			
Property, plant and equipment	19	254,836,330	
Intangible assets	20	707,547	
		<b>255,543,877</b>	
<b>Total assets</b>		<b>306,028,714</b>	
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	22	254,479	
Refundable deposits from customers	23	8,000	
		<b>262,479</b>	
<b>Non-current liabilities</b>		0	
<b>Total liabilities</b>		<b>262,479</b>	
<b>Net assets</b>		<b>305,766,235</b>	
Reserves		0	
Net Surplus/Deficit		-14,367,022	
<b>Capital Fund</b>		<b>320,133,257</b>	
<b>Net assets</b>		<b>305,766,235</b>	

The Financial Statements set out on pages 2 were signed on behalf of the Institute Council/ Board of Governors by:

  
 \_\_\_\_\_  
 Chairman of Council/Board of Governors

  
 \_\_\_\_\_  
 Bursar

  
 \_\_\_\_\_  
 Principal

Date...13 Jan 2025

Date 13 Jan 2025

Date...13 Jan 2025

**KAMWENJA TEACHERS COLLEGE**  
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**III. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2022**

	Revaluation reserve	Accumulated Fund	Capital/Development Grants/Fund	Total
<b>At July 1, 2021</b>	-	-	<b>320,133,257</b>	<b>320,133,257</b>
Revaluation gain	-	-	-	-
Surplus/Deficit for the year	-	(14,367,022)	-	(14,367,022)
Capital/Development grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	-
<b>At June 30, 2022</b>	-	(14,367,022)	<b>320,133,257</b>	<b>305,766,235</b>
<b>At July 1, 2021</b>	-	-	<b>320,133,257</b>	<b>320,133,257</b>
Revaluation gain	-	-	-	-
Surplus/Deficit for the year	-	(14,367,022)	-	(14,367,022)
Capital/Development grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	--
<b>At June 30, 2022</b>	-	(14,367,022)	<b>320,133,257</b>	<b>305,766,235</b>

*Note:*

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

**KAMWENJA TEACHERS COLLEGE**  
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**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022**

**IV. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022**

		<b>2021-2022</b>	<b>20xx-20xx</b>
	Note	Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other Government entities/Govt. grants		21,701,393	
Rendering of services- Fees from students		25,899,447	
Sale of goods		3,454,239	
Rental revenue from facilities and equipment		2,839,302	
Finance income		6,200,854	
Prepayments		254,479	
Refundable deposits		8,000	
<b>Total Receipts</b>		<b>60,357,714</b>	
<b>Payments</b>			
Compensation of employees		29,821,480	
Use of goods and services		35,664,835	
Remuneration of directors		802,500	
Finance cost		932,528	
Repairs and maintenance		7,889,152	
<b>Total Payments</b>		<b>75,110,495</b>	
<b>Net cashflows from operating activities</b>		<b>(14,752,781)</b>	
Cash and cash equivalents at 1 JULY 2021	16	63,308,248	
<b>Cash and cash equivalents at 30 JUNE 2022</b>	16	<b>48,555,467</b>	

**KAMWENJA TEACHERS COLLEGE**  
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**V. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022**

	Originalbudget	Adjustments	Finalbudget	Actualon comparable basis	Performance difference	Utilisati on Difference
	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other Govt entities Govt grants	12,626,320	0	12,626,320	21,701,393	9,075,073	71.87
Renderingofservices- Fees from students	46,753,565	(20,954,786)	25,798,779	26,547,685	748,906	2.90
Saleofgoods	3,533,000	0	3,533,000	3,454,239	-78,761	2.23
Financeincome	3,200,000	3,300,000	6,500,000	6,200,854	-299,146	4.60
Revenue from facilities and equipment	777,900	1,500,000	2,277,900	2,839,302	561,402	24.65
<b>Totalincome</b>	<b>66,890,785</b>	<b>(16,154,786)</b>	<b>50,735,999</b>	<b>60,743,473</b>	<b>10,007,474</b>	
<b>Expenses</b>						
Compensationofemployees	18,996,148	13,210,000	32,206,148	29,821,480	-2,384,668	-7.40
Use of Goodsandservices	38,121,796	-4,146,550	33,975,246	35,664,835	1,689,589	4.97
Remuneration of Directors	900,000	0	900,000	802,500	-97,500	-10.8
Repairs and Maintenance	8,354,600	0	8,354,600	7,889,152	-465,448	-5.57
Financecosts	480,000	520,000	1,000,000	932,528	-67,472	-6.75
<b>Totalexpenditure</b>	<b>66,852,544</b>	<b>9,583,450</b>	<b>76,435,994</b>	<b>75,110,495</b>	<b>-1,325,499</b>	
<b>Surplusfortheperiod</b>	<b>38,241</b>	<b>-25,738,236</b>	<b>-25,699,995</b>	<b>-14,367,022</b>	<b>11,332,973</b>	

**Budget notes**

1. *The difference between the actual and budgeted income was because we received more government grant than budgeted for the year because the government sent the third and fourth quarter grants for 2020/2021 in July 2022. Also we received more from hire of college facilities to visitors for workshops.*
2. *The budget was revised because the college received fewer students than we initially expected, due to the increase in admission grades and therefore the income and expenditure reduced with reduced number of students.*

**KAMWENJA TEACHERS COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**VI. NOTES TO THE FINANCIAL STATEMENTS**

**1. GENERAL INFORMATION**

Kamwenja Teachers' College is established by and derives its authority and accountability from Education Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is teaching.

**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

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

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

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, and International Public Sector Accounting Standards (IPSAS).

**KAMWENJA TEACHERS COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**3. ADOPTION OF NEW AND REVISED STANDARDS**

**i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2021.**

Standard	Impact
Other Improvements to IPSAS	<p><b>Applicable: 1<sup>st</sup> January 2021:</b></p> <p>a) 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>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment.            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>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets.            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>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs).            Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.</p>

**KAMWENJA TEACHERS COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021.**

<b>Standard</b>	<b>Effective date and impact:</b>
<b>IPSAS 41:</b> Financial Instruments	<p><b>Applicable: 1<sup>st</sup> January 2023:</b>  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"> <li>•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;</li> <li>•Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>•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.</li> </ul>
<b>IPSAS 42:</b> Social Benefits	<p><b>Applicable: 1<sup>st</sup> January 2023</b>  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"> <li>(a) The nature of such social benefits provided by the entity;</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> <li>(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.</li> </ul>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p><b>Applicable: 1st January 2023:</b></p> <ul style="list-style-type: none"> <li>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</li> <li>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</li> <li>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</li> <li>d) 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.</li> </ul>

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**iii. Early adoption of standards**

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

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Transfers from other government entities**

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

**ii) Revenue from exchange transactions**

**Rendering of services**

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

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

**Sale of goods**

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

**Interest income**

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

**Dividends**

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

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**a) Revenue recognition (Continued)**

**ii) Revenue from exchange transactions (continued)**

**Rental income**

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

**b) Budget information**

The original budget for FY 2021/2022 was approved by the Board of Management on 22<sup>nd</sup> October 2021. Subsequent revisions were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional re-appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded re-appropriations of (25,738,236) on the FY 2021/2022 budget following the Board's approval.

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented in page 4 of these financial statements.

**c) Taxes**

***Current income tax***

The entity is exempt from paying taxes

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Taxes (continued)**

*Sales tax/ Value Added Tax*

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

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

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

**d) Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of years.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use.

**e) Property, plant and equipment**

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

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**f) Leases**

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

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

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

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

**g) Intangible assets**

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

**h) Research and development costs**

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**i) Financial instruments**

*Financial assets*

*Initial recognition and measurement*

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

*Loans and receivables*

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

*Held-to-maturity*

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

*Impairment of financial assets*

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

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**i) Financial instruments (Continued)**

*Financial assets (Continued)*

*Impairment of financial assets (Continued)*

- The debtors or an 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 IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity 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.

**i) Inventories**

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**i) Inventories (Continued)**

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

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

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

**j) Provisions**

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

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

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

***Contingent liabilities***

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

***Contingent assets***

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Nature and purpose of reserves

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

l) Changes in accounting policies and estimates

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

m) Employee benefits

**Retirement benefit plans**

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

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

n) Foreign currency transactions

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

o) 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)**

**p) Related parties**

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

**q) Service concession arrangements**

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

**r) Cash and cash equivalents**

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

**s) Comparative figures**

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

**t) Subsequent events**

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

**5. SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY**

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

**Estimates and assumptions**

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

**Useful lives and residual values**

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

- The condition of the asset based on the assessment of experts employed by the Entity
- 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

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**6. TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES**

Description	2021-2022	
	KShs	
<b>Unconditional grants</b>		
Capitation grants	21,701,393.00	
Operational grant	0	
Other grants	0	
	<b>21,701,393.00</b>	
<b>Conditional grants</b>	0	
<b>Total government grants and subsidies</b>	<b>21,701,393.00</b>	

**7. RENDERING OF SERVICES**

The college collects income in form of payments from student as follows:

Description	2021-2022(Ksh)	
Bad debts recovered	18,690	
Boarding Equipment and Stores	7,223,987	
R. M. I/ Rehabilitation	1,576,789	
Personal Emoluments	1,439,583	
Cutlery	120,400	
Local Transport and Travelling	933,500	
Medical	179,550	
Motor Vehicle Repairs /Replacement	1,201,000	
Contingencies	670,290	
Electricity Water and Conservancy	1,187,325	
Registration	60,200	
Student ID cards	93,350	
Teaching Equipment and Stores	1,271,895	
Activity	681,735	
Gratuity	417,500	
Teaching Practicum	750,620	
Student Council/Governance	149,820	
Track suit	708,000	
Clubs & Environmental subsidy	330,600	
Games & Sports Equipment	354,000	
Library books	209,500	
Set book shows	47,200	
College Magazines	35,400	
Students guide book	60,200	
TP Lesson plan books	361,200	
Covid 19 Response	483,000	

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Bank Charges	75,500	
Computer Fund	1,083,750	
Exam	4,691,161	
Tuition ac	21,500	
Music	55,900	
Art	23,100	
Printing Charges	26,000	
Library fee	5,440	
<b>Total revenue from rendering of services</b>	<b>26,547,685</b>	

**8. SALE OF GOODS**

The income generating projects for the college are the farm and bakery which produce milk, vegetables and bread and sell to the college as follows:

Description	2021-2022	
	KShs	
<b>Sale of goods</b>		
Sale of farm produce	3,009,949	
Bakery	444,290	
<b>Total revenue from the sale of goods</b>	<b>3,454,239</b>	

**9. RENTAL REVENUE FROM FACILITIES AND EQUIPMENT**

The college hires its facilities to outsiders for workshops and conferences and also has some houses that are rented to staff

Description	2021-2022	
	KShs	
Hire of facilities and equipment		
Hire of facilities, vehicles and house rent income	2,839,302	
<b>Total</b>	<b>2,839,302</b>	

**10. FINANCE INCOME – EXTERNAL INVESTMENTS**

The college had fixed part of its money in the bank to earn interest as an income generating activity

Description	2021-2022	
	KShs	
Cash investments and fixed deposits	6,200,854	
<b>Total finance income</b>	<b>6,200,854</b>	

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**11. USE OF GOODS AND SERVICES**

Description	2021-2022(ksh.)	
Local Transport and Travelling	2,631,574	
Medical	141,511	
Contingencies	1,465,254	
Electricity Water and Conservancy	2,634,763	
Insurance	1,173,502	
Registration	16,995	
Student ID cards	25,500	
Tender	49,875	
Boarding Equipment and Stores	8,458,369	
Teaching Equipment and Stores	1,081,551	
Uniform	148,600	
Activity	1,600,445	
Cutlery	77,310	
Teaching Practicum	149,345	
Student Council/Governance	140,466	
Track suit	679,500	
Clubs & Environmental subsidy	89,246	
Games & Sports Equipment	287,020	
Students guide book	1,300	
TP Lesson plan books	373,350	
Covid 19 Response	237,100	
Bank Charges	90,593	
Computer Fund	4,213,522	
Project Account	11,500	
Exam	2,910,199	
Tuition ac	172,319	
Graduation/Gown	462,038	
Music	53,750	
Farm	2,387,114	
Hire of facility	1,575,781	
Contingencies	36,645	
Bakery	474,638	
Security	1,781,760	
NITA	32,400	
<b>Total goods and services</b>	<b>35,664,835</b>	

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**12. EMPLOYEE COSTS**

	2021-2022	
	KShs	
Salaries and wages	10,417,228	
Employee related costs-contributions to pensions and medical aids	14,754,450	
Travel, motor car, accommodation, subsistence and other allowances	1,717,467	
Housing benefits and allowances	2,074,378	
Leave allowances	187,000	
Risk and extraneous allowances	79,500	
Social contributions	591,457	
<b>Employee costs</b>	<b>29,821,480</b>	

**13. Board/Council Expenses**

Description	2021-2022	
	KShs	
Chairman's Honoraria	0	
Directors Emoluments	0	
Travel and sitting allowances	802,500	
Other Board/Council Expenses	0	
<b>Total</b>	<b>802,500</b>	

**14. REPAIRS AND MAINTENANCE**

Description	2021-2022	/
	KShs	
Staff houses	269,258	
Equipment and machinery	6,637,555	
Vehicles	982,339	
<b>Total repairs and maintenance</b>	<b>7,889,152</b>	

**15. FINANCE COSTS**

Description	2021-2022	/
	KShs	
Fixed Deposit Account Charges	932,528	
<b>Total</b>	<b>932,528</b>	

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**16. CASH AND CASH EQUIVALENTS**

Description	2021-2022
	KShs
Current account	47,777,670
Cash in hand	777,797
<b>Total cash and cash equivalents</b>	<b>48,555,467</b>

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

**16(a). DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS**

Financial institution	Account number	2021-2022
		KShs
<b>a) Current account</b>		
ABSA bank ac	0301057709	43,927,455
ABSA bank ac	2041058490	3,850,215
<b>Sub- total</b>		<b>47,777,670</b>
cash in hand		
Cash in Hand- Main Account		377,125
Cash in Hand- Farm Account		400,672
<b>Sub- total</b>		<b>777,797</b>
<b>Grand total</b>		<b>48,555,467</b>

**17. RECEIVABLES FROM EXCHANGE TRANSACTIONS**

**Current Receivables from Exchange Transactions**

Description	2021-2022
	KShs
<b>Current receivables</b>	
Student debtors	258,510
Previous years' debtors	533,870
<b>Total current receivables</b>	<b>792,380</b>

**18. INVENTORIES**

Description	2021-2022
	KShs
Consumable stores	40,465
Farm	168,300
Cleaning materials stores	33,910
Catering stores	894,315
<b>Total inventories</b>	<b>1,136,990</b>

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**19. PROPERTY, PLANT AND EQUIPMENT**

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers	Biological Assets	Plant and equipment	Total
Cost	Shs	Shs	Shs	Shs	Shs	Shs	Shs
At 1 July 2021	213,346,000	20,555,000	8,391,389	2,132,445	1,580,000	5,007,201	251,012,035
Additions	0	0	613,785	2,440,960	0	769,550	3,824,295
Disposals	0	0	-	-	0	-	-
Transfers/adjustments	0	0	0	0	0	-	-
<b>At 30<sup>th</sup> June 2022</b>	<b>213,346,000</b>	<b>20,555,000</b>	<b>9,005,174</b>	<b>4,573,405</b>	<b>1,580,000</b>	<b>5,776,751</b>	<b>254,836,330</b>
<b>Depreciation and impairment</b>							
At 1 July 2021	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-	-	-
<b>At 30<sup>th</sup> June 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NBV At 30<sup>th</sup> June 2022</b>	<b>213,346,000</b>	<b>20,555,000</b>	<b>9,005,174</b>	<b>4,573,405</b>	<b>1,580,000</b>	<b>5,776,751</b>	<b>254,836,330</b>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**20. INTANGIBLE ASSETS-SOFTWARE**

Description	2021-2022	
	KShs	
<b>Cost</b>		
<b>At beginning of the year</b>	332,538	
Additions	499,870	
<b>At end of the year</b>	<b>832,408</b>	
Additions-internal development	0	
<b>At end of the year</b>	<b>832,408</b>	
<b>Amortization and impairment</b>		
<b>At beginning of the year</b>	0	
Amortization	124,861	
<b>At end of the year</b>	<b>124,861</b>	
<b>NBV</b>	<b>707,547</b>	

**21. BIOLOGICAL ASSETS – see note 19**

	2021-2022	
	KShs	
Livestock	1,330,000	
Coffee	250,000	
<b>Total</b>	<b>1,580,000</b>	

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**22. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS**

Description	2021-2022	
	KShs	
Fees paid in advance	254,479	
<b>Total trade and other payables</b>	<b>254,479</b>	

**23. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS**

Description	2021-2022	
	KShs	
Refundable deposits	8000	
<b>Total trade and other payables</b>	<b>8,000</b>	

**24. EMPLOYEE BENEFIT OBLIGATIONS**

**Retirement benefit Asset/ Liability**

The entity operates a defined benefit scheme for all full-time employees from January 1, 2022

The entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. 2,160 per employee per month. Other than NSSF the entity also has a defined contribution scheme operated by Co-op Trust Retirement Benefit Scheme. The employer contributes 100% of one month's basic salary per year. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

**25. RELATED PARTY BALANCES**

**Nature of related party relationships**

Entities and other parties related to the entity include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

**Government of Kenya**

The institution is owned by the Government of Kenya. Other related parties include:

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

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The transactions and balances with related parties during the year are as

	2021-2022	
	Kshs	
<b>Transactions with related parties</b>		
<b>a) Sales to related parties</b>	-	
<b>Total</b>	-	
<b>b) Purchases from related parties</b>		
Purchases of electricity from KPLC	1,523,668	
Purchase of water from govt service providers	136,333	
Training and conference fees paid to govt. agencies	32,400	
<b>Total</b>	<b>1,692,401</b>	
<b>b) Grants /Transfers from the Government</b>		
Grants from National Govt	21,701,393	
<b>Total</b>	<b>21,701,393</b>	

**26. EVENTS AFTER THE REPORTING PERIOD**

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

**27. ULTIMATE AND HOLDING ENTITY**

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

**28. CURRENCY**

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

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**APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
MOE/DSAS/S 3/53	Enhance fees debtors recovery	Fees debtors are students who dropped their courses and should be written off; to seek approval from the Ministry	Not resolved	
MOE/DSAS/S 3/53	Close caution money account because the levy was abolished by the government	BOM authorized, to seek approval from the Ministry	Not resolved	
MOE/DSAS/S 3/53	Strictly adhere to government circulars and avoid deficit balances	Government circulars are followed, and deficit arose because of the low number of students admission and the increase in market price of commodities	Resolved	

**Guidance Notes:**

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.

Accounting Officer

MR. WYCLIFFE WAFULA

Signature:

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Date:

**APPENDIX 2: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Name of the MDA/Donor Transferring the funds	Date received	Nature: Recurrent/Development/Others	Total Amount - KES	Statement of Financial Performance
	as per bank statement			
Ministry of Education	6/7/2021	Recurrent	6,188,160	6,188,160
Ministry of Education	13/10/2021	Recurrent	3,769,234	3,769,234
Ministry of Education	12/01/2022	Recurrent	4,473,268	4,473,268
Ministry of Education	16/05/2022	Recurrent	3,663,737	3,663,737
Ministry of Education	17/06/2022	Recurrent	3,606,994	3,606,994
<b>Total Transfers during the Year</b>			<b>21,701,393</b>	<b>21,701,393</b>