

REPUBLIC OF KENYA



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REPORT

DATE: 30 APR 2025

DAY.
KED

TABLED
BY:

Hon George Mungara
MP

OF

CLERK-AT
THE-TABLE:

P. Muiga

THE AUDITOR-GENERAL

ON

MACHAKOS TEACHERS COLLEGE

FOR THE YEAR ENDED

30 JUNE, 2023



Machakos Teachers College

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2023

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

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1. Acronyms & Glossary of Terms

MATECO	Machakos Teachers College
BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTC	Teacher Training College
ISO	International Organization for Standardization
ICT	Information Communication Technology
KMTC	Kenya Medical Training College
ECDE	Early Child Development Education
DR	Doctorate
PROF.	Professor
JKIA	Jomo Kenyatta International Airport
PHD	Doctor in Philosophy
BBA	Bachelor in Business Administration
MBA	Masters of Business Administration
MOE	Ministry of Education
TSC	Teachers Service Commission
KICD	Kenya Institute of Curriculum Development
KNEC	Kenya National Examination Council
PC	Performance Contract
CPA	Certified Public Accountant
CPA (K)	Certified Public Accountant of Kenya
JSS	Junior Secondary School

1. KEY INFORMATION AND MANAGEMENT

(a) Background information

Machakos Teachers College (MATECO) was established on 4th March, 1958 to train female teachers. In 1965, the college was made a Co-educational Institution and started offering P1 and P2 courses. From then on it continued to train P1 teachers' up to December 2020. From June 2021, the College has been offering Diploma in Primary Teacher Education (DPTE) and Diploma in Early Childhood Teacher Education (DECTE) training. Over the years, admission of teacher trainees was conducted by the Ministry of Education. However, from 2022, admission of trainees has been through the Kenya Universities and Colleges Central Placement Services (KUCCPS).

MATECO is located in Lower Kiandani Location of Machakos Sub County in Machakos County along Miwani College road.

The College is registered as a Diploma Teacher Training Institution under the Ministry of Education, State Department of Early Learning and Basic Education.

MATECO is a unique institution that it trains teacher trainees with special needs such Hearing Impaired (H. I.), Visual Impaired (V. I.) and Physical Impaired (P. I.) in an inclusive setting.

At the moment, the college has a 40 Teaching staff, 46 Non-Teaching staff and a students' population of 464. The College has the capacity to host 1080 teacher trainees.

Machakos Teachers College is ISO 9001: 2015 certified - by Kenya Bureau of Standards (KEBS). The college was first certified in 2013 using ISO 9001:2008. ISO certification has enhanced customer focus by helping in timely, efficient and effective service delivery to all our customers.

The College has embraced Performance Contracting for the last seventeen years. This has enhanced effective utilization of resources, timely service delivery and prudent management. Consequently it has enabled the College to successfully deliver on her mandate.

The College sits on a land parcel of approximately 74.26 Acres which allows for expansion. There is one borehole which supply water for use by the college community. However, water from the borehole is salty and inadequate.

The College is managed by a Board of Management, appointed by the Cabinet Secretary, Ministry of Education as stipulated in the Basic Education Act No. 14 of 2013. However, the day-to-day management of the College activities is undertaken by the Principal who is appointed by Teachers Service Commission.

(b) Principal Activities

MATECO's mandate, as established under The Constitution of Kenya, The Basic Education Act No. 14 of 2013, the Education Act Cap 211 of 2012, legal notice no. 14 of 2013 laws of Kenya, TSC Act No. 20 of 2012, which include training Basic Education primary College teachers, development in the teacher the ability to communicate and collaborate effectively. And Offering Basic Primary Teacher Education.

(c) Strategy Map

VISION

A Centre of excellence in teacher education and human resource development

MISSION

To train quality Basic Education Teachers and offer human resource skills, knowledge and attitudes responsive to the challenges of a dynamic society

KEY RESULTS

Training of quality Basic Education teachers

Wellness and Personality development

Talent development

Institutional capacity

CORE VALUES

Professionalism; Creativity and Innovation; Integrity; Gender Equity and Inclusivity; Teamwork

(d) Core Functions

According to the Institution's mandate, the core functions are: -

- i). To train Primary and Early Childhood school teachers.
- ii). Develop in the teacher the ability to communicate and collaborate effectively.
- iii). Provide Primary and Early Childhood teacher education that equips teachers with the following competencies and values:-
 - a) Critical thinking and problem solving skills.
 - b) Creativity and imagination.
 - c) Communication skills.
 - d) Citizenship and Patriotism.
 - e) Digital literacy.
 - f) Self-efficacy.
 - g) Learning to learn.
 - h) Moral and religious values
- iv). Develop awareness of good human relationship and international consciousness.
- v). Foster in the teacher an appreciation and respect for our rich and varied cultural heritage.
- vi). Develop in the teacher awareness and appreciation for good health and environmental conservation

(e) Key Management

MATECO is managed in accordance with the Constitution of Kenya, The Basic Education Act No. 14 of 2013, the Education Act Cap 211 of 2012, legal notice no. 14 of 2013 laws of Kenya, TSC Act No. 20 of 2012. The Institution is managed by the Board of Management appointed by the Cabinet Secretary (C. S.) in charge of Education. The board of management is responsible for the supervision of teachers, supervision of curriculum implementation and provision of teaching and learning resources, infrastructural development, promotion and facilitating of co-curriculum activities, creation of conducive and secured teaching and learning environment, facilitation of capacity building for human resource and improving safety of resources. The major management offices are:-

- (i) Board of Management (BoM).
- (ii) Principal, the Accounting Officer and Secretary to the BoM.

- (iii) Deputy Principal.
- (iv) Dean of Students.
- (v) Dean of Curriculum.
- (vi) Head of Departments.
- (vii) Heads of Subjects.
- (viii) Heads of Sections.

(f) Fiduciary Management

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

No.	Designation	Name
1.	Chairman of the BoM	Prof Francis Mathooko
2.	Principal	Joyce Mabwai
3.	Deputy Principal	Mutia Waema
4.	Dean of Students	Dr. Muema Elizabeth
5.	Dean of Curriculum	Serah Mwirigi
6.	Head of Finance	CPA Justin Mwairirie Kariuki
7.	Head of Procurement	Harrison Mutiso
8.	PC Coordinator	Titus Kituka
9.	ISO Quality Manager	Joshua Mutie
10.	ICT Coordinator	Douglas Matolo

(g) Fiduciary Oversight Arrangement

1. Board of Management

- a. The BoM shall monitor the financial status of the college and implementation of the college programmes and projects.
- b. Receive reports from the Principal that informs effective management of the College Human Resource.

2. Finance, procurement and General Purpose Committee of the Board

The committee exercise powers of the Board of Management including financial and procurement matters. The role of the committee shall be to monitor financial status on behalf of the Board of management.

3. Academic & Welfare Committee of the Board

The academic committee is entrusted with the responsibility of:

- a. Monitoring the implementation of the Curriculum.
- b. To ensure learners are subjected to assessment as provided by Kenya National Examination Council.
- c. To address staff and teacher trainees welfare matters.

4. Senior Management Committee

The main duty and responsibility of Senior Management is to:

- a. Implement the board of management strategic decisions
- b. To provide leadership in communicating Machakos teachers College vision, mission and values and ensure their effective and consistent achievement.
- c. Be accountable for effective implementation of the Curriculum and development projects
- d. Make recommendations to the Board on the implementation and achievement of the Board of management Strategic framework.

5. Audit and Risk Management Committee

- a. To review and provide oversight on governance initiatives of the Board.
- b. Review and provide oversight on the College internal control framework.
- c. Review and provide oversight on establishment, implementation, maintenance and effectiveness of risk assessment, risk management and risk reporting practices.
- d. Audit the College systems.

6. Government Oversight Activities

The Government of Kenya Provide oversight role by providing the regulatory framework. Audit of College activities is done internally by the Directorate of Audit of the Ministry of Education. Audit is also undertaken by the Office of Auditor General.

(h) Other Key Details

(a) MATECO Headquarters

Machakos Teachers College
P.O. Box 124-90100
Machakos Teachers College
Miwani-College Road
Machakos, KENYA

(b) MATECO Contacts

Telephone: (254) 700393590, (254) 735360330
E-mail: machakosteacherscollege@rocketmail.com
Website: www.mateco.ac.ke

(c) MATECO Bankers

Kenya Commercial Bank
Machakos Branch
Fund Account 1107139120
Project Account 1106322991
Main Account 1106308166
Savings Account 1104105217

(d) Independent Auditors






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

(e) Principal Legal Adviser

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





2. BOARD OF MANAGEMENT

No.	Member	Title	Photograph	Age	Qualification	Independent/ Executive Member	Current Occupation
1.	Prof Francis Mathooko	Chairperson		56	PhD	Independent	Professor at Machakos University
2.	Dr. Joyce M. Mutinda	Deputy Chairperson		65	PhD	Independent	Chairperson of National Gender and Equality Commission.
3.	Mr. James Mwisa	Member		63	Higher National Diploma in Histopathology	Independent	Senior Lecturer KMTTC Machakos
4.	Mrs. Benedicter N. Musau	Member		60	Diploma in ECDE	Independent	Business Woman
5.	Architect Petrovic Muthusi	Member		54	Bachelor of Architecture	Independent	Private Practice.






No.	Member	Title	Photograph	Age	Qualification	Independent	Current Occupation
6.	Mrs. Ruth Kalee	Member		53	Master of Common Health	Independent	Working at JKIA Nairobi
7.	Dr. Beatrice Nzou	Member		53	PhD Master of Counselling Psychology	Independent	Mediator Counsellor
8.	Prof David Musyoki	Member		51	PhD Associate Professor	Independent	Associate prof of Educational Administration
9.	Mr George M, Mang'oka	Member		48	Master in Business Administration	Independent	Senior IT Projects Manager
10.	Mr. Joelex M. Orora	Member		66	Masters in BA(MBA),B. Com (Accounting & Auditing)	Independent	Businessman

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11.	Ms Sarah Munyao Ndonye	Member			Development Communicati on	Independent	Lecturer at Daystar University
No.	Member	Title	Photograph	Age	Qualification	Independent	Current Occupation
12.	Mr. Cosmas Mululu	Member		53	MA Project Planning Management	Independent	Ag Director State Department for Planning
13.	Dr. Annastacia Musembi	Member		49	PhD	Independent	Lecturer
14.	Mrs Mabwai Joyce	Secretary BoM		55	Master of Education, Bachelor of Education,	Independent	Lecturer

3. KEY MANAGEMENT TEAM

No	Member/ Director	Prof/Academic Qualification	Main area of Responsibility	Passport size photo
1.	Mrs Joyce Mabwai	Master of Education, Bachelor of Education, Diploma – School Leadership and Administration	Principal. Lead person in implementation of the College strategic activities to ensure the college delivers on its mandate. Motivates and develops the College staff highest standards of performance and customer service	
2.	Mr Waema Mutia	Bachelor of Education (Arts)	Deputy Principal. Work in liaison with the principal in implementing the BoM strategic decisions, in charge of students discipline	
3.	Mrs Sarah Mwirigi	Master of Education, M.ED Education	Dean of Curriculum. In charge of implementation of the core functions of the College	
4.	Dr. Muema Elizabeth	PHD of Educational Psychology, M.ED Education	Dean of Students. In charge of students welfare and students governance, ensure and make recommendations for provision of conducive environment for teacher trainees	
5.	CPA Justin Kariuki	BBA/CPA (K)	Administering routine financial functions ensuring all works is carried out in accordance with established procedures and systems.	

4. CHAIRMAN'S STATEMENT



The Board of Management of Machakos Teachers College has been very active during the year under review in managing the affairs of the College. I am glad to report that Financial Year 2022/2023, operations in the College went on successfully. As Teacher Training Colleges transited from offering Certificate to Diploma in Teacher Education, I am happy to report that Machakos Teachers College has fully embraced the Competency Based Teacher Education Curriculum.

Most activities planned for the year were accomplished thus enabling the College to deliver on her mandate. However, we recognize the existing challenges including inadequate learning facilities, lack of course books, low internet connectivity as well as understaffing in key learning areas.

The Board of Management being cognizant of the importance of provision of a conducive environment for learning and the need to secure the College, facilitated completion of upgrading of four hostels by partitioning into cubicles and constructing of phase three (3) of stone perimeter boundary wall.

While F/Y 2022/2023 was not a record year in terms of financial performance, due to the high cost of living compounded by the low enrolment, the College took a deliberate path to manage costs and improve efficiency. In addition to students' fees, which is the main source of income, the College explored other sources of income such as hosting of workshops and seminars which earned the College Kshs, 13,708,310.00 and fixing of funds whose interest earned the College Kshs 678,352.40.

The College fully acknowledges the importance and role Information Communication Technology plays in enhancing service delivery. To enable lecturers and teacher trainees to integrate ICT in teaching and learning, the College has prioritized procurement of additional ICT equipment. However, the equipment and the network available is still inadequate. To this end the College continues to seek assistance from willing partners to make E-learning and digitalization of service delivery a reality. In this regard, I wish to express my gratitude to

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Safaricom Foundation for rehabilitating to ICT Laboratories in the College in FY 2022/2023. The Project is 95% complete and is due for commissioning. In addition, the College received a donation of a braille embosser and two adapted laptops from ICT authority. This will ensure that efficient service delivery to students in learning.

The 2021-2026 College Strategic plan developed and officially launched on 18th February, 2022. Enables the College to priorities for this coming year and of course for the years beyond. The focus will be on improvement of learning and training environment by upgrading existing facilities, provision of equipment and developing additional physical facilities. As a board, we endeavor to continually put in place governance systems to ensure that we not only comply with Public Finance Management Act of 2012 but also engage in strategic leadership to enable the College achieve a good corporate status.

On behalf of the Board of Management, I wish to thank the Ministry of Education, the National Treasury, and other partners for their support without which our achievements would not have been realized.

Signed by:

Prof. Francis Mathooko



.....
Chairman Board of Management

Date: 31.12.2024

5. REPORT OF THE CHIEF PRINCIPAL



I take this opportunity to present the College's Annual report and financial statements for the financial year 2022/2023. The report focuses on the College's strategic intent as outlined in the College Strategic Plan which includes improvement in physical facilities, delivery of the Core mandate, and prudent financial management.

However, in spite of inadequate resources, the College was able to deliver on its mandate of training quality engaged, empowered and ethical teachers for basic education.

To develop an Institution with excellence in teaching and training, among other education service, Machakos Teachers College aims at investing in all areas that facilitates learning and training with emphasis on technology. To achieve this, we commit to continue to collaborate with a number of agencies both public and private sector in our endeavor to grow the Institution.

The College, is the only teacher training institution that admits three categories of Special Needs learners, visually impaired, Hearing Impaired and physically challenged. In spite of inadequate funding from the government for provision of services for teacher trainees with special needs, the Board of Management has prioritized projects that aims at making the environment conducive and friendlier to such learners. In the year under review, pavements and ramps were constructed to ease movement within the College.

Some of the achievements of the College include:-

- i). Successful implementation of Competency Based Curriculum
- ii). Successful evaluation of Curriculum implementation by KNEC through School Based Assessment (SBA).
- iii). Enhanced integration of ICT in teaching and learning.
- iv). Provision of Internet in tuition area.
- v). Renovation of students' four hostels by partitioning into cubicles.
- vi). Construction of College Boundary wall phase three(3)
- vii). Prompt Payment of non-teaching staff salaries, despite low students' enrolment.
- viii). Timely remittance of statutory deductions.
- ix). Enhanced Community Service learning.

These achievements has been made possible due to the Strategic leadership of the Board of Management that has discharged its mandate as per the Basic Education Act No. 14 of 2013. Technology is a key tool in enabling teaching and learning. Whereas, the College has embraced ICT in facilitating learning, the internet connectivity in the College is not stable. Although, the need for continuous upgrade, enhancement of the Local area network and procurement of the College Integrated system, are expensive undertakings, subject to availability of funds, the College will priorities on this area. I am happy to report that the College facilitated e-assessments of teacher trainees by Kenya National Examination Council.

The transition of the College to Diploma in Primary Teacher Education from Certificate in Primary Teacher Education requires continuous retraining of lecturers, fresher courses for non-teaching staff and upgrading of Physical facilities. The College is optimistic that the Government through the MOE will provide funding these programmes.

The new financial reporting system has also presented its challenges. Hence the Senior Management and Finance Staff require further training. The College is yet to acquire an Integrated Management System and therefore the reports are prepared manually. The BoM plans to procure an integrated College Management System in the next financial year.

This Annual Report provides an authentic assessment of how the College delivered on its mandate and a consolidated financial and non-financial data for our stakeholders.

Signed By:

Joyce Mabwai



.....
Chief Principal

Date: 31-12-2024

6. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED

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

Machakos Teachers College has five strategic pillars and objectives within current Strategic Plan for the FY 2021- FY 2026. These strategic pillars are as follows:

- i. Provide teacher education and training programmes
- ii. Diversify financial sources and ensure efficient utilization of resources
- iii. Enhance effective management and administration of the College
- iv. Develop and enhance College infrastructure and facilities on suitable and needs basis
- v. Strengthen Capacity building on Professional skills and emerging issues.

Machakos Teachers College has 5 strategic goals within the current strategic plan for the year 2021- 2026. These strategic goals are as follows:

Strategic Goal 1: Provide teacher education and training programmes.

Strategic Goal 2: Diversify financial sources and ensure efficient utilization of resources.

Strategic Goal 3: Enhance effective management and administration of the College.

Strategic Goal 4: Develop and enhance College infrastructure and facilities on suitable and needs basis.

Strategic Goal 5: Strengthen Capacity Building on Professional skills and emerging issues.

The College develops its annual work plans based on the above 5 strategic goals. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The College achieved its financial performance targets set for the FY 2021/2022 period for its 5 Strategic Goals as indicated in the diagram below.

Strategic Goal	Objectives	Key Performance Indicators	Activities	Targets	Achievements
Strategic Goal 1	I. To increase enrolment.	Number	I. Offering quality academic programmes.	470	466
	II. To increase transition rate.	%	I. Strengthen Guidance and Counselling to minimize non-completion of the course. II. Adequate provision of resources to enhance performance.	100	99

	III. To ensure 100% Curriculum Design coverage.	%	I. Attendance of class by Teaching Staff to ensure timely completion of the Curriculum Design.	100	98
	IV. Improve percentage pass in summative results.	Number	I. Adequate preparation of candidates.	4.7	4.4166
Strategic Goal 2	I. To ensure efficiency in resource utilization.	%	I. Develop effective College controls system and stores. II. Sensitize the college on cost cutting measures and manage resources using schedules. III. Use of efficient Procurement Process. IV. Use of resource schedules and issuance of goods register.	100	96
	II. Develop viable financial income generating projects.	Number	I. Hosting of workshops and seminars.	5	7
Strategic Goal 3	I. Ensure professionalism, transparency, integrity among Staff in performance of duties.	%	I. Implement Quality Management System. (QMS). II. Form performance Indicator Committees.	100	96

			III. Attendance of Workshops.		
Strategic Goal 4 Develop and enhance College infrastructure and facilities on suitable and needs basis.	I. To ensure rehabilitation of the infrastructure in the College.	Number	Construction of Stone perimeter wall – Phase III Construction of Stone Perimeter wall -Phase IV	2	2
	II. Construction of water reservoir	Number	II. To construct galvanized elevated water tank.	1	1
	III. To increase capacity to transport Staff and students during Practicum	Number	III. To procure a High roof, Wide Long Body Micro Bus 16-seater.	1	1
Strategic Goal 5 Strengthen Capacity Building on Professional skills and emerging issues.	I. Implementation of the Service Delivery Charter.	Number	I. Review and display the Service Delivery Charter at the Administration Block and main gate in English and Kiswahili.	3	3
	II. Competence Development	%	I. Carry out Staff training needs assessment, execute interventions to address the identified skill gaps. II. Training of needs through external facilitation, coaching and mentoring.	100	100
	III. Gender	%	Implement	100	100

	Mainstreaming		gender Mainstreaming policy, plans and programs. Set up and operationalize a Gender Management System.		
	IV. Disability Mainstreaming.	%	Implement Disability Mainstreaming policy, plans and programs. Submit reports to NCPWD.	100	100

7. CORPORATE GOVERNANCE STATEMENT

The College affirms that good corporate governance is key to any Institution of learning. The College commits to ensure that there is compliance with the legal and statutory requirements. It also commits to meet the set deadlines.

1. On behalf of the Cabinet Secretary, Ministry of Education., the College is managed by the Board of Management comprising of fourteen (14) Members. The Board assumed office in March, 2021.
2. The process of appointment and mandate of the Board of Management is clearly outlined in CAPS 14 of the Basic Education Act of 2013

a) Appointment of Board of Management Members.

The members of the Board of Management are appointed by the Cabinet Secretary, Ministry of Education following recommendations of the Nomination Committee. The Board comprises of fourteen (14) members and serves for three (3) years.

(b) Composition of Board of Management.

The Board of Management established under section 55 of the Basic Education Act consists of the following members appointed by the County Education Board:

- i). Six persons elected to represent local community.
- ii). One person nominated by the County Education Board.
- iii). One representative of the teaching staff in the school elected by the teachers.
- iv). Three representatives of the sponsors of the school.
- v). One person to represent special interest groups in the community.
- vi). One person to represent persons with special needs.
- vii). A representative of the students' council who shall be an ex officio member.

(c) Roles and functions of the Board of Management.

As stipulated in The Basic Education Act No. 14 of 2013, Section 59, the functions of the Board of Management shall be to:-

- i). Promote the best interest of the Institution and ensure its development.
- ii). Promote quality education for all pupils in accordance with the standards set under this Act or any other written law.
- iii). Ensure and assure the provision of proper and adequate physical facilities for the Institution.
- iv). Manage the Institution's affairs in accordance with the rules and regulations governing the occupational safety and health.
- v). Advise the County Education Board on the staffing needs of the Institution.
- vi). Determine cases of pupils' discipline and make reports to the County Education Board.
- vii). Prepare a comprehensive termly report on all areas of its mandate and submit the report to the County Education Board.
- viii). Facilitate and ensure the provision of guidance and counselling to all learners.
- ix). Provide for the welfare and observe the human rights and ensure safety of the pupils, teachers and non-teaching staff at the Institution.

- x). Encourage a culture of dialogue and participatory democratic governance at the Institution.
- xi). Promote the spirit of cohesion, integration, peace, tolerance, inclusion, elimination of hate speech and elimination of tribalism at the Institution.
- xii). Encourage the learners, teachers and non-teaching staff and other parents and the community, and other stakeholders to render voluntary services to the Institution.
- xiii). Allow reasonable use of the facilities of the Institution for community, social and other lawful purposes, subject to such reasonable and equitable conditions as it may determine including the charging of a fee.
- xiv). Administer and manage the resources of the Institution.
- xv). Receive, collect and account for any funds accruing to the Institution.
- xvi). Recruit, employ and remunerate such number of non-teaching staff as may be required by the Institution in accordance with this Act.
- xvii). Perform any other function to facilitate the implementation of its functions under Basic Education Act No. 14 of 2013 or any other written law.

d) Board of Management Induction and Training.

Members of the Board were inducted by officers from the Ministry of Education and National Treasury on 16th December, 2022. Further training will be organised by the College in the next financial year.

f) Board and members allowances.

The College pays allowances to Board members to facilitate their travel to and from the College.

g) Meetings.

- i). **Full Board meetings** – Held once a term, but if there is an urgent need, a meeting can be convened.
- ii). **Board Committee meetings** – Once every term.
- iii). **Executive Board meetings** – Once every term.
- iv). **Special Board of Management meeting** - May be held on need basis.

7. MANAGEMENT DISCUSSION AND ANALYSIS

(i) Operational Performance.

Machakos Teachers College has continued to demonstrate great resilience, as reflected in our operational and financial performance in FY 2022/2023. The College was able to deliver on its mandate in spite of the low enrolment. Below are some notable achievements;

- i. Upgrading of four students' hostels by partitioning into cubicles.
- ii. Construction of a boundary wall of approximately 105 metres.
- iii. Timely payment of non-teaching staff salaries in the year.
- iv. Compliance with the statutory requirements.
- v. Continuous Certification on quality by Kenya Bureau of Standards (KEBS).

During the year, the College prepared well to implement the new Competency Based Teacher Education (CBTE) Curriculum. The College in liaison with Teachers Service Commission carried out extensive training of lecturers on Competency Based Curriculum (CBC) and Competency Based assessment (CBA) to enable them acquire competencies on new pedagogical approaches to learning.

(ii) Financial Performance

The College operates on fees received from students and government's grants. In the FY 2022/2023 the College targeted to raise Kshs. 30,512,518.00 from students and Ksh 12,995,994.00 from Government Grants. By the end of the financial year, the total revenue of Kshs. 39,088,004.78 was received from students and Ksh 12,995,996 from government grants. The pending bills at the close of the FY 2022/2023 was Kshs. 447,858.19.

a) Compliance with statutory requirements.

The College complies with statutory requirements by timely remittance of Pay as you Earn (PAYE), National Social Security Fund (NSSF), Higher Education Loans Board (HELB), and National Hospital Insurance Fund (NHIF) as required.

b) Major risks facing Machakos Teachers College

The principle risks identified within the College are:

- i. Low enrolment of students for the new Diploma course due to the high qualification requirement has reduced the income to the College.
- ii. Admission procedure. There is confusion between placement of students by KUCCPS and admission by MOE.
- iii. Completion rates. Most teacher trainees are from very humble background and since bursaries are not available, some of them are unable to transit from one year to the next.
- iv. Cost of education in Teacher Training College, Teacher trainees do not benefit from HELB loan.
- v. Delay in disbursement of funds from the Government for payment of Non-teaching staff salaries.
- vi. Inadequate Teaching and Learning Resources.
- vii. Inadequate ICT resources.
- viii. Asbestos on 95% of the College buildings roofs is a health risk to the Community. The cost of removal and disposal of asbestos is quite high; approximately Ksh.40 Million.
- ix. Understaffing in Home science, Music and Mathematics impacts negatively on implementation of the curriculum.
- x. Insecurity due to the porous boundary.
- xi. Encroachment by the Machakos Golf Club Limited and Court injunction against use of approximately 26.3 Acres of the college land.
- xii. Old and Dilapidated physical facilities

c) Material arrears in Statutory/Financial obligations.'

At the end of the Financial Year 2022/2023 the creditors' total pending bill totalled to Kshs 447,858.19

8. ENVIRONMENTAL AND SUSTAINABILITY REPORTING STATEMENT

Sustainability strategy and profile

Machakos Teachers College is located in close proximity to Machakos town which is the headquarters of Machakos County. In addition, it is about 65 km from Nairobi. Its location thus provides opportunities for her growth as demonstrated in the income earned from hosting activities.

To ensure the College meet expectation as it delivers on its mandate, the College:

- a) Ensures due processes are followed in procurement of goods and services so as to ensure value for money.
- b) Undertakes an annual tree planting exercise.
- c) Sensitize the college community on the importance of conserving water and electricity.
- d) Harvests water from the few iron roofed buildings.
- e) Uses Energy saving jikos
- f) Procurement is based on approved requisition to minimise wastage.

Environmental performance

The College has two parcels of land; Machakos Block 1/27 and Block 1/26. The Land Parcel Block 1/26 was donated by the Machakos Golf Club to the College in 1970's. However, FY 2020/2021, Golf Club took the College to Court to restrain the college from carrying out any activity on the aforementioned piece of land. The Case is yet to be concluded.

During the year, Safaricom Foundation facilitated removal and safe disposal of asbestos from the ICT Laboratories. Subject to availability of funds, the College plans to undertake in phases safe removal and disposal of asbestos from the college buildings.

Employee welfare

The College uses guidelines and regulations provided by the Ministry of Education to hire and manage its employees. The number of staff recruited is as per the Non-

teaching staff establishment approved by the Ministry of Education. The Board of Management hires the services of non-teaching staff on permanent basis according to the College needs and ability to pay salaries. The non-teaching staff salaries is funded by the government grants and students fees.

On recruitment, the Board of Management seeks to ensure highest standard of efficiency, competence and integrity without discrimination based on sex, religion, ethnic origin or disability. The Board commits and upholds the equal opportunity principle. The recruitment is carried out in a competitive basis that results in recruitment of suitable employees.

The Board provides a conducive working environment for its staff both male and female by providing equipment, tools and staff uniforms. The Board has put in place measures to ensure compliance with occupational safety and Health Act of 2007. Staff are provided with protective gears and clothing.

Market place practices

The College values the Suppliers who provide goods and services. To build trust, procurement procedures are fully adhered to. In the year under review, the College and was able to advertise tenders through the Public Procurement Portal, College Website and strategic notice boards in the Machakos County to ensure accountability and selection of the most suitable supplier. Staff and members of tender Committees are guided by the code and procurement ethics to ensure tendering process is run openly and fairly.

Opening of tenders is conducted as stipulated in the Public Procurement and Asset Disposal Act. Opening, Evaluation and award of tenders is guided by the Public Procurement and Assets Disposal Act 2015.

The College has continued to maintain good relations with her suppliers by ensuring that orders are made on time. Proper documentation and Quality Management procedures are followed. The inspection and acceptance committee verifies the quantity and quality of goods. Once deliveries are made, payment is made as stipulated in the College service delivery charter.

Corporate Social Responsibility / Community Engagements

During the year under review, engaged the Community as follows:-

- i). Members of the College community visited Machakos men Prisons and donated some items.
- ii). Kagumo, Garissa and Galana Teacher training Colleges visited the College for benchmarking.
- iii). Local entrepreneurs provided services during College functions.
- iv). On request, The County Government of Machakos, neighbouring institutions and sports clubs used the College fields for their activities.
- v). Teacher trainees engaged in various sporting and games activities with teams from other Colleges.
- vi). During the year, students participated in Drama, sports and athletics championship up to the National level.

9. REPORT OF THE BOARD OF MANAGEMENT

The Board members submit their report together with the audited financial statements for the year ended June 30, 2023 which shows the state of Machakos Teachers College financial affairs.

Principal activities

The mandate of the College is to train quality engaged, empowered and ethical Primary and Early Childhood school teachers by facilitating acquisition of knowledge, skills, attitudes and values to enable them be responsive to the challenges of a dynamic society.

Results

The results of Machakos Teachers College for the year ended 30th June, 2023 are set out on page 1 to 27.

Board of management

The members of the Board who served during the year are shown on page xii-xiv

Auditors

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

By Order of the Board



.....
Secretary of the Board of Management

Date: **31-12-2024**

10. STATEMENT OF BOARD OF MANAGEMENT

Section 81 of the Public Finance Management Act, 2012 and (The Basic Education Act No. 14 of 2013 require the council members to prepare financial statements in respect of Machakos Teachers College, which give a true and fair view of the state of affairs of the Machakos Teachers College at the end of the financial year/period and the operating results of Machakos Teachers College for that year/period. The BoM members are also required to ensure that Machakos Teachers College keeps proper accounting records which disclose with reasonable accuracy the financial position of Machakos Teachers College the BoM members are also responsible for safeguarding the assets of the Machakos Teachers College

The BOM members are responsible for the preparation and presentation of Machakos Teachers College financial statements, which give a true and fair view of the state of affairs of Machakos Teachers College for and as at the end of the financial year (period) ended on June 30, 2023.

This responsibility includes:

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period.
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of Machakos Teachers 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 Machakos Teachers College.
- (v) Selecting and applying appropriate accounting policies.
- (vi) Making accounting estimates that are reasonable in the circumstances.

The BOM members accept responsibility for Machakos Teachers College financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the Basic Education Act 2012. The BOM members are of the opinion that Machakos Teachers College financial statements give a true and fair view of the state of Machakos Teachers College transactions during the financial year ended June 30th 2023, and of Machakos Teachers College financial position as at that date. The BOM members further confirm the completeness of the accounting records maintained for Machakos Teachers College, which have been relied upon in the


Machakos Teacher College
Annual Report and Financial Statements for the year ended 30th June 2023

preparation of Machakos Teachers College financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Principal has assessed Machakos Teachers College ability to continue as a going concern. Nothing has come to the attention of the BOM members to indicate that Machakos Teachers 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 Machakos Teachers College financial statements were approved by the Board on 28th September 2023 and signed on its behalf by:

.....


Prof. Francis Mathooko
Chairman of Board Management

Date: 31.12.2024

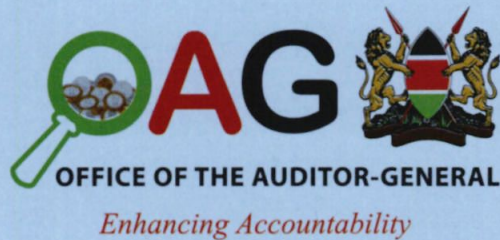
.....


Joyce Mabwai
Accounting Officer/Principal

Date: 31-12-2024

REPUBLIC OF KENYA

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



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

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

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 Machakos Teachers College set out on pages 1 to 28, which comprise of the statement of financial position as at 30 June, 2023 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Machakos Teachers College as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Receivables from Exchange Transactions

The statement of financial position reflects a balance of Kshs.21,050,678 in respect of receivables from exchange transactions as disclosed in Note 17 to the financial statements. However, schedules or debtors control accounts to support the balances were not provided for audit and there was no disclosure on the adopted recognition of receivables and the aging analysis policy.

In the circumstances, the accuracy, completeness and recoverability of the receivables from exchange transactions balance of Kshs.21,050,678 could not be confirmed.

2. Inaccuracies in Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.21,461,307 as disclosed in Note 18 to the financial statements. However, the lease of the 29.1 acres piece of land where the College is constructed expired on 1 April, 1996 and another piece of land measuring approximately 13.49 acres had only a letter of allotment issued in 1967. Further, 95% of the College buildings are old, delapidated and covered with asbestos posing health risks, the College land is not fenced and approximately 26.3 acres had been encroached resulting to a pending court case.

In the circumstances, the accuracy, completeness and ownership of property, plant and equipment balance of Kshs.21,461,307 could not be confirmed.

3. Unsupported Trade and Other Payables from Exchange Transactions

The statement of financial position and as disclosed in Note 19 to the financial statements reflects trade and other payables from exchange transactions balance of Kshs.15,445,591. However, schedules or creditors control accounts were not provided for audit and there was no disclosure on the adopted recognition of trade and other payables and the aging analysis policy.

In the circumstances, the accuracy, existence and completeness of the trade and other payables from exchange transactions balance of Kshs.15,445,591 could not be confirmed.

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

Key Audit Matters

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

Other Information

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

In connection with my audit on the College's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed,

I conclude that there is a material misstatement of this other information and I am required to report that fact. Based on the audit procedures performed, because of the significance of the matters described in my Basis for Qualified Opinion, I confirm that the Other Information is materially inconsistent with the financial statements.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Lack of Higher Education Loans to Students

The College admits teacher trainees both for regular and special needs which sometimes could be costly to trainees. However, the students have no access to Higher Education Loans Board (HELB) funding as they are not considered government-sponsored students despite placement by Kenya Universities and Colleges Central Placement Service (KUCCPS). Further, HELB funds Universities and Technical and Vocational Education and Training (TVET) trainees leaving out Teachers Training Colleges.

In the circumstances, the needy students may be disadvantaged and drop out due to lack of fees and contradicts the HELB Act, on access to loans by all students.

2. Non-Compliance with the National Cohesion and Integration Act

The statement of financial performance reflects employee costs amount of Kshs.18,190,323 as disclosed in Note 12 to the financial statements. Review of the payroll revealed that the College had forty-six (46) staff members out of whom thirty-four (34) or 74% belonged to the dominant ethnic community in the county. This was contrary to Section 7(1) an (2) of the National Cohesion and Integration Act, 2008 that require all public establishments to seek to represent the diversity of the people of Kenya in employment of staff.

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

3. Unapproved Over Expenditure

The statement of comparison of budget and actual amounts reflects final expenditure budget of Kshs.49,435,662 and actual on a comparable basis of Kshs.58,423,302 resulting to budget over expenditure of Kshs.8,987,640. This was contrary to Regulation 44(2) of the Public Finance Management (National Government) Regulations, 2015 which state that the entities shall execute their approved budgets based on the annual appropriation legislation, and the approved annual cash flow plan with the exception of unforeseen and unavoidable spending dealt with through the Contingencies Fund, or supplementary estimates.

In the circumstances, the over-expenditure may indicate funds were re-allocated to finance other non-budgeted activities.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Failure to Update Fixed Assets Register

The statement of financial position and as disclosed in Note 18 to the financial statements reflects property, plant and equipment balance of Kshs.21,461,307. However, the fixed asset register was not updated with details of date of purchase, cost of asset, make & model, depreciation rates, annual depreciation amounts, accumulated depreciation, source of funds, net book values and responsible officer. Further, Management did not prepare a finance manual to provide guidelines on the capitalization threshold for assets acquired.

In the absence of an updated assets register, the effectiveness of internal controls on identification, accountability and monitoring of the College's assets could not be confirmed.

2. Use of Manual System

During the year, Management had not automated the systems and relied on manual system on critical operations including student registration, billing and maintain accounting records which are prone to human errors and manipulation. Further, the manual ledgers were summarized per month instead of recording the transactions as they occur. In addition, the monthly balances in the cash books were inscribed in pencil which can be easily erased.

In the circumstances, the effectiveness of internal controls on using manual system could not be confirmed and may limit real time processing or reporting which can delay decision making.

3. Understaffing

The statement of financial performance reflects employee costs amount of Kshs.18,190,323 as disclosed in Note 12 to the financial statements. Review of the College's teaching staff revealed thirty-nine (39) in-post staff against an authorized establishment of one hundred and fifty-one (151) resulting to staff shortage of one hundred and twelve (112). Further, the subordinate staff were forty-six (46) against an authorized establishment of sixty-six (66) resulting to staff shortage of twenty (20).

In the circumstances, due to understaffing the College is not likely to effectively and efficiently carry out its mandate.

4. Weak Information Communication and Technology Controls

Review of the College's information technology systems revealed that a structured cable network that provides network connectivity to various offices had been installed. However, the College did not have an Information Communication and Technology (ICT) steering committee to assist in the development of ICT policy framework to enable the College realize long-term ICT strategic goals.

In the circumstances, lack of effective ICT controls could affect critical operations of the College including student registration, billing and accounting books and records.

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

Responsibilities of the Management and Board of Management

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

necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards 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 ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I

consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

15 January, 2025

Machakos Teacher College
Annual Report and Financial Statements for the year ended 30th June 2023

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

	Notes	FY 2022-2023	FY 2021-2022
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government – Grants	5	16,446,201	21,627,224
		16,446,201	21,627,223
Revenue from exchange transactions			
Rendering of services- Fees from students	6	30,926,706	37,241,558
Sale of goods	7		7,550.00
Rental revenue from facilities and equipment	8	2,192,694	1,701,265
Finance income	9	678,352	760,573
Miscellaneous Income	10	14,168,642	10,655,214
Revenue from exchange transactions		47,966,394	50,366,161
Total revenue		64,412,595	71,993,385
Expenses			
Use of goods and services	11	33,425,090	42,484,789
Employee costs	12	18,190,323.00	16,120,449
Remuneration of Board of Directors	13	1,050,500.00	1,013,500
Repairs and maintenance	14	5,453,549	9,071,901
Finance costs	15	310,059.00	-
Depreciation	19	3,199,154	3,312,742
Total expenses		61,628,675	72,002,881
Net Surplus for the year		2,783,920	(9,496)

(The notes set out on pages 5 to 27 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 1 to 4 were signed by:

Prof. Francis Mathooko



Chairman Board of
Management

Date: 31.12.2024

CPA Justin Kariuki



Finance Officer
ICPAK No 20658

Date: 31/12/2024

Joyce Mabwai



Chief Principal

Date: 31-12-2024

13. Statement of Financial Position As At 30th June 2023

	Notes	FY 2022-2023	FY 2021-2022
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	16	32,005,060	37,627,080
Current portion of receivables from exchange transactions	17	21,050,678	12,020,424
		53,055,738	49,647,504
Non-current assets			
Property, plant and equipment	18	21,461,307	21,577,371
		21,461,307	21,577,371
Total assets		74,517,045	71,224,875
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	19	15,445,591	14,937,381
Non-current liabilities			
Total liabilities		15,445,591	14,937,381
Accumulated surplus		56,287,534	56,297,030
Surplus for the year		2,783,920	(9,496)
Total net assets and liabilities		74,517,045	71,224,875

The Financial Statements set out on pages 1 to 5 were signed by:

Prof. Francis Mathooko

CPA Justin Kariuki

Joyce Mabwai





Chairman Board of Management

Finance Officer

Chief Principal

Date 31.12.2024

ICPAK No.20658

Date 31/12/2024

Date 31-12-2024

14. Statement of Cash Flow for the Year Ended 30th June 2023

	NOTE	2022-2023 Kshs.	2021-2022 Kshs.
Cash flows from operating activities			
Deficit for the Year		2,783,920	(9,496)
Adjustments for :			
Interest income			
Operating Profit		2,783,920	(9,496)
Add back			
Depreciation & Amortization	19	3,199,154	3,312,742
Interest Income			
		-5,983,074	3,302,246
Changes in working capital			
Decrease / (Increase) in Inventories			
Increase/(Decrease) in Receivables from exchange transactions	17	-9,030,254	(940,960)
(Decrease) / Increase in Trade and other payables	19	453,001	2,659,367
Prior year adjustments-Amortization		-	-
		-8,577,253	1,718,407
Net cash flows from operating activities		-2,594,179	5,021,653
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(3,083,050)	5,326,589)
Proceeds from sale of property, plant and equipment			
Net cash flows from investing activities		((3,083,050)	(5,326,589)
Cash flows from financing activities			
Proceeds From Borrowing		-	-
Repayment Of Borrowings		-	-
Net cash flows used in financing activities		-	-
Net Increase/(Decrease) in Cash and Cash equivalents		(5,622,019)	(304,936)
Cash and Cash Equivalents at Beginning of Year		37,627,079	7,932,015
Cash and Cash Equivalents at End of Year		32,005,060	37,627,079

The Financial Statements set out on pages 1 to 5 were signed by:

Prof. Francis Mathooko

CPA Justin Kariuki

Joyce Mabwai



Chairman Board of Management

Date 31.12.2024



Finance Officer

ICPAK No.20658

Date

31/12/2024



Chief Principal

Date 31-12-2024

13. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30TH JUNE 2023

	Revaluation gain	Fair value adjustment reserve	Retained Earnings	Capital/Development Grants/Fund	Total
At July 1, 2022			(22,099,371)	-	
Revaluation gain	-	-	-	-	(22,099,371)
Surplus/(deficit) for the year	-	-	-	-	-
Capital grants received during the year	-	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-	-
Retained earnings	-	-	-	-	-
At June 30, 2022	-	-	<u>(22,099,371)</u>	-	<u>(22,099,371)</u>
At July 1, 2022			(22,099,371)	-	(22,099,371)
Revaluation gain	-	-	-	-	-
Surplus/(deficit) for the year	-	-	2,783,920	-	2,783,920
Capital grants received during the year	-	-	-	-	-
Transfer of depreciation/amortisation from capital fund to	-	-	-	-	-
Retained earnings	-	-	-	-	-
At June 30, 2023	-	-	<u>(19,315,451)</u>	-	<u>(19,315,451)</u>

15. Statement of Comparison of Budget & Actual amounts For Year Ended 30th June 2023

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	FY 2022-2023	FY 2022-2023	FY 2022-2023	FY 2022-2023	FY 2022-2023	FY 2022-2023
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other Government entities Government grants	12,995,994	-	12,995,994	16,446,201	3,450,207	26
Rendering of services- Fees from students	50,371,380	-19,858,518	30,512,518	30,926,706	414,188	1
Finance Income	637,500		637,500	678,352	40,852	6
Other income	750,000	-	750,000	14,168,642	13,418,642	1789
Gains on disposal, rental income and agency fees	1,556,920	-	1,556,920	2,192,694	639,748	41
Total income	66,311,794	-19,858,518	46,453,276	64,412,595	17,963,637	39
Expenses						-
Compensation of employees	17,402,280	-769,320	16,629,360	18,190,323	-1,560,963	(9.39)
Use of Goods and services	49,481,736	-21,746,132	27,735,604	33,425,090	-5,689,486	(20.51)
Repair	2,568,600	-729,000	5,767,380	5,447,329	320,051	5.55
Finance costs	637,500		637,500	310,059	327,441	51.36
Remuneration of BOM	1,374,000		1,374,000	1,050,500	323,500	23.54
Rent paid	1,556,920	-250,000	1,306,920	0	1,306,920	100.00
Total expenditure	71,734,936	-22,299,274	49,435,662	58,423,301	-8,987,639	(18.18)
Deficit for the period				-5,989,294	-	-

Budget notes:

- i. The Government Grant received was high than the budgeted amount
- ii. The College hosted more seminars than the budgeted
- iii. The Hire of facilities was more than the budgeted

Notes to the Financial Statements

General Information

Machakos Teachers College entity is established by the Government of Kenya and derives its authority and accountability from the Basic Education Act No. 14 of 2013. Machakos Teachers College is wholly owned by the Government of Kenya and is domiciled in Kenya. Machakos Teachers College principal activity is to train quality engaged, empowered and ethical Diploma Primary and Early Childhood education teachers.

Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Machakos Teachers College. The values are rounded off to the nearest shilling.

The financial statements have been prepared in accordance with the PFM Act of 2012, the State Corporations Act of 1987 (revised 2010), The Basic Education Act 2013 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. 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 Machakos Teachers College and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

ii) Revenue from exchange transactions

- Rendering of services

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

- Sale of goods

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

- Interest income

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

- Rental income

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

b) Budget information

The original budget for FY 2022/2023 was approved by the Council or Board on 26/08/2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by Machakos Teachers College upon receiving the respective approvals to conclude the final budget. Accordingly, Machakos Teachers College recorded additional appropriations of -19,858,518.00 on the FY 2022/2023 budget following the Board's approval. Machakos Teachers College budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. 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 on page 4 under section Statement of Comparison of Budget & Actual of these financial statements.

c) Taxes

Current income tax

Machakos Teachers College is exempt from paying taxes as per schedule of income Tax Act.

Sales tax/ Value Added Tax

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

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

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

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

e) Property, plant and equipment

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

The College has adopted the following depreciation rates for all the property, plant and equipment.

Class	Depreciation Rate	Reducing Balance
Leasehold Buildings	2%	√
Motor Vehicles	25%	√
Computer Equipment	30%	√
Office Equipment	12.5%	√
Furniture	12.5%	√
Fittings and Partitions	12.5%	√

f) Leases

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

g) Intangible assets

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

h) Research and development costs

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

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

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

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. Machakos Teachers College does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Colleges financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, Machakos Teachers College measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

j) Inventories

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

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

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

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

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

k) Provisions

Provisions are recognized when Machakos Teachers College has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where Machakos Teachers College expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the

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

Contingent liabilities

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

The college has a land case with Machakos Golf Club but has not incurred any cost as the college is represented by the State Council.

Contingent assets

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

l) Social Benefits

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

m) Nature and purpose of reserves

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

Machakos Teachers College complies with NSSF, NHIF, and Income Tax Acts and pays gratuity after retirement to the employee.

p) Related parties

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

q) Service concession arrangements

Machakos Teachers College analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, Machakos Teachers College recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, Machakos Teachers College. 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 June 30th 2023.

1. Significant Judgments and Sources of Estimation Uncertainty

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

Useful lives and residual values

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

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

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

The nature of the processes in which the asset is deployed.

Availability of funding to replace the asset.

Changes in the market in relation to the asset

Provisions

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

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

Machakos Teacher College
Annual Report and Financial Statements for the year ended 30th June 2023

5. Transfers from other National Government entities

Description	FY 2022-2023	FY 2021-2022
	KShs	KShs
Unconditional grants		
Operational grant	15,806,248.95	20,395,908.00
SNE grants	639,952.20	1,231,315.80
	16,446,201.15	21,627,223.80
Total government grants and subsidies	16,446,201.15	21,627,223.80

6. Rendering of Services

Description	FY 2022-2023	FY 2021-2022
	KShs	KShs
Tuition fees	721,144.00	2,850,646.00
Activity fees	1,360,910.00	2,008,228.00
Teaching practice	498,372.00	969,471.00
Medical	346,093.00	308,837.00
BES	10,411,983.00	11,429,040.00
RMI	1,066,729.00	3,061,037.00
EWC	1,470,784.00	1,659,375.00
LTT	1,431,734.00	2,526,368.00
Contingencies	922,779.00	1,374,391.15
VRM/Replacement	2,170,220.00	1,772,498.00
Registration fee	0	70,402.00
Students council	124,550.00	218,623.00
ICT	1,487,335.00	1,357,177.00
Personal Emolument	4,275,353.00	2,230,080.00
Covid 19 Response	0	714,216.00
Students ID	62,100.00	102,556.00
Bank changes	33,510.01	77,862.00
Examination fees	3,122,617.00	4,193,261.00
Straw Boards	22,800.00	
KUCCPS	277,000.00	
Unclaimed Assets	10,500.00	
Stationary	1,110,193.00	317,490.00
Total revenue from the rendering of services	30,926,706.01	37,241,558.15

7. Sale of Goods

Description	FY 2022-2023	FY 2021-2022
	KShs	KShs
Sale of goods		
Sale of farm produce	-	7,550.00
Total revenue from the sale of goods	-	7,550.00

8. Rental revenue from facilities and equipment

Description	FY 2022-2023	FY 2021-2022
	KShs	KShs
Hire of facilities and equipment	1,200,428.45	550,215.35
Contingent rental	992,226.00	1,151,050.00
Total	2,192,654.45	1,701,265.35

- Notes:

- i. The College hosted IEBC Training facilities and voting exercise
- i. The College Hired out of Safaricom mobile signal booster
- i. There was hire out of Fields and the Guest Houses in the F/Y 2022 / 2023

9. Finance Income

Description	FY 2022-2023	FY 2021-2022
	KShs	KShs
Cash investments (interest on fixed deposits)	678,352.40	760,573.00
Total finance income	678,352.40	760,573.00

Note:

The College earned income from fixed deposit account

10. Miscellaneous Income

Description	FY 2022-2023	FY 2021-2022
	KShs	KShs
Income from sale of tender	6,001.00	32,500.00
Graduation fees	454,331.00	720,593.00
Seminars and courses	13,708,310.00	9,902,121.80
Total other income	14,168,642.00	10,655,214.80

Note:

- i. The College Hosted Junior Secondary school workshop and Competence Bases Curriculum training and TSC interviews workshops
- ii. The College Hosted KNEC Exam marking exercise

11. Use of Goods and Services

Description	FY 2022-2023	FY 2021-2022
	KShs	KShs
Tuition fees	1,157,803.00	2,095,176.00
Activity fees	2,501,453.00	2,307,782.00
Teaching practice	716,239.00	97,095.00
Medical	189,897.00	511,542.00
BES	10,593,330.90	13,095,256.10
EWC	2,064,954.00	1,924,885.80
LTT	2,022,885.00	2,518,512.00
Contingencies	1,482,609.90	920,867.25
MVR	1,251,243.00	1,171,022.00
Registration fee	0	87,200.00
Students council	0	131,600.00
ICT	1,509,015.95	1,311,150.00
Covid 19 response	0	89,008.00
Students ID	38,400.00	92,200.00
Examination fees	1,402,123.00	4,373,531.00
Farm	3,410.00	
Graduation fee	600,744.00	958,800.25
Seminars and courses	5,433,003.00	4,715,147.25
Performance contract	84,000.00	307,000.00
Tender	254,800.00	163,000.00
KUCCPS	0	70,000.00
ISO 9001:2015 certification	294,500.00	362,600.00
Hire of facilities	0	7,000.00
Bank Charges	29,176.00	9,886.00
ICPAK	0	22,400.00
Capacity Building	436,750.00	99,050.00
Stationary	12,354.00	
Mattresses	1,346,400.00	
Farm Account	0	5,043,078.00
Total good and services	33,425,090.75	42,484,788.65

2. Employee Costs

	FY 2022-2023	FY 2021-2022
	KShs	KShs
Salaries and wages	18,190,323.00	16,120,449.00
Employee costs	18,190,323.00	16,120,449.00

3. Board of Management Expenses

Description	FY 2022-2023	FY 2021-2022
	KShs	KShs
Chairman's Allowance	84,000.00	105,000.00
Directors Allowance	966,500.00	908,500.00
Total Directors Allowance	1,050,500.00	1,013,500.00

4. Repairs and Maintenance

Description	FY 2022-2023	FY 2021-2022
	KShs	KShs
General repairs	2,200,311.00	2,703,656.00
Hostel renovation	3,122,738.10	6,368,245.11
Rental House repair	130,500.00	-
Total repairs and maintenance	5,453,549.10	9,071,901.11

5. Finance Costs

Description	FY 2022-2023	FY 2021-2022
	KShs	KShs
Fixed Deposit withholding Tax	310,059.00	-
Total finance costs	310,059.00	-

16. (a) Cash and Cash Equivalents

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Current Account	28,294,829.09	34,029,453.13
Saving account - KCB Bank	3,707,079.35	3,595,185.00
Cash in hand	3,151.50	2,441.50
Total Cash and Cash Equivalents	32,005,059.94	37,627,079.63

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

		FY 2022-2023	FY 2021-2022
Financial institution	Account number	KShs	KShs
a) Current account			
Fund account - KCB Bank	1107139120	15,355,146.60	16,655,846.42
Farm account - KCB Bank	1106322991	10,475,606.21	8,357,800.55
Main account - KCB Bank	1106308166	2,464,076.28	9,015,806.16
Sub- total		28,294,829.09	34,029,453.13
b) Savings account			
Saving account - KCB Bank	11041052217	3,707,079.35	3,595,185.00
Sub- total		3,707,079.35	3,595,185.00
Cash in hand		3,151.50	2,441.50
Sub- total		3,151.50	2,441.50
Grand total		32,005,059.94	37,627,079.63

7. Receivables from Exchange transactions

(a) Current Receivables from Exchange transactions

Description	FY 2022-2023	FY 2021-2022
	KShs	KShs
Current receivables		
Student debtors	12,678,875.29	9,672,009.29
Rent debtors	534,366.00	681,680.00
Sundry Debtor	7,745,500.00	1,564,208.00
Other receivables	91,936.44	102,526.34
Total current receivables	21,050,677.73	12,020,423.63

17 (b) Ageing Analysis of Receivables from Exchange Transactions

Description	FY 2022-2023		FY 2021-2022	
	Kshs		Kshs	
	2022-2023	% of the tot	2021-2022	% of total
Less than 1 year	11,886,364.90	56.46	1,685,882.00	14.2
Between 1- 2 years	1,180,636.00	4.54	-	
Between 2-3 years	-	-	-	
Over 3 years	7,983,676.83	39	10,171,881.63	85.8
Total	21,050,677.73	100	11,857,763.63	100

18. Property, Plant and Equipment

	Land		Motor vehicles 25%	Furniture and fittings	Computers 30%	Other Assets boundary fence 12.5%	Plant and Equipments	Capital Work in progress	Total
		Buildings 2%							
Cost		Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
At 1 July 2020		9,609,176	11,352,337	-	-	1,865,507			22,827,020
depreciation		192,184	2,838,084	-	-	233,188	-	-	3,263,456
At 30th June 2021		9,416,992	8,514,253	-	-	1,632,319	-	-	19,563,564
Additions		-	-	-	2,346,100	319,072	385,000	2,276,417	5,326,589
Disposals		-	-	-	-				-
Transfer/adjustments		-	-	-	-				-
At 30th June 2022		9,416,992	8,514,253	-	2,346,100	1,951,391	385,000	2,276,417	24,890,153
Depreciation		188,300	2,128,563		703,830	243,924	48,125		3,312,742
At 30th June 2022		9,228,692	6,385,690	-	1,642,270	1,707,467	336,875	2,276,417	21,577,411
Depreciation		-	-	-	-				-
Impairment		-	-	-	-				-
At 1st July 2023		9,228,692	6,385,690	-	1,642,270	1,707,467	336,875	2,276,417	21,577,411
Additions							3,083,050		3,083,050
Adjustment							2,276,417	(2,276,417)	
At 30 June 2023		9,228,692	6,385,690	-	1,642,270	1,707,467	5,656,342	-	24,660,461
depreciation		184,574	1,596,423	-	492,681	213,433	142,939		3,199,154
At 30th June 2023		9,044,118	4,789,268	-	1,149,589	1,494,033	1,000,570	-	21,461,307
At 30th June 2022		9,228,652	6,385,690		1,642,270	1,707,467	336,875	2,276,417	21,577,371

- i. The College is in the process of acquiring the title deed for the expired lease
- ii. The College is in the process of engaging valuer to value college land ,Building and Equipment

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19. Trade and Other Payables

Description	2023-2022	2022-2021
	KShs	KShs
Trade payables	477,818.15	822,806.00
fees prepayment	689,118.00	482,769.00
Students deposits	1,510,796.00	1,326,781.00
Students funded accounts	12,695,457.12	12,263,979.12
Other payables	66,182.00	41,046.00
Rent prepayment	6,220.00	
Total trade and other payables	15,445,591.27	14,937,381.12

B FUNDED ACCOUNTS

Description	2023-2022	2022-2021
	KShs	KShs
Caution money	824,534.10	824,634.10
Uniform	534,237.75	572,187.75
Rehabilitation fund	138,469.67	138,469.67
VRM	6,241,997.00	6,241,997.00
Gratuity	1,634,029.60	1,634,029.60
Tracksuit	622,406.00	441,448.00
Club and environmental	526,521.00	551,994.00
Hockey stick	460,824.00	460,824.00
Library books	492,193.00	357,193.00
Set book show	106,253.00	106,253.00
Student guide books	94,247.00	94,247.00
Lesson plan book	663,748.00	532,589.00
College magazine	100,997.00	68,113.00
Teaching practicum	240,000.00	240,000.00
Bursary	15,000.00	
Total deposits	12,695,457.12	12,263,979.12

20. Payments received in advance.

Description	FY 2022-2023		FY 2021-2022	
	Kshs		Kshs	
Fees received in advance	689,118.00		482,769.00	
Rent Prepayment	6,220.00		-	
Total	695,338.00		482,769.00	
Ageing analysis:	FY 2022-2023	% of the Total	FY 2021-2022	% of the Total
Under one year	695,338.00	100 %	482,769.00	100 %
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total	695,338.00	100 %	482,769.00	100 %

21. Related Party Balances

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder of Machakos Teachers College holding 100% of the Machakos Teachers College equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of Machakos Teachers College, both domestic and external. Other related parties include:

- i) The National Government;
- ii) The Ministry of Education;
- iii) Key management;
- iv) Board of Management;
- v) Regulatory bodies

22. Events After The Reporting Period

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

23. Ultimate And Holding Entity

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

24. Currency

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

18. APPENDICES