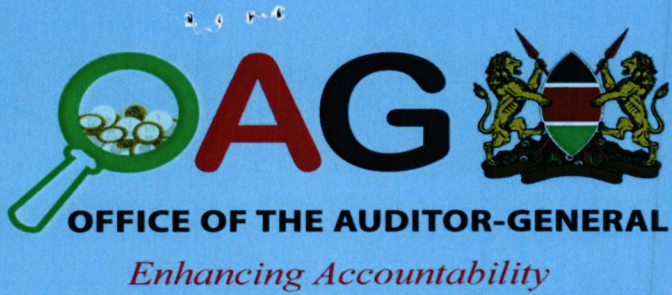


REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY PARLIAMENT	
DATE: 21 OCT 2021	DAY: <u>Thursday</u>
REPORT	
TABLED BY: <u>hmp.</u>	
CLERK-AT THE-TABLE: <u>Maira Wanjiku</u>	

PARLIAMENT
OF KENYA
LIBRARY

OF

THE AUDITOR-GENERAL

ON

THE NYERI NATIONAL POLYTECHNIC

**FOR THE YEAR ENDED
30 JUNE, 2019**



1111





THE NYERI NATIONAL POLYTECHNIC

P.O. BOX 465-10100 – NYERI, KENYA
ALONG MUMBI ROAD,
TELEPHONE: +254 061-2032330, +254-0724-477 942 FAX: +254 061-2032852
E-mail: nyerinp@gmail.com Website: www.thenyeripoly.ac.ke



THE NYERI NATIONAL
POLYTECHNIC



ANNUAL REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDING
JUNE 30, 2019

Prepared on accrual basis under the International Public Sector Accounting Standard



(IPSAS)

**The Nyeri National Polytechnic
Annual report and financial statement
For the year ended 30th, June 2019**

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KEY ENTITY INFORMATION AND MANAGEMENT

GENERAL INFORMATION

The Nyeri National Polytechnic is established by and derives its authority and accountability from TVET Act 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is Education and Training.

BACKGROUND INFORMATION

The history of The Nyeri National Polytechnic (NNP) dates back to 1977, when the Kenya government established the Nyeri technical secondary school. By 1983, the institution was a fully-fledged mixed national technical secondary school. However, with the introduction of the 8.4.4 education system, technical secondary schools were phased out and in 1986 the school changed its status to Nyeri Technical Training Institute (NTTI), offering Craft Courses. In 1991, the Institute started offering Diploma courses in various fields.

The Institute was elevated to a National Polytechnic in June 2016 through the Legal Notice No. 91 of June 2016. In addition to the Legal Notice No. 91, operations of NNP are governed by the Education Act, 2013, TVET Act 2013, and TVET regulations, 2015. As a national polytechnic, NNP has powers to grant higher diplomas, diplomas, certificates or other academic qualifications. Further, NNP may award scholarships, bursaries, prizes and any other awards which may be provided for by the academic policy.

PRINCIPAL ACTIVITIES

MANDATE

The core mandate and functions of the NNP as outlined in the Legal Order No. 91 are to:

- Provide, directly or in collaboration with other institutions of higher learning, facilities for technical trainers in technological, professional, scientific education;
- Participate in technological innovation and in the discovery, transmission and enhancement of knowledge for economic, social, cultural, scientific, and technological development;
- Contribute to industrial and technological development of Kenya, in collaboration with the industry and other organizations, through transfer of technology;
- Promote and establish a culture of innovation in engineering and Technology and technology transfer amongst staff and students;
- Develop an institution with excellence in teaching, training, scholarship, entrepreneurship, research, consultancy, community service, among other educational services and products, with emphasis on technology and its development, impact and application within and outside Kenya;
- Provide a multi-level system of post-secondary school education and training programmes relevant to the needs of the community, covering a wide range of fields and levels with provision for recognition of prior learning and flexibility of transition between programmes;
- Provide high quality educational, research, residential, commercial, cultural, social, recreational, sporting and other facilities;
- Advance knowledge and its practical application by research and other means, the dissemination of outcomes of research by various means and the commercial exploitation of research results;
- Promote critical inquiry within the Polytechnic and in the general community;
- Participate in commercial ventures and activities;

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Foster the general welfare of all staff and students;
Provide opportunities for development and further training for staff of the Polytechnic;
Develop and provide educational, cultural, professional, technical and vocational services to the community and in particular, foster Corporate Social Responsibility;
Provide programmes, products and services in ways that reflect the principles of equity and social justice;
Facilitate student mobility between different programmes at different technical training institutions and other national polytechnics;
Conduct examinations and grant such academic awards as may be provided under this Order; and
Collaborate with recognized universities for the conduct and award of degree programmes in technology.

VISION

To be a world class polytechnic for sustainable development

MISSION

To produce globally competitive graduates through competency-based education and training, research and provision of consultancy service

MOTTO

Excel in Skills & Technology

Key Management

The Polytechnic day-to-day management is under the following key organs:

Chief Principal
Deputy Principal Administration
Deputy Principal Academic Affairs
Registrar
Dean of Students
Finance Officer
Industrial Liaison Officer
Guidance and Counselling
Academic Heads of departments

Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Principal	Anne N. Mwangi(Mrs)
2.	Head of Finance	CPA James Mungai Kamau
3.	Head of Procurement	Timothy Thuita Mwangi

Fiduciary oversight Arrangements

Finance and Resource Mobilization and Administration Committee

This is a council committee concerned with the mobilization of resources and ensuring there is prudent utilization of the resources at the Polytechnic

Entity Headquarters

The Nyeri National Polytechnic

P.O. Box 465 - 10100
Along Mumbi Road
Nyeri Municipality
Nyeri County

Polytechnic Contacts

Telephone:061-2032330
E-mail: nyerinp@gmail.com
Website: www.thenyeripoly.ac.ke

Polytechnic Bankers

1. Equity bank
Kimathi way
P.O. Box 2064- 0119Nyeri
Nyeri, Kenya
2. KCB Bank Kenya Ltd
Kimathi way
P.O Box 215- 01112
Nyeri Kenya
3. National Bank
P.O Box 1629-12012
Nyeri Kenya

Independent Auditors









Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya

Principal Legal Adviser


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

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THE GOVERNING COUNCIL

NAMES	POSITION	QUALIFICATIONS
 Richard K. Gikuhi	Chairman Council	He was born in 1952 and holds Masters in Business Administration in Strategic Management. He is a consultant in strategic management and corporate governance.
 Anne N. Mwangi (Mrs)	Chief Principal/Secretary Council	She was born in 1959 and holds Masters in Education Administration.
 3 .Charles Theuri Nyota	County Director TVET, Representative of Principal Secretary	He was born in 1970 and holds Masters in computer Science
 Mahendrakumar Meghji Rupshi Shah	Council Member	He was born in 1944 and holds a Degree in Applied Sciences University of Scotland. He is a business man.
 Dr Victor Muyembe	Council Member	He was born in 1960 and holds a Masters in Medicine degree in Surgery, a master in business Administration. He is a private practitioner.
 Eng. Callista Kina Gitobu	Council Member	She was born in 1954 and holds a bachelor in Electrical Engineering and Masters in Education Administration. She is a business person.
 Rev Julia Moraa Mwangi	Council Member	She was born in 1952 and holds Masters in Theology. She is a business person.
 Dominic Ileri Muriuki	Council Member	He was born in 1967 and holds Bachelor degree in Law, bachelor degree in Economics and a post graduate in law. He is an advocate of High court.

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 Felix Juma Onyango	Council Member	He was born in 1989 and holds a Bachelor of science in Software Engineering. He is a consultant.
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COUNCIL COMMITTEES

Name of the Committee	Members
Finance and Resource Mobilization and Administration Committee.	1. Dr Victor Muyembe (Chair) 2. Mr. Mahendrakumar Meghji Rupshi Shah 3. Adv. Dominic Ileri Muriuki 4. Mrs. Anne N. Mwangi
Audit and Risk Management Committee	1. Rev. Julia Moraa Mwangi (Chair) 2. Eng. Callista Kina Gitobu 3. Mr. Felix Juma Onyango
Academic committee	1. Eng. Callista Kina Gitobu (Chair) 2. Rev. Julia Moraa Mwangi 3. Mr. Charles Nyota 4. Mrs. Anne N. Mwangi

Note

Council Chairman is an Ex-official member of the Finance, Resource Mobilization and Administration Committee and Academic Committee.

MANAGEMENT TEAM

 <p>Anne N. Mwangi</p>	<p>Chief Principal Overall, In charge of all activities in the Polytechnic and holds Masters in Education Administration</p>
 <p>Mary Macharia</p>	<p>Deputy Principal Administration Is in charge of administration affairs And holds Diploma in Business Education, HND in Entrepreneurship.</p>
 <p>Samuel Mugeca Macharia</p>	<p>Ag Deputy Principal Academic Is in charge of academic affairs and holds Certificate in Solar installation Technology, Diploma in Electronics Engineering and Degree in Education (Science).</p>
 <p>Charity Njeri Muthoni</p>	<p>Ag Registrar Is in charge of the Registry, Marketing and Publicity and holds Bachelor in Education (Home Economics)</p>
 <p>Naftaly Gichana Muriuki</p>	<p>Ag Dean of Students Is in charge of student affairs and holds degree in Education Science.</p>
 <p>6 James Mungai Kamau</p>	<p>Finance Officer Is in Charge of finance department and holds CPA (K), Degree in Business Administration.</p>
 <p>7 Timothy Thuita Mwangi</p>	<p>Procurement Officer Is in charge of procurement department and holds degree in Supply Chain Management, Masters in Supply Chain Management.</p>

CHAIRMAN OF THE COUNCIL STATEMENT

The mandate of The Nyeri National Polytechnic is to provide education and training, research and innovation, consultancy and community service as stipulated in the TVET Act 2013 and the Legal Order No. 91 of 2016. In order to effectively fulfil its mandate, the Polytechnic has developed a credible strategic plan which provides a clear road map for its operations. In implementing its mandate during the year 2018/2019, the Polytechnic was guided by the Strategic Plan.

In order to cope with the increase in enrolment during the year under review, the Polytechnic undertook to improve the physical facilities and equipment. The Polytechnic renovated 5 hostels which had leaking asbestos roofs and constructed paved sheltered walkways connecting the main buildings with the aim of improving the working and training environment. The Polytechnic improved the sanitation by putting up an ablution block. In its efforts to expose the students to the industry trends during their training, the institution procured two additional buses to ease transportation of trainees when they are visiting industries and also while going for co-curricular activities outside the Polytechnic.

In an effort to support the reforms in the TVET sector, The Polytechnic embarked on a journey to implement Competency Based Education and Training (CBET) curricular in: Instrumentation & control, Mechanical Technology and Manual Arc welding. This was on pilot basis in readiness for the roll out of more CBET courses in the coming year. The Polytechnic also partnered with CIC (Colleges and Institutes Canada) under KEFEP programme and developed a CBET curriculum in Dairy Processing in consultation with stakeholders in the milk industry. The Canadian partners will provide the equipment for the dairy processing training workshop in the following year 2019/2020. During the year under review, the Polytechnic had 140 training staff under the Teachers Service Commission and 54 additional trainers employed by the Council to cater for shortages in various departments. The Polytechnic engaged the services of 69 staff who offer essential services and were backed up by casual workers when need arose.

In order to assure quality of its services, processes and programmes, in the year under review the Polytechnic transited from ISO 9001:2008 to ISO 9001:2015. The Polytechnic also launched the new Strategic Plan 2018-2022 in September 2018. The Institute recognizes that information security is of paramount importance.

To this end, the Polytechnic initiated the process of being certified on ISO 27001:2013 standards on information security during the year under review. The process is expected to be completed in the 2019/2020 financial year. During the year under review, The Polytechnic was entrusted with the responsibility of mentoring Ndaragwa Technical and Vocational Centre and Kirinyaga central TVC and managed to deliver services during the year under review satisfactorily. However, there were challenges that remain unresolved which provide opportunities for improvement for the Polytechnic to effectively deliver on its mandate.

The Polytechnic continues to face the challenge of inadequate facilities which is compounded further by the leaking asbestos roofs in the old buildings that house some of the tuition rooms, workshops, dining hall and also the staff houses. The management therefore faces the uphill task of mobilizing adequate resources to cater for renovation of the facilities and developing new infrastructure to cater for the increase in population and also match the industry trends to ensure relevance in training.

The increase in enrolment has led to huge classes which have overstretched the existing facilities especially for practical lessons. It has also resulted in a large number of trainees residing off campus which has many demerits. The increase in population has also resulted in trainer shortages.

The management acknowledges the commitment of the government towards the TVET sector and appreciates the Ministry of Education, the SAGAs in the Ministry and the development partners for supporting the Polytechnic in its endeavours. The Polytechnic Remains committed to quality training and declares its resolve to continue addressing the opportunities and challenges that come our way.

Prepared by:


RICHARD KIIANA GIKUHI – FCS (K)
Chairman of the Governing Council

COUNCIL CHAIRMAN
THE NYERI NATIONAL POLYTECHNIC
P. O. Box 465 10100, NYERI
Email: nyerinpg@mail.com
Tel: 061 - 2032330

REPORT OF THE CHIEF PRINCIPAL

The year under review saw The Nyeri National Polytechnic continue to upscale efforts to fulfil its mandate of Providing education and training, research and innovation, consultancy and community service as stipulated in the TVET Act 2013 and the Legal Order No. 91 of 2016. In implementing its mandate during the year 2018/2019, the Polytechnic was guided by the following objectives: To produce quality and holistic graduates, enhance access and equity to quality TVET, provide adequate infrastructure for quality service delivery, undertake research and innovation that supports training and sustainable development, enhance student welfare, attract and retain skilled, motivated and productive staff and to promote a positive corporate image.

The Polytechnic continued to enhance access to quality TVET by enrolling 2,730 new trainees during the year under review of which 985 were female trainees in Science, Engineering and Technical courses. This was a remarkable increase from the previous year where the Polytechnic had enrolled 2,071 new trainees, 523 being in SET. During the year under review the institution managed to avail all the necessary resources both physical and human needed for effective training. The trainees who were candidates were also booked for their KNEC and NITA examinations which were successfully administered without any cases of irregularities.

On research and innovations, the Polytechnic presented 9 exhibits in the 2018 Regional TVET fairs and emerged top in Mechanical, Automotive, Building and Civil Engineering, Fashion Design category and position 2 in Business Category at the regional level. The Fashion Design exhibit emerged position one at the National level. In addition, trainers participated in international research conferences at Kabete National Polytechnic, Meru National Polytechnic and Rift Valley Technical Training Institute where they presented research papers.

In order to produce holistic graduates, The Polytechnic made efforts to expose the trainees to opportunities geared towards nurturing their talents. Towards this end, The Polytechnic ensured that trainees participated in sports, games, drama, music and in activities organized by various clubs and associations in the Polytechnic. In the 2018 Kenya National Drama Festivals the Polytechnic emerged position 1 in the Long Film category and the cultural creative dance was awarded a trophy for the best item on talent development.

In order to cope with the increase in enrolment during the year under review, the institution undertook to improve the physical facilities and equipment. 5 hostels which had leaking asbestos roofs were renovated and constructed paved sheltered walkways were constructed connecting the main buildings with the aim of improving the working and training environment. The Polytechnic improved on sanitation by putting up an ablution block. In its efforts to expose the students to the industry trends during their training, The Polytechnic procured two additional buses to ease transportation of trainees when visiting the industries and also while going for co-curricular activities outside the Polytechnic we also renovated two housekeeping rooms. Housekeeping workshops were also renovated.

In response to the security challenges in the country, the institution installed a biometric gate control system to restrict access to the Polytechnic to only authorized persons. In addition, the institution increased the CCTV cameras to enhance surveillance inside and outside the buildings.

In an effort to support the reforms in the TVET sector, The Polytechnic has embarked on a journey to implement Competency Based Education and Training (CBET) curriculum in: Instrumentation & control, Mechanical Technology and Manual Arc welding. This was on pilot basis in readiness for the roll out of more CBET courses in the coming year. The Polytechnic also partnered with CIC (Colleges and Institutes Canada) under KEFEP programme and developed a CBET curriculum level 4 and 5 in dairy processing in consultation with stakeholders in the milk industry. The Canadian partners will provide the equipment for the dairy processing training workshop in the following year 2019/2020.

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During the year under review, there were 140 training staff who were under the PSC Commission and 54 additional trainers employed by the Council to cater for shortages in various departments. The Polytechnic engaged the services of 69 non trainers staff to offer essential services and were backed up by casual workers when need arose. Trainers to attend various trainings in an effort to capacity build and make them more effective in their training. Trainers in Mechanical Engineering, Electrical Engineering, Applied Sciences, Liberal, Hospitality and Tourism, Fashion Design and Beauty Therapy attended training on development of CBET curriculum. Three trainers have been accredited as assessors in CBET curriculum.

The main source of finance for the Polytechnic during the year under review was the fees paid by the trainees. The other source was the production units in the areas of hire of facilities and short courses offered at the institution. The Polytechnic managed an A-in-A of Kshs.150, 500,000 exceeding the target for the year of Kshs.140, 000,000. The Polytechnic also managed to absorb 95% of the allocated resources and had no pending bills at the end of the financial year 2018/2019. The Polytechnic was able to utilize its resources prudently during the year under review and was therefore able to undertake all its planned operations.

In order to assure quality of its services, processes and programmes, The Polytechnic initiated the process of transitioning from ISO 9001:2008 to ISO 9001:2015 which is expected to be completed in the FY 2018/2019. In September 2018 the Polytechnic launched the Strategic Plan 2018/2022. The institution also recognizes that information security is of paramount importance. To this end, The Polytechnic initiated the process of certification on ISO 27001:2013 on information security during the year under review. The process is expected to be completed in the 2019/2020 financial year. The Polytechnic managed to deliver services during the year under review satisfactorily. However, there were challenges that remain unresolved which provide opportunities for improvement in order to effectively deliver on our mandate.

The increase in enrolment has led to huge classes which have overstretched the existing facilities especially for practical lessons. The Polytechnic is only able to accommodate 726 out of the 6,200 trainees. The others reside off campus which exposes them to many risks hence the need for more accommodation space in the institution.

The increase in population has also resulted in trainer shortages and during the year under review the Council had to engage 54 trainers with a total wage bill of Kshs.15, 330,000. This figure may be unsustainable in the long run.

The Hospitality and Tourism department currently has a trainee population of 1,046 trainees from 850 in 2017. The department has been forced to come up with innovative ways to deal with the large numbers. This includes pitching tents for theory lessons so that the tuition rooms can be modified into kitchens and restaurants. Staff houses have also been modified to provide facilities for training in housekeeping hence the dire need for a hospitality complex.

The challenge of inadequate facilities is compounded further by the leaking asbestos roofs in the old buildings that house some of the tuition rooms, workshops, dining hall and also the staff houses. The institution therefore faces the challenge of mobilizing adequate funds to cater for renovation of the facilities and developing new infrastructure to cater for the increase in population and also match the industry trends to ensure relevance in training.

As an institution, we acknowledge the commitment of the Government towards the TVET sector. The Polytechnic recognizes in a special way the efforts of H.E. the President to make TVET accessible and affordable by reducing the tuition fee and increasing the number of TVET institutions in the country. The Polytechnic wishes to note here that during the year under review it was tasked with the responsibility of mentoring Ndaragwa Technical and Vocational College and Kirinyaga

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central TVC. The Polytechnic also appreciates the Ministry of Education, the SAGAs in the Ministry and the development partners for supporting the Polytechnic in its efforts to deliver quality and market driven programmes. The Polytechnic remain committed to quality training and declare our resolve to continue addressing the opportunities and challenges that come its way more so, in playing a role in the realization of the Big Four Agenda.

Report prepared and signed
Anne N. Mwangi
CHIEF PRINCIPAL
NYERI NATIONAL POLYTECHNIC
P.O. Box 465 - 10100, NYERI
Email: nyerinp@gmail.com
TEL: 020 2330

ANNE N. MWANGI
CHIEF PRINCIPAL

CORPORATE GOVERNANCE STATEMENT FOR THE FINANCIAL YEAR 2018/2019

The corporate governance structure ensures that we act with high standards of corporate behaviour and in the best interest of our stakeholders. The Council has the authority to perform the functions and determine the policies that control the Polytechnic's activities.

The Council is responsible for our overall corporate governance and approves strategic directions and budgets. On the other hand, the management ensures that all statutory requirements are complied with, internal control systems are in place and operate effectively; in addition to ensuring that Council decisions are fully implemented.

The Council comprises 9 members appointed by the Cabinet Secretary for Education. The Principal sits in the Council as a full-time member and as a secretary to the council.

The members are appointed for a term of three years and are eligible for re- appointment for another final term of three years

The members have broad range of professions, skills and experience.

The Council has three committees namely; Finance and Resource Mobilization Committee, Academic and Audit Risk and Governance Committee.

Any issue(s) outside the above committees may be handled by specially constituted ad hoc committee, made by a resolution of the Council including its membership.

The Council, in consultation with management, develops strategic direction for the annual and long-term period.

At its regular meetings, the Council considerations include:

1. Quarterly Financial Statements
2. Annual Financial Statements

The Council held induction and corporate governance training for all the members during the year under review.

Composition of the Council

The Council is chaired by Mr. Richard K. Gikuihi who provide direction during Council meetings.

The committees of the council are as shown below:

Academic Committee

1. Eng. Callista K. Gitobu (Chair)
2. Rev. Julia M. Mwangi
3. Charles Theuri Nyota
4. Mrs. Anne N. Mwangi

Finance, Resource Mobilization and Administration Committee

1. Dr. Victor M. Muyembe (Chair)
2. Mr. Mahendrakumar M. R. Shah
3. Adv. Dominic I. Muriuki
4. Mrs. Anne N. Mwangi

Audit and Risk Management Committee

1. Rev. Julia M. Mwangi (Chair)
2. Eng. Callista K. Gitobu
3. Mr. Felix J. Onyango

Corporate Social Responsibility Policy

The Polytechnic recognizes the need for corporate social responsibility (CSR) and engages in various activities. In the year under review, The Polytechnic engaged in an environmental clean-up exercise where The Polytechnic cleared the bushes along Mumbi road and unblocked the drainage system. The Polytechnic also attended public forums and visited secondary schools to offer career guidance.

Human Resource

The Polytechnic recognizes that health, safety and training, play a key in ensuring our employees commitment to responsibility in the workplace and a working environment in which personal and employment rights are upheld.

Effective policies and procedures are aligned with the Polytechnic's needs and the promotion of good communication processes, to assist timely and consistent delivery of relevant information to employees.

The Polytechnic provide equal opportunity for all employees and job applicants. The Polytechnic have in place policies covering issues such as performance management, training and family friendly policies e.g. compassionate leave, paternity leave among others.

Stakeholders

The Polytechnic actively encourages open communication with stakeholders. Principally through the Council, the Polytechnic endeavours to establish and maintain healthy relationships with its institutional stakeholders by holding regular consultations on issues requiring stakeholder participation as enshrined in the Constitution of Kenya 2010.

STATEMENT OF THE COUNCIL RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and the TVET Act 2013, require the Council to prepare financial statements of The Nyeri National Polytechnic, which give a true and fair view of the state of affairs of the Polytechnic at the end of the financial year/period and the operating results of the Polytechnic for that year/period. The Council is also required to ensure that the Polytechnic keeps proper accounting records which disclose with reasonable accuracy the financial position of the Polytechnic. The Council is also responsible for safeguarding the assets of the Polytechnic.


The Council is responsible for the preparation and presentation of the Polytechnic financial statements, which give a true and fair view of the state of affairs of the Polytechnic for and as at the end of the financial year ended 30th June, 2019. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Polytechnic; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Polytechnic; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

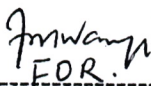
The Council accept responsibility for the Polytechnic financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Council is of the opinion that the Polytechnic financial statements give a true and fair view of the state of the Polytechnic transactions during the financial year ended 30th June, 2019 and of the Polytechnic financial position as at that date. The Council further confirm the completeness of the accounting records maintained by the Polytechnic, which have been relied upon in the preparation of the Polytechnic financial statements as well as the adequacy of the systems of internal financial control.

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

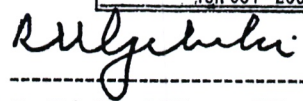
Approval of the financial statements

The Polytechnic financial statements were approved by the council on 25/09/2019 and signed on its behalf by:


Mrs. Anne N. Mwangi
Chief Principal


Victor Muyembe
Chair Council Finance Committee




Mr. Richard Kiana Gikuhi
Chairman of the Council

Management Discussion and analysis

Projects

The Polytechnic had the following projects:

1. Applied Science Milk Workshop Phase I and Phase II
2. Proposed Re-roofing of Block C
3. Proposed Erection of a Ramp at the Administration block A
4. Proposed Renovation of Dining Hall (Re-roofing)
5. Proposed Construction of a Hospitality Complex

Statutory and Regulatory Requirements

The Polytechnic has been complying with the statutory requirements and regulations issued from time to time e.g. putting measures to curb examination cheatings by ensuring student spacing of 1.2 metres and payment of all statutory obligations.

The Polytechnic is also ISO 9001: 2015 certified and in the process of certification to 27001: 2013 on information security. Internal audits and external audits are carried by KEBS to ensure the Polytechnic is operating within the standards.

Major risk facing the Polytechnic

Financial risks or credit risks

Credit risks are the risk that the counter party will default on its contractual obligation resulting to financial loss to the Polytechnic.

Some of the risks are

Capitation fees balances

The Polytechnic is faced with a risk of meeting some of its essential obligations and offering services e.g payment of examinations since the government has not been fulfilling its obligation to pay capitation fees of Ksh 30,000 per student per year. By the end of the financial year the government owed the Polytechnic Ksh 27,978,635 in capitation and this has affected the A- in- A.

Market risks

The Dynamics of changes in market prices of goods and services, interest rates and inflation has affected budgetary control hence reporting some variances in the budget comparison.

Operational Risks

The Major operational risks that have been facing the Polytechnic is lack of enough tuition rooms with the growing number of student's population despite having written proposals for funding and budgeting for the construction of tuition rooms.

Surplus remission

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year.

In the Financial Year 2018/2019 The Polytechnic did not receive any funds from the consolidated fund and the entity did not make any surplus in that year.

Auditors

The Auditor General is responsible for the statutory audit of the *Polytechnic* in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

THE POLYTECHNIC OPERATED THE FOLLOWING VOTE-HEADS

a) T.E.S/Materials:

T.E.S stands for Tuition Equipment and Stores. In this vote we charge stationery and training materials.

b) Personal Emolument

In this vote we pay employee compensation.

c) Local Transport and Travel

This vote head caters for expenses relating to staff and lecturers while on official duties, Polytechnic vehicles fuel, repairs, maintenance and vehicles insurance.

d) Electricity Water and Conservancy (E.W.C)

This vote head caters for electricity bills, water bills and repairs related to water and electricity.

e) Repair, Maintenance and Improvement (R.M.I)

This vote head caters for repair, maintenance and improvement of the Polytechnic facilities

f) Activity Expense

This vote head caters for co-curricular and extracurricular activities

g) Medical Expense

This vote head caters for medical expenses.

h) Insurance expense

This vote head is used to cover our students against accidents while in session and on attachment.

i) Library expense

This vote head caters for the library expenses

j) Student Welfare

This vote head is used to finance student welfare activities in the Polytechnic.

k) Development

This vote head is used to finance development projects.

l) Administration

This vote caters for administration expenses

m) Generator Maintenance

This vote is used in the maintenance and servicing of the Polytechnic standby generator.

n) Attachment

This vote caters for supervision fee for the students on attachment, Logbooks for the students, placement and certificates.

o) Hostel

This vote is used in the repair and maintenance of polytechnic hostels.

p) Caution fee

This vote caters for caution fee which is refundable after a student has completed the course and upon clearing with the Polytechnic.

q) Application fees

This vote head caters for application fees paid by applicant when applying for the courses

r) Registration fees

This vote head caters for the registration of the students at the polytechnic.

s) Student ID Card

This vote head caters for the production of student ID card.

t) Examination

Each student is expected to pay his/her examination fees. This amount is forwarded to examining bodies such as KNEC and NITA.

u) Grant and Grant in Aid

This vote head caters for the aid received from the government. The amount is used in consultation with the Governing Council.

v) Rent

This vote caters for rent received from staff houses and business centres

w) Farm/Dairy Unit

This vote head caters for dairy farming.

x) Pay As You Eat system

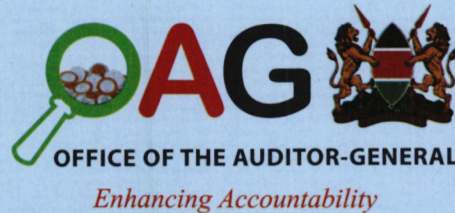
This vote caters for the student meals.

y) Production units

This vote head caters for hire of facilities and short courses

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON THE NYERI NATIONAL POLYTECHNIC FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of The Nyeri National Polytechnic set out on pages 1 to 26, which comprise the statement of financial position as at 30 June, 2019, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the 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 The Nyeri National Polytechnic as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Rendering of Services - Student Fees

The statement of financial performance reflects total revenue from rendering of services - fees from students amounting to Kshs.210,537,925. However, a review of records presented for audit revealed that the reported students' fees represented the actual cash paid by the students during the financial year 2018/2019, instead of the revenue earned or billed.

Consequently, the accuracy and completeness of the reported revenue from rendering of services - fees from students amounting to Kshs.210,537,925 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of The Nyeri National Polytechnic Management in accordance with ISSAI 130 on 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 judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Matters

As disclosed under the progress on follow up of auditor recommendations section of the financial statements, several matters reported in the prior year remained unresolved as at 30 June, 2019. Management has not provided reasons for the delay in resolving the prior year audit issues.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing 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

The audit was conducted in accordance with ISSAI 4000. The standard requires 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 are in compliance, 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 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 overall governance were not effective.

Basis for Conclusion

Risk Management

The Polytechnic did not have a documented Risk Management Policy and did not conduct any risk assessments on its systems and operations during the year under review. This is contrary to the provisions of Regulation 158(1) of the Public Finance Management (County Governments) Regulations, 2015 which provides that the Accounting Officer shall ensure that the county government entity develops risk management strategies, which include fraud prevention mechanism; and that the county government entity develops a system of risk management and internal control that builds robust business operations.

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 processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the ability of The Nyeri National Polytechnic to sustain services, disclosing, as applicable, matters related to sustainability of services and using the going concern basis of accounting unless Management is aware of the intention to terminate the Polytechnic or to cease its 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 are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Polytechnic's financial reporting process, reviewing the effectiveness of how the entity 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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. 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 and weakness 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 addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, 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 accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control 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 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of The Nyeri National Polytechnic to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Polytechnic to cease sustaining its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of The Nyeri National Polytechnic to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

06 October, 2021

The Nyeri National Polytechnic
Annual report and financial statement
For the year ended 30th, June 2019

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019			
		2018/19	2017/18
	Notes	Ksh	Ksh
Revenue from non-exchange transactions			
Transfers from government (grants)	1	78,234,295	79,629,729
Total revenue from non-exchange transaction		78,234,295	79,629,729
Revenue from exchange transactions			
Rendering of services – Fees from students	2	210,537,925	218,850,976
Sale of Goods and Services	3	34,590,202	7,048,356
Rental revenue from (Staff houses and Business Centers)	4	934,619	891,900
Other Incomes	5	2,616,526	124,982,027
Total revenue from exchange transaction		248,679,272	351,773,259
Total revenue		326,913,567	431,402,988
Expenses			
Use of Goods and Services	6	14,564,892	16,752,634
Employee compensation	7	51,179,758	28,656,049
Remuneration of Polytechnic Council	8	4,737,035	2,484,000
Repairs and Maintenance	9	39,952,990	28,363,509
General expenses	10	193,739,516	250,006,157
Ndaragwa TVC expenses	11	5,839,883	-
Development Account	12	7,851,503	-
Depreciation	31	47,905,640	-
Total expenses		365,771,217	326,262,349
Surplus/ deficit for the period		(38,857,650)	105,140,639

Notes set out on pages 16 to 19 form an integral part of this financial statement

The Nyeri National Polytechnic
Annual report and financial statement
For the year ended 30th, June 2019

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2019			
	Notes	2018/19 Ksh	2017/18 Ksh
Assets			
Current Assets			
Cash and cash equivalents	13	103,942,636	94,894,645
Receivables from Non exchange transactions	14	27,978,635	
Receivables from exchange transactions	15	48,354	-
Inventories	16	1,665,177	-
students' receivables/debtors	17	15,528,223	25,025,305
Total Current Assets		149,163,025	119,919,950
Non-Current Assets			
Property, plant and equipment	18	1,970,539,674	33,207,450
Biological Assets	19	705,000	-
Total Non- Current Assets		1,971,244,674	33,207,450
Total Assets		2,120,407,699	153,127,400
Liabilities			
Current Liabilities.			
Trade and other payables from exchange transactions	20	4,801,297	15,074,386
Development funds	21	8,392,276	9,643,427
Ndaragwa TVC	22	5,723,940	-
Employee advances	23	260,000	-
Caution funds	24	3,828,050	1,772,925
Prepaid fees	25	4,714,697	13,364,356
Retention Money	26	4,300,139	-
Examination funds	27	10,095,175	7,760,900
Library Account		-	370,767
Total current liabilities		42,115,574	47,986,761
Net Assets			
Reserves	28	1,995,294,876	-
Accumulated surplus	29	66,282,989	105,140,639
Capital fund	30	16,714,260	-
Total net assets		2,078,292,125	105,140,639
Total net assets and liabilities		2,120,407,699	153,127,400

The Financial statement set out on this page were signed on behalf of the council by:

FINANCE OFFICER
THE NYERI NATIONAL
POLYTECHNIC

CPA James Mungai Kamau
Finance Officer
ICPA(K) Number 14097

CHIEF PRINCIPAL
THE NYERI NATIONAL POLYTECHNIC
P.O. Box 465 - 10100, NYERI
Email: nyerinpg@gmail.com
TEL: 061 - 2032330

Anne N. Mwangi (Mrs)
Chief Principal

Richard K Gikuihi

Richard K Gikuihi - FCS(K)
Chairman of the Council

Notes set out on pages 20 to 23 form an integral part of this financial statement

COUNCIL CHAIRMAN
THE NYERI NATIONAL POLYTECHNIC
P.O. Box 465 10100, NYERI
Email: nyerinpg@mail.com
Tel: 061 - 2032330

Annual report and financial statement
For the year ended 30th, June 2019

Statement of Changes in Net Assets as at 30th June 2019

	Revaluation Reserves	Surplus/Deficit	Capital/development grants	Total
Balance B/F 01-07-2018	0	105,140,639	0	105,140,639
Revaluation	1,995,294,876	0	0	1,995,294,876
Comprehensive income	0	(38,857,650)	0	(38,857,650))
Surplus/Deficit				
Capital/Development grants received during the year	0	0	16,714,260	16,714,260
Total Net Assets	1,995,294,876	66,282,989	16,714,260	2,078,292,125

The Nyeri National Polytechnic
Annual report and financial statement
For the year ended 30th, June 2019

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2019			
	Notes	2018/19	2017/18
		Ksh	Ksh
Cash flow from operating Activities			
Receipts			
Transfers - Government Grants	1	78,234,295	79,629,729
Rendering of Service – Students Fees	2	210,537,925	6,485,000
Sales of goods and services	3	34,590,202	7,048,356
Rental revenue	4	934,619	891,900
Other Incomes	5	2,616,526	337,348,003
Total Receipts		326,913,567	431,402,988
Payments			
Goods and services	6	14,564,892	16,752,634
Employees Compensation	7	51,179,758	28,656,049
Remuneration of Polytechnic Council	8	4,737,035	2,484,000
Repairs and Maintenance	9	39,952,990	28,363,509
General expenses	10	193,739,516	250,006,157
Depreciation		-	10,057,406
Total Payments		304,174,191	336,508,342
Cash flow from investing Activities			
Ndaragwa TVC Construction	11	5,839,883	-
Development Account – Hospitality Complex	12	7,851,503	-
Net cash flows used in Investing Activities		13,691,386	-
Net increase/ (Decrease) in cash and cash equivalents		9,047,990	-
Cash and Cash Equivalent at the beginning of the Year 01/07/2018		94,894,646	-
Cash and Cash Equivalent at the end of the Year 30/06/2019	13	103,942,636	94,894,646

Notes set out on pages 16 to 20 form an integral part of this financial statement

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Original Budget	Adjustments	Final Budget	Actual Amounts	Performance Difference	Variance analysis (%)	Explanation of Material Variance
Incomes	2018-2019	2018-2019	2018-2019	2018-2019	2018-2019	2018-2019	2018-2019
Tuition fees/Material	39,746,700	0	39,746,700	37,588,031	2,158,669	5	Favourable
Local Transport & Travel	7,157,600	0	7,157,600	4,725,953	2,31,647	34	Unfavourable
Electricity & Water	8,836,674	0	8,836,674	8,772,874	63,800	1	Favourable
Repairs & Maintenance	3,455,200	35,602,590	39,057,790	3,510,568	35,547,222	91	Favourable
Administration	6,046,600	0	6,046,600	6,569,260	(522,660)	(9)	Unfavourable
Activity	6,046,600	0	6,046,600	6,191,525	(144,925)	(2)	Favourable
Medical	1,727,600	0	1,727,600	1,130,820	596,780	35	Unfavourable
Library	1,727,600	0	1,727,600	1,245,436	482,164	28	Unfavourable
Insurance	1,861,000	0	1,861,000	1,765,956	95,044	5	Favourable
Student Welfare	2,159,500	0	2,159,500	1,690,507	468,993	22	Unfavourable
Attachment Fees	4,500,000	0	4,500,000	5,304,169	(804,169)	(18)	Favourable
Hostel	10,770,000	0	10,770,000	5,961,765	4,808,235	45	Unfavourable
Application Fees	2,349,000	0	2,349,000	4,008,962	(1,659,962)	(71)	Favourable
Registration Fees	783,000	0	783,000	1,305,805	(522,805)	(67)	Favourable
Caution Fees	1,566,000	0	1,566,000	2,449,500	(883,500)	(56)	Favourable
Student ID Fees	469,800	0	469,800	1,207,100	(737,300)	(157)	Favourable

The Nyeri National Polytechnic
Annual report and financial statement
For the year ended 30th, June 2019

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS							
	Original Budget	Adjustment s	Final Budget	Actual Amounts	Performance Difference	Variance analysis (%)	Explanation of Material Variance
Incomes	2018-2019	2018-2019	2018-2019	2018-2019	2018-2019	2018-2019	2018-2019
Examination Fees	28,000,000	0	28,000,000	39,619,187	(11,616,187)	(41)	Favourable
ADB Students Fees	0	0	0	1,313,963	(1,313,963)	0	-
Graduation Fees	0	0	0	919,800	(919,800)	0	-
Development Fees	0	0	0	665,886	(665,886)	0	-
Rent	985,800	0	985,800	934,619	51,181	5	Favourable
Farm	945,000	0	945,000	366,024	578,796	61	Unfavourable
Pay As You Eat	12,262,500	0	12,262,500	18,392,794	(6,130,294)	(50)	Unfavourable
Production Units	14,490,000	0	14,490,000	6,988,600	7,501,400	52	Unfavourable
GOK Development Grants (Hospitality Complex)	75,000,000	0	75,000,000	5,887,102	69,112,898	92	Unfavourable
Ndaragwa TVC	5,459,948	0	5,459,948	10,827,158	(5,367,210)	(98)	Unfavourable
Capitation Fees	86,370,000	0	86,370,000	59,010,000	27,360,000	32	Unfavourable
Disposal of Idle Assets	400,000	0	400,000	69,910	330,090	83	Unfavourable
Generator	0	0	0	109,647	(109,647)	0	-
Personal Emoluments fees	0	0	0	6,011,016	(6,011,016)	0	-
Bursary and Helb Loans	0	0	0	28,758,519	(28,758,519)	0	-
Mathira TVC	0	0	0	2,510,000	(2,510,000)	0	-

The Nyeri National Polytechnic
Annual report and financial statement
For the year ended 30th, June 2019

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS							
	Original Budget	Adjustments	Final Budget	Actual Amounts	Performance Difference	Variance analysis (%)	Explanation of Material Variance
NYS Students Fees	31,155,100	0	31,155,100	48,893,194	(17,738,094)	(57)	Favourable
Catholic Action	0	0	0	96,431	(96,431)	0	-
Christian Union	0	0	0	46,000	(46,000)	0	-
Damages Fees	0	0	0	18,275	0	0	-
Contingencies fees	0	0	0	5,220	0	0	-
Material Fees	0	0	0	2,040,656	0	0	-
Parents Project fees	0	0	0	1,335	0	0	-
Total Income	354,271,222	35,602,590	389,873,812	326,913,567	62,960,245	-	-
Expenses							
Tuition/Materials Expense	39,746,700	-	39,746,700	33,755,059	5,991,641	15	Favourable
Local Transport and Travel	13,048,414	-	13,048,414	8,955,939	4,092,475	31	Favourable
Electricity, water and Travel	13,864,000	-	13,864,000	11,171,339	2,692,661	19	Favourable
Personnel Emoluments	40,786,500	-	40,786,500	51,179,758	(10,393,258)	(25)	Unfavourable
Repairs and Maintenance	4,350,400	35,602,590	39,952,990	39,952,990	0	0	-
Administration Cost	10,811,360	-	10,811,360	14,182,352	(3,370,992)	(31)	Unfavourable
Activity	8,638,000	-	8,638,000	7,777,211	860,789	10	Favourable
Medical	1,727,600	-	1,727,600	428,232	1,299,368	75	Favourable
Library	1,727,600	-	1,727,600	417,896	1,309,704	76	Favourable
Insurance	1,861,000	-	1,861,000	1,422,605	438,395	24	Favourable

The Nyeri National Polytechnic
Annual report and financial statement
For the year ended 30th, June 2019

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS							
	Original Budget	Adjustments	Final Budget	Actual Amounts	Performance Difference	Variance analysis (%)	Explanation of Material Variance
Student Welfare	2,159,500	-	2,159,500	885,413	1,274,087	59	Favourable
Attachment Expenses	4,500,000	-	4,500,000	1,589,199	1,589,199	65	Favourable
Hostel Expenses	10,770,000	-	10,770,000	4,137,675	4,860,008	62	Favourable
Application Expense	2,349,000	-	2,349,000	358,950	1,990,050	85	Favourable
Registration Expense	783,000	-	783,000	154,850	628,150	80	Favourable
Caution Expense	1,566,000	-	1,566,000	394,375	1,171,625	75	Favourable
Student ID Expense	469,800	-	469,800	170,689	299,111	64	Favourable
Examinations	28,000,000	-	28,000,000	37,289,912	(9,289,912)	(33)	Unfavourable
Rent Expense	985,800	-	985,800	184,771	801,029	81	Favourable
Farm Expense	945,000	-	945,000	402,433	542,567	57	Favourable
Pay As You Eat Expense	12,262,500	-	12,262,500	23,859,330	(11,596,830)	(95)	Unfavourable
Production Unit Expense	14,490,000	-	14,490,000	16,556,661	(2,066,661)	(14)	Unfavourable
GOK Development grants(Hospitality Complex)	75,000,000	-	75,000,000	7,851,503	67,148,497	90	Unfavourable
Ndaragwa TVC Expense	5,459,948	-	5,459,948	5,839,883	(379,935)	(7)	Favourable
Capitation Expense	17,514,000	-	17,514,000	24,953,008	(7,439,008)	(42)	Unfavourable
Graduation Expense	2,000,000	-	2,000,000	3,419,738	(1,419,738)	(71)	Unfavourable
ASK Show Expense	600,000	-	600,000	48,000	552,000	92	Favourable
Research and Development	2,000,000	-	2,000,000	1,898,617	101,383	5	Favourable

The Nyeri National Polytechnic
Annual report and financial statement
For the year ended 30th, June 2019

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS							
	Original Budget	Adjustments	Final Budget	Actual Amounts	Performance Difference	Variance analysis (%)	Explanation of Material Variance
Disposal of Idle Asset	400,000		400,000	0	400,000	100	-
HELB	0	-	0	547,709	(547,709)	0	-
Catholic Action	0	-	0	73,500	(73,500)	0	-
Council Allowance	3,500,000	-	3,500,000	4,737,035	(1,237,035)	(26)	Unfavourable
Generator Maintenance	800,000	-	800,000	58,765	(741,235)	(92)	Unfavourable
Refunds	0	-	0	2,058,955	(2,058,955)	0	-
KATTI	0	-	0	86,000	(86,000)	0	-
NYS Students Fees Expenses	31,155,100	-	31,155,100	3,381,386	27,773,714	89	Favourable

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Mathira TVC Expense	0	-	0	1,543,189	(1,543,189)	0	-
Grant Expense	0	-	0	2,747,097	(2,747,097)	0	-
Security Services	0	-	0	3,247,553	(3,247,553)	0	-
Subscription	0	-	0	146,000	(146,000)	0	-
Depreciation of Assets	0	-	0	47,905,640	(47,905,640)	0	-
Total	354,271,222	35,602,590	389,873,812	365,771,217	-	-	-

Explanation of Budget Material Variance

a) Fees Payment Vote heads

Some of the following votes had unfavourable variance of more than 10% due to uncleared students' fees balances

3. Library fees
4. Electricity and water
5. Local Transport and travel
6. Medical
7. Student welfare
8. Attachment Fee

b) Production Units

This Vote had a deficit balance of 7,501,400 since there was no much hire of facilities incomes received during this period as we had budget. The Polytechnic also met the expenditure for Avic Training and as at June 2019, we had not received payment from AVIC International leading to unfavourable variance.

c) Capitation Vote

As at June 2019 The Polytechnic had received ksh 59,010,000 from the budget amount of ksh 86,370,000. This resulted to unfavourable variance of ksh 27,360,000 translating to 32% variance percentage.

d) Farm

There was unfavourable variance of ksh 578,796 due to long period of dry spell in the country, hence the Polytechnic Farm production reduced in the year under review.

e) Development funds for Hospitality Complex

The Polytechnic had estimated to receive Ksh 75,000,000 for the construction of hospitality complex by June 2019, but the Polytechnic received Ksh 5,887,102 translating to 92% Unfavourable variance.

f) Administration Cost

This vote was used mostly on the marketing and publicity as far as the expense is concerned. There was unfavourable variance of Ksh 3,370,992

g) Pay As You Eat

This vote recorded unfavourable variance of Ksh 6,130,294 this was as a result of very high cost of production and the NYS had not paid the fees balances for their students which was to cater for their meal's expenses.

h) Electricity water and Conservancy

This vote recorded favourable variance in terms of expenses of Ksh 2,692,661. This was occasioned by the August, December and April. Holiday where most of our students are at home hence Electricity and Water consumption reduced.

i) Personal Emoluments

This vote head recorded unfavourable variance of Ksh 10,393,258 translating to 25% variance. This was occasioned by the need to hire more Council trainers to fill the need for training gap so that they can attend to the growing number of students population.

j) Application Fees

This vote head recorded a favourable variance of Ksh 1,659,962 translating to 71% positive. This means that the number of applicants increased By 71% from the budget.

NOTES TO THE FINANCIAL STATEMENTS

GENERAL INFORMATION

Nyeri Polytechnic is established by and derives its authority and accountability from TVET Act 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to offer training services.

Statement of compliance and basis of preparation – IPSAS 1

The financial statements have been prepared in accordance with the international public sector accounting standards IPSAS accrual. That allows the use of estimates and assumptions. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *Polytechnic*. *The cash flow statement is prepared using the indirect method. The financial statements are prepared on accrual basis.*

The financial statements have been prepared in accordance with the PFM Act, TVET Act 2013 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – IPSAS 3

a) Revenue recognition

i) Revenue from non-exchange transactions – IPSAS 23

- **Fees**

The Polytechnic recognizes revenues from fees when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

- **Transfers from other government entities**

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

ii) Revenue from exchange transactions – IPSAS 9

- **Rendering of services**

The Polytechnic 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 student performance.

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- **Sale of goods**

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

- **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 – IPSAS 24

The original budget for FY 2018-2019 was approved by the Polytechnic Council on 28/06/2018. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities.

c) Property, plant and equipment – IPSAS 17

Property plant and equipment are stated at cost less any depreciation and impairment losses cost. Cost includes expenditures that are directly attributable to the acquisition of the items. Polytechnic land is free hold and is not subject to amortisation. Depreciation on other property is charged on reducing balance on the written down value. Depreciation is not charged in the first year of acquisition. The following are applicable rates.

	Land	Building	Motor Vehicles	Computer accessories	Plant and machinery	Tractor	Furniture and fittings
Rates	Nil	2%	25%	30%	12.5%	37.5%	12.5%

d) 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

e) Inventories- IPSAS 12

Inventories are Stated at lower of cost and net realisable value. Costs include direct materials and where applicable direct labour and those overheads that have been incurred in bring the inventories to their present location and condition. Cost of issuing the stock is calculated using 'First in First Out' (FIFO) method. Net realisable value represents the estimated selling price less estimated cost of disposal.

h) Biological Assets

Biological assets are measured at the valued amount in the statement of financial position (IPSAS 27). A gain or loss arising from valuation of a biological asset at fair value less cost to sell shall be included in surplus or deficit for the period at which it arises. Biological assets for the polytechnic are in this case Cows.

f) Contingent liabilities

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

g) Contingent assets

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

h) Provisions for depreciation

The Polytechnic has provided for the depreciation on a reducing balance on the WDV of the PPE and the depreciation charge reported in the statement of financial performance

i) Changes in accounting policies and estimates – IPSAS 3

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

j) Employee benefits – IPSAS 25

Retirement benefit Obligation

The Polytechnic Contributes to the statutory National social security fund.(NSSF) this is a defined contribution scheme registered under NSSF Act. The Polytechnic obligation under this scheme are limited to a maximum of Ksh 200 per employee per month, While the employer contributes Ksh 200 per month. The Polytechnic remits this deduction to National Social security fund and recognise them to the income statement for the period to which they relate.

k) Related parties – IPSAS 20

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

l) Cash and cash equivalents

Cash and cash equivalents are defined as cash balances, bank balances and shortterm investments (Fixed deposits). For the purposes of these financial statements, cash and cash equivalents include cash and bank balances, Imprests and advances to authorised public officers which were not surrendered or accounted for at the end of the financial year.

m) Budget information – IPSAS 24

The original budget for FY 2018-2019 was approved by the Council on 28/06/2018

The Polytechnic Budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. 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 any variance more than 10% is explained.

n) Comparative figures

Comparative figures for the previous financial year 2017/2018 have been indicated to conform to with the IPSAS requirements.

o) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements as June 30th2019.

Provisions – IPSAS 19

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

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

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

p) Work in Progress

Work in progress represents buildings under construction. It is carried at cost. Depreciation of these assets commence when the assets are ready for their intended use on the same rate as other buildings.

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NOTES TO FINANCIAL STATEMENTS		
	2018/19	2017/18
	Jun-19	Jun-18
	Shs	Shs
1. Transfer from the Government (grants)		
Unconditional Grants		
Operational grants/capitation	59,010,000	50,250,000
Conditional grants		
Development grants - Hospitality Complex	5,887,102	14,279,729
Ndaragwa TVC Mentorship funds	10,827,158	10,600,000
Mathira TVC Mentorship funds	2,510,000	4,500,000
Total grants	78,234,295	79,629,729
	Amount recognized to Statement of Comprehensive Income	Amount recognized to Statement of Comprehensive Income
Ministry of Education state department of Technical and vocational Training	78,234,295	79,629,729
2) Rendering of Services – Student fees		
Tuition fees	37,588,031	-
Examination Fees	39,619,187	-
Local Transport and Travel Fees	4,725,953	-
Activity Fees	6,191,525	-
Administration Fees	6,569,260	-
ADB Student Fees	1,313,963	-
Application Fees	4,008,962	-
Development Fees	665,886	-
Generator Fees	109,647	-
Hostel Fees	5,961,765	-

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Medical Fees	1,130,820	-
Personal Emoluments	6,011,016	-
Repairs and Maintenance Fees	3,510,568	-
Student Welfare Fees	1,690,507	-
Students ID Fees	1,207,100	-
Registration Fees	1,305,805	-
Attachment Fees	5,304,169	-
Library Fees	1,245,636	-
Helb Fees/Bursaries	28,758,519	-
NYS Students Fees	48,893,194	-
Insurance Fees	1,765,956	-
Graduation Fees	919,800	-
Material Fees	2,040,656	-
Student Fees	-	218,850,976
Total	210,537,925	218,850,976
3 Sale of Goods and Services		
Electricity and water	8,772,874	7,048,356
Hire of Facilities	4,762,507	-
Short Courses Incomes	1,985,305	-
Pay As You Eat Income	18,392,794	-
Food and Beverage Sales	224,788	-
Disposal of Idle Assets	69,910	-
Farm Produce	366,024	-
Tenders	16,000	-
Total	34,590,202	7,048,356
4 Rent from staff houses and business centers	934,619	891900
5 Other Incomes		
Damages Fees	18,275	-
Catholic Action	96,431	-
Christian Union	46,000	-

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Contingencies Fees	5,220	-
Caution Fees	2,449,500	-
Parents Project Fees	1,100	-
Hire of facilities	-	6,485,000
Development Account	-	60,161,957
Ndaragwa TVC Account	-	10,795,987
Production Unit Account	-	25,014,693
Fund Account	-	20,901,590
National Bank	-	1,622,800
Total	2,616,526	124,982,027
Expenses		
6 Use of goods and services		
Water and electricity	11,171,339	13,882,067
Security Services	3,247,553	2,670,567
Subscriptions	146,000	200,000
Total	14,564,892	16,752,634
7 Employees compensation		
Salaries and wages	48,552,695	28,656,049
Payment of service gratuity	2,627,063	-
Total	51,179,758	28,656,049
8 Remuneration of Polytechnic Council		
Polytechnic Governing council allowance	4,443,035	2,484,000
Chairman Honoraria	294,000	-
Total	4,737,035	2,484,000
9 Repairs and maintenance		
Repairs and Maintenance of Polytechnic facilities	39,952,990	28,363,509
10. General Expenses		
Expenses of rendering services to students		
A.S.K Show Expenses	48,000	0
Activity Expenses	7,777,211	3,620,599

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Administration cost	14,182,352	12,920,200
Application fee expense	358,950	679,330
Attachment Expense	1,589,199	1,625,099
Capitation fees expense	24,953,008	0
Catholic Action	73,500	0
Caution money refunds	394,375	363,750
Examination expenses	37,289,912	30,460,657
Farm expense	402,433	1,159,829
Generator maintenance expense	58,765	0
Graduation expenses	3,419,738	0
Grant expense	2,747,097	28,835,645
HELB	547,709	889,444
hostel expenses	4,137,675	6,228,857
Insurance Expense	1,422,605	949,712
Library Expense	417,896	955,458
Local Travelling & Transport (LT & T)	8,955,939	6,406,077
Mathira T.V.C A/C Expense	1,543,189	4,500,000
Medical Expenses	428,232	683,889
NYS Students accommodation expense	3,381,386	921,511
pay as you eat expense	23,859,330	17,035,712
Refunds	2,058,955	1,521,663
Student ID expense	170,689	15,000
Student Welfare Expenses	885,413	802,780
Rent expense	184,771	282,032
Tuition Equipment & stores (TES)	33,755,059	23993422
Registration expenses	154,850	222389
Bank transfers	0	47579512
Research and development	1,898,617	0
KATTI	86,000	-
Ndaragwa TVC Account expenses	-	10,058,112
Development Account	-	31,111,110
Short courses	7,525,977	4,342,848
Hire of facilities	9,030,684	11,841,522
Total General expenses	193,739,516	250,006,157
11. Ndaragwa Tvc Construction	5,839,883	-
12. Development account- Hospitality Complex	7,851,503	-

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13. Cash and cash equivalents		
Main Account KCB - A/C NO 1101922435	2,773,896	6,759,378
KCB fees collection - A/C NO 1101539208	1,803,041	7,239,182
Fund Account Kcb - A/C NO 1101922656	965,491	618,071
Production unit - A/C NO 1178564029	1,694,909	5,862,212
Development account - A/C NO 1112948198	8,392,276	9,643,427
Equity Bank - A/C NO 0110291894787	80,854,660	62,852,913
Ndaragwa TVC - A/C NO 1178382435	5,719,380	936,665
National bank - A/C NO 01025043119400	1,448,439	947,967
cash in hand	290,544	34,830
Total cash and cash equivalents	103,942,636	94,894,646
Receivables from exchange transactions		
14. Receivables from Non-Exchange Transactions- (Capitation)	27,978,635	-
15. Sundry debtors' milk and rent from staff		
	48,354	-
16. Inventories		
Consumable stores (central stores)	462,615	-
Medical supplies	77,640	-
Offices	50,000	-
Academic departments	1,074,922	-
Total inventories at the lower of cost and net realizable value	1,665,177	-

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17. Student receivables		
balance B/F 01/07/2018	25,025,305	29,899,365
unpaid debtors:		
Students debtors 2018-2019	19,002,918	-
less Recovered	28,500,000	4,874,060
Student debtor's C/F to 2019/2020 FY	15,528,223	25,025,305
18. Property, Plant and Equipment - See separate note		
Balance B/F	33,207,844	
Revaluation of Assets	1,995,294,876	27,579,250
Additions	-	15,686,000
Accumulated Depreciation	57,963,046	10,057,406
NBV as at June 2019	1,970,539,674	33,207,844
19. Biological Assets - cows		
Valuation at the beginning of the year	705,000	-
20. Trade and other payables from exchange transactions		
Trade payables/creditors	4,801,297	15,074,386
21. Development account		
balance B/F 01/07/2018	9,643,427	3,395,591
Receipts	6,600,352	59,506,935
Payments	7,851,503	53,259,099
balance C/F to 2019/2020 FY	8,392,276	9,643,427
22. Ndaragwa TVC - Construction		
balance B/F 01/07/2018	736,665	
Receipts	10,827,158	
Payments	5,839,883	
balance C/F to 2019/2020 FY	5,723,940	
23. Employee advances		
	260,000	-

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24. Caution funds		
balance B/F 01/07/2018	1,772,925	776,675
Receipts	2,449,500	1,358,000
Payments	394,375	361,750
balance C/F to 2019/2020 FY	3,828,050	1,772,925
25. Prepaid fees		
	4,714,697	13,364,356
26. Retention Money		
	4,300,139	-
27. Examination Fund		
balance B/F 01/07/2018	7,760,900	12,672,498
Receipts	39,624,187	23,250,533
Payments	37,289,912	28,162,131
balance C/F to 2019/2020 FY	10,095,175	7,760,900

28) Reserves

	2018/2019
Valuation of Non-current assets and current Assets- gain	1,995,294,876
Reserves	1,995,294,876

Disclosures

The Polytechnic Assets were valued by Sec & M CO. Limited

29) Accumulated funds

	2018/2019	2017/2018
Balance B/F	105,140,639	-
Comprehensive income surplus/ deficit for the year	(38,857,650)	105,140,639
Accumulated Surplus/deficit to statement of financial Position.	66,282,989	105,140,639

30) Capital Funds

Capital Funds comprises of government development grants released in the year under review for construction of Hospitality complex and Ndaragwa TVC

	2018/2019
Capital grants for the year	16,714,260

Disclosure

2018/2019 was the base year on reserves and capital funds presentation

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Note 31 Property, plant and Equipment.	Land	Buildings	Motor vehicles	Furnitu re and fittings	Comput ers and Accesso ries	Plant and Equipme nt	W.I.P	Total
Depreciation Rate	Nil	2%	25%	12.50%	30%	12.50%		
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Cost as at 01-07-2017	-	-	21,508,000	-	-	6,071,250	-	27,579,250
Additions in the Year	-	-	15,686,000	-	-	-	-	15,686,000
Revaluation	-	-	-	-	-	-	-	-
Disposals for the Year	-	-	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-	-	-
As at 30 June 2018	-	-	37,194,000	-	-	6,071,250	-	43,265,250
Depreciation 2017-2018	-	-	9,298,500	-	-	758,906	-	10,057,506
Net Book Values as at 30-06-2018	-	-	27,895,500	-	-	5,312,344	-	33,207,844
Balance B/F 01-07-2018	0	0	27,895,500	0	0	5,312,344	0	33,207,844
Valuation 2018-2019 FY	1,080,000,000	690,040,000	1,300,500	22,722,970	14,649,750	171,761,656	14,820,000	1,995,294,876
Values 01.07.2018	1,080,000,000	690,040,000	29,196,000	22,722,970	14,649,750	177,074,000	14,820,000	2,028,502,720
Additions in the Year	-	-	-	-	-	-	-	-
Disposals for the Year	-	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-	-
As at 01-07-2018	1,080,000,000	690,040,000	29,196,000	22,722,970	14,649,750	177,074,000	14,820,000	2,028,502,720
Accumulated Depreciation 30-06-2018	-	-	9,298,500	-	-	758,906	-	-
Depreciation for the Year 2018-2019 FY	-	13,800,800	7,299,000	2,840,371	1,831,219	22,134,250	-	47,905,640
Accumulated depreciation 30-06-2019	-	13,800,800	16,597,500	2,840,371	1,831,219	22,893,156	-	57,963,046
Net Book Values as at 30 June 2019	1,080,000,000	676,239,200	12,598,500	19,882,599	12,818,531	154,180,844	14,820,000	1,970,539,674

Work in progress include on-going construction works of Ndaragwa TVC and Hospitality Complex which were on-going as at the end of June 2019.

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PROJECTS						
Project Title	Donor	Period/duration	Donor	Consolidated statement	Amount	Resources
Proposed Renovation of tuition block C (Re-roofing)	POLYTECHNIC	8 weeks	-	YES	2,986,130	A-IN -A
Proposed completion of applied science workshop block phase I	POLYTECHNIC	8 weeks	-	YES	0	A-IN -A
Proposed completion of applied science workshop block c	POLYTECHNIC	16 weeks	-	YES	0	A-IN -A
	POLYTECHNIC	6 weeks	-	YES	3,512,248	A-IN -A
Proposed erection and completion of ramp at block A	POLYTECHNIC	8 weeks	-	YES	0	A-IN -A
Construction of a Hospitality complex	GOK	1 year	-	YES	0	GOK

Status of project completion

Project Title	Total project cost	total expended to date	% completion	Budget	Actual	sources
Proposed Renovation of tuition block C (Re-roofing)	3,412,689	3,412,689	100	3,412,689	3,412,689	A-IN -A
Proposed completion of applied Science workshop block phase I	22,000,000	12,955,200	100	22,000,000	12,955,200	A-IN -A
Proposed completion of applied Science workshop block phase II	25,821,146	0	80	10,000,000	0	A-IN -A
Proposed renovation of dining hall (Re-roofing)	3,512,248	3,336,636	100	3,512,248	3,512,248	A-IN -A
Proposed erection and completion of ramp at block A	3,000,000	0	5	3,000,000	0	A-IN -A
Construction of a Hospitality complex	75,000,000	0	0	75,000,000	0	GOK

APPENDIX III : PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

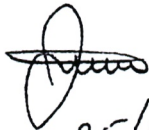
The following is the summary of issues raised by the external auditor, and management comments that provided to the auditor. We have nominated focal person to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external Audit report	Issues/ Observation from the auditor	Management Comments	Focal Person to resolve the issue (name and designation)	Status resolved /Not resolved	Time Frame
1	Missing Statement of changes in Net Assets	The Polytechnic had not valued its Assets	Chief Principal/Finance Officer	Resolved	N/A
2	Revenue recognition should be on accrual basis	The ERP system in place is a cash based	Chief Principal/Finance Officer	Not resolved/On-going	2 years
3	Missing values of land, buildings, machinery, furniture and fittings in the property plant and Equipment	The Polytechnic is in the process of doing valuation of the Assets	Chief Principal/procurement officer	Resolved	N/A
4	Sundry Debtors - No aging analysis to support Ksh 25,025,305	The Polytechnic is in the process of preparing a finance manual and to install an ERP system which is capable of analysing the debtors aging analysis	Chief Principal/Finance Officer	Not resolved/On-going	1 year

The Nyeri National Polytechnic
Annual report and financial statement
For the year ended 30th, June 2019

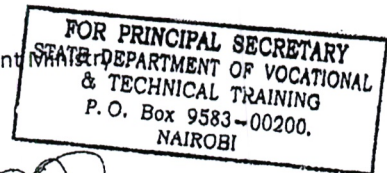
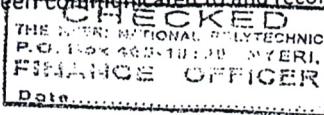
APPENDIX III : INTER-ENTITY TRANSFERS				
Break down of Transfers from the State Department of Technical and Vocational Training				
FY 2018/2019				
		Bank statement date	Amount (Ksh)	FY to which the amount relates
A	Capitation Fees	05/10/2018	12,250,000	2017/2018
		18/02/2019	46,759,500	2018/2019
		11/07/2019	12,258,909	
		Total	71,268,409	
B	Development Grants for Hospitality Complex	08/10/2018	2,943,551	2018/2019
		11/03/2019	2,943,551	
		10/7/2019	5,887,102	
		Total	11,774,204	
C	Ndaragwa TVC	25/01/2019	8,661,726	
		08/10/2018	2,165,432	2018/2019
		Total	10,827,158	
D	Mathira TVC	08/10/2018	500,000	2018/2019
		18/02/2019	1,010,000	
		27/06/2019	1,000,000	
		10/07/2019	510,000	
		17/07/2019	273,851	
		Total	3,293,851	
E	Supply and Delivery of Furniture's and Fittings to 5 mentoring Institutions.	10/7/2019	12,500,000	2018/2019


The above amounts have been communicated to and reconciled with the parent

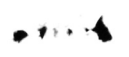


Date.....25/09/2019.....

Finance Officer
The Nyeri National Polytechnic



Date..........
Head of Accounting Unit
Ministry



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