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Hon. Naomi Wago MP

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THE-TABLE:

Hakima Ahmed

THE AUDITOR-GENERAL

ON

**THE MAWEGO NATIONAL
POLYTECHNIC**

**FOR THE YEAR ENDED
30 JUNE, 2025**

22 OCT 2025



THE MAWEGO NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30TH JUNE 2025

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

The Mawego National Polytechnic
Annual Report and Financial Statements for the year ended 30th June 2025

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1. Acronyms and Definition of Key Terms

A. Acronyms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TVC	Technical Vocational College
OAG	Office of the Auditor General
TMNP	The Mawego National Polytechnic
KNEC	Kenya National Examinations Council
CDACC	Curriculum Development, Assessment and Certification Council
ESG	Environmental, Social and Governance
STEM	Science, Technology, Engineering and Mathematics

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

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2. Key Entity Information and Management

(a) Background information

The Mawego National Polytechnic was established in 1952 as a trade school by the Utretch Brothers from Netherlands. Located in Rachuonyo North Sub- County of Homa-Bay County, the Institute is accessible through Oyugis Town which is 12 km away. It is also accessible through Kendu-Bay town which is about 17 km away. The Mawego National Polytechnic operates under the TVET Act of 2013

It became a Technical Secondary School in 1967 under the Ministry of Education. In 1986, it was converted into a Technical Training Institute, and further upgraded to a National Polytechnic through a gazette notice in 2024.

Having been founded by the Catholic Church, the institute continues to enjoy the spiritual sponsorship of the church to date and falls under Diocese of Homa-Bay.

We pride ourselves in placing more than ordinary interest and effort in creating a positive difference in the whole of the individual trainee.

(b) Principal Activities

The principal activity/mission/ mandate of The Mawego National Polytechnic is to offer Technical and Business Training.

Vision: An Internationally competitive Technical and Business Training Institute.

Mission: To provide a competency-based training, research and linkages that impart skills and utilize applied knowledge for sustainable economic growth.

Core Values

Integrity
Professionalism
Patriotism
Teamwork and excellence
Non-discrimination
Efficiency
Courtesy
Continual improvement
Innovation and creativity

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For smooth running of the institution, eleven academic departments were established. These include;

1. Electrical and electronics
2. Mechanical engineering
3. Building and civil engineering
4. Institutional management
5. Information, communication technology
6. Agriculture
7. Business studies
8. Applied Science
9. Liberal studies
10. Health Sciences
11. Fashion, Design and Cosmetology

(c) Key Management

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

- Council
- Chief Principal
- Deputy principal - Administration
- Deputy principal – Academics
- Registrar
- Dean of Students

(d) Fiduciary Management

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

No.	Designation	Name
1.	Chief Principal	Dr. John Abuto PhD
2.	Deputy Principal - Administration	Robert Omondi
3.	Deputy Principal - Academics	Fellystas Ajwang
4.	Registrar - Admissions	Agripa Onguka
5.	Human Resource Manager	Andrew Agulo
6.	Dean of Students	Fredrick Wanzala
7.	Head of Procurement	Loice Obengo
8.	Finance Manager	CPA Felix Odera
9.	Internal audit Manager	CPA Kefa Marasi

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(e) Fiduciary Oversight Arrangements

The polytechnic council has various sub-committees, which provided oversight; such as:

- i) Finance, Infrastructure and Procurement Committee**
The committee assists the Board in fulfilling its governance responsibilities by way of ensuring internal controls systems are reliable; provision of general oversight in risk and compliance matters and ensuring integrity, effectiveness and reliability of Institute risk management framework.
- ii) Education, Research and Training committee**
The committee is responsible for review of the Institute Performance contracting report in ensuring compliance and adjusting on the slack, they assess learning environment to determine if it's conducive and analyse the general academic performance of the Institute.
- iii) Audit, Risk and Compliance committee**
Provision of general oversight on compliance issues, internal controls and safeguards.
- iv) Human Resource, ICT and Resource Mobilization**
The committee is in charge of staff welfare and motivation, assessment of human resource requirement and staffing as well as income generating activities

(f) Entity Headquarters

P.O. Box 289-40222,
Kendu-bay – Kadongo Road
Oyugis, Kenya

(g) Entity Contacts

Tel: +254 0725-050-033, +254 0784-076-282,
E-mail: info@mawegonationalpoly.ac.ke,
Website: www.mawegonationalpoly.ac.ke

(h) The Mawego National Polytechnic Bankers

- 1.** Kenya Commercial Bank,
Oyugis Branch,
P.O Box 170
Oyugis, Kenya.
- 2.** Equity Bank, Oyugis Branch
P.O Box 514
Oyugis, Kenya

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(i) Independent Auditors




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

(j) Principal Legal Adviser

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

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3. The Council

 <p>ALEX KAZONGO</p>	<p>Mr. Alex Kazongo was born in 1965, has a wealth of experience spanning over 30 years in financial management and corporate governance. He was the managing trustee of National Social Security Fund between 2009 and 2012.</p> <p>Mr. Kazongo holds MBA (USIU), B.Com (UoN), Management Development (Cape Town) and CPA (K) from Strathmore and a member of ICPAK.</p> <p>He is the Council chairman</p>
 <p>IDELQUIN MAKINIA WAFULA</p>	<p>Ms Idelquin Makinia was born in 1985</p> <p>Ms. Makinia is holder of LL.B from the University of Nairobi and a post graduate Diploma in Law from KSL with over 12 years' experience in both Civil and Criminal matters</p>
 <p>CPA EMMANUEL MASESE</p>	<p>CPA Momanyi has a career spanning 16 years as Finance, Accountant, Governance, Supply Chain and Risk Management professional in the Banking and University Education Sectors. He has worked in Key corporate including National Bank of Kenya and currently at Kisii University as a Chief Accountant. CPA Momanyi holds MBA Finance (JKUAT), a Bachelor of Business Administration-Finance Option (Maseno University), Member of Institute of Certified Public Accountants of Kenya(ICPAK), Institute of Internal Auditor Kenya(IIAK)Institute of Risk Management Kenya(IRMK), Kenya Institute of Management (KIM).</p>

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LEAH ATIENO AUMA

Born in 1982, Ms Leah Auma is a seasoned banker. She has served as a manager for over 12 years. She is the chairperson Audit, Risk and Compliance committee.

She holds MSc in Entrepreneurship and Bachelor of Science in Biochemistry & Molecular Biology both from JKUAT



ENG. VINCENT OYIENG

Born in 1956, Eng. Vincent is an experienced Irrigation and water engineer having served in Managerial position for over 10 years.

Eng. Vincent holds Degree in Agricultural engineering and Diploma in Agricultural Engineering.



HANDSON GICHANA

Born in 1977, he is the Regional TVET Director and formerly Principal Secretary –TVET representative in the board with an experience of 22 years working with the Ministry of Education, State Department for TVET.

Mr. Handson is a holder of Master of Education (Education Administration) from University of Nairobi

He is the Principal Secretary representative in the council.

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DR. JARED OBUYA

Born in 1974. He is an experienced writer and editor, researcher, communication and media specialist. He is also a lecturer at Moi university, Department of Communication studies.

He holds PhD in Communication studies, MPhil in Communication and Journalism from Moi University and BA, English language and Literature from Egerton University



JIMMY MWANIKI GAKUVA

Born in 1965, Mr. Jimmy is a retired teacher.

He holds MBA Strategic Management, BBA Human Resource and Diploma in Education.

With over 30 years of experience, he is former National Director, KSA and former Chairman Runyenjes TVC




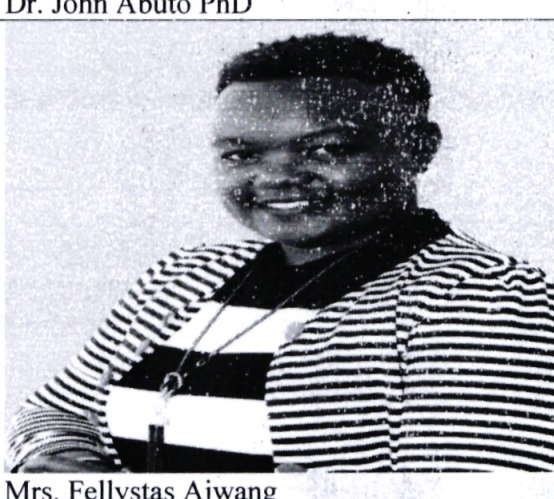
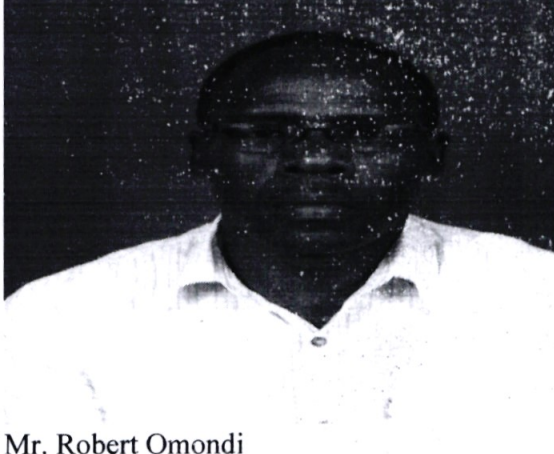
DR. JOHN ABUTO PhD
PRINCIPAL, COUNCIL SECRETARY

Born in 1967. He is the Principal, having over 27 years work experience in the learners technical education training.




He holds PhD in Management science (Manufacturing optimization) from JOOUST, MBA IN Productions and Operations management (UoN), Bed Tech (Mechanical) from Moi University and Diploma in Mechanical production.

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4. Key Management Team

	<p>He is the Principal and secretary to the Council.</p> <p>Responsibilities: Prudent management of resources; implementation of the Boards resolutions; provision of visionary leadership and formulation of strategic plans.</p> <p>He holds PhD in Management science (Manufacturing optimization) from JOOUST, MBA IN Productions and Operations management (UoN), Bed Tech (Mechanical) from Moi University and Diploma in Mechanical production.</p>
	<p>She is the Deputy Principal in charge of Academics.</p> <p>Responsibilities: In-charge of academic and quality Assurance; curriculum implementation and implementation of performance contracting targets.</p> <p>She holds an Msc In IT Security and Audit from JOOUST, Bsc in Computer Engineering and A post Graduate Diploma in Education from University of Nairobi</p>
	<p>He is the Deputy Principal in charge of Administration</p> <p>Responsibilities: Student discipline, oversee departmental functionalities and procuring of items in the Institute.</p> <p>Holds a BSc Zoology and Botany, MSc in Applied Medical Parasitology from Kenyatta University. A post Graduate Diploma in Education from Egerton University</p>

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 <p>Mr. Agripa Onguka</p>	<p>He is the Registrar.</p> <p>Responsibilities: Admission of students; prudent management of student records and marketing of the Institute.</p> <p>Holds an MBA in Strategic management, BSc in Agribusiness, DipTech and Diploma in Entrepreneurship from KTTC.</p>
 <p>Mr. Fredrick Wanzala</p>	<p>He is the Dean of Students.</p> <p>Responsibilities: In-charge of student welfare and sanitation; oversees the operations at the catering department.</p> <p>He holds bachelors in mechanical engineering</p>
 <p>CPA Felix Otieno Odera</p>	<p>CPA Felix is the Institution Finance Manager.</p> <p>Responsibilities: Co-ordinating preparation of Annual budgets, preparation of financial reports, oversee receivables and payables and advice the management on Institute Finances.</p> <p>Holds Bachelor of commerce and CPA (K), member of ICPAK and IIAK.</p>

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Mrs. Rose Loice Obengo

She is the Institution Procurement Officer.

Responsibilities: Advice on matters related to Procurement, Control of materials and assets procured, oversee the work of storekeeper and spearhead the tendering process.

She holds Bachelor of commerce (Supply chain management) and a member of KISM and CIPS



CPA Kefa Marasi

He is the internal auditor.

Responsibilities: Assess, evaluate and improve internal controls, Identify risks, Safeguard assets, Promote ethics and compliance

Holds Bachelor of commerce and CPA-K and a member of IIAK

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5. Chairman's Statement



It is with great pleasure that I present this report for the financial year ended June 30, 2025, citing key activities, performance overview, challenges and outlook.

Performance Overview

The Polytechnic has accomplished quite a number of activities despite economic uncertainties. Completion of 480 capacity tuition block, which will cater for more students' classrooms for a friendly learning environment. Overseeing the graduation of over 1900 students; this gives confidence to trainees that they can achieve their goals. The Institution is also in the process of purchasing an additional bus to support learning for academic trips and other co-curricular activities. We have continually equipped our workshops, this year having an additional modern learning equipment for Electrical Engineering Department in light of being relevant with the industrial needs. We have had gradual growth in student numbers which is a testimony of belief in our quality training, strategic focus on innovation, operational efficiency and customer satisfaction.

Through industrial linkages and partnership, the Institution received aquaculture equipment donation from CiCan ranging from learning, processing and even commercialization in support of our strategic plan of being a Centre of excellence in Aquaculture and blue economy.

Challenges

We have limited infrastructure to match the student population thus classes prone to disruption with changes in weather for those undertaking their classes outside. Delay in disbursement of finances during the year affected budget absorption and procurement processes due to uncertainties in cash flows. Changes in curriculum expectations such as a move from KNEC to CDACC and Modularization should be gradual for smooth transition process. Unstable power and water supply also affects operations; but on this the Institution is putting a mechanism in place to address them sufficiently through green energy.

Corporate Governance

The Council remains committed to maintaining high standards of corporate governance. We continue to strengthen our risk management practices and ensure that our corporate values are upheld throughout the organization.

Outlook

Looking forward, we remain cautiously optimistic while challenges persist, from infrastructural, utilities and inflationary pressures, we are confident in our ability to adapt and grow. Having achieved most of our strategic priorities for the year, putting into consideration ESG initiatives and pursuing sustainable growth.

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Appreciation

On behalf of the council, I extend my gratitude to the top management and all employees for their dedication to service delivery and steering the Institution to the right direction.



CPA Alex Kazongo
Council Chairman

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6. Report of the Chief Principal



I am pleased to present this Report as part of our Annual Financial Report for the year ending 30 June 2025. The past year has been one of growth, resilience, and continued commitment to excellence in education at TMNP.

Academic Achievements

Our students have once again performed exceptionally well across all year levels. Notably, our students have achieved a 68% pass rate. Our emphasis on STEM education has resulted in increased competency rate in line with TVET-CDACC standards. We graduated 1,983 trainees having satisfactorily completed their various courses.

Student Enrollment and resource allocation

We have seen steady growth in student numbers, with a 1,200 increase in enrolments compared to 2024. This growth has prompted the development of plans for additional classrooms and resource upgrades to support our expanding student body. Electrical Engineering Department was also equipped with modern learning equipment amounting to Kshs.5.5million in ensuring our training meets the industry needs.

Staff and Professional Development

Our staff remain the cornerstone of our success. This year, we invested over Kshs. 5million in professional development programs and staff bonding, with a focus on differentiated instruction, wellbeing support, and digital pedagogy. This not only motivates the workforce but enhances the cordial relations amongst staff and institutional sustainability principle- of limiting turnover and creating a conducive working environment.

Infrastructure and Capital Works

Major capital works completed during the year include the construction of new Polytechnic gate at Kshs.7.3million, 480 capacity storey tuition block at Kshs.88.4million, purchase of new bus at Kshs.17.8million (work in progress) to assist on academic trips and other co-curricular activities with the increase in student population. During the year the Institution planned the Installation of solar panels and drilling of a borehole, it was to reduce our long-term operational costs, dependency on electricity and pumped river water, however, they had to be postponed due to delay in funding causing irregular cash flows. The Institution is also overseeing the construction of Suba South TVC which is over 80% complete with finishes works in progress following a delay occasioned by inaccessibility during rainy seasons due to bad access road, Ndhiwa TVC had the site handed over to the contractor in June, 2025, with the construction scheduled to take a year.

In our quest to be a center of excellence in aquaculture and other blue economy related services, the Institution received a donation from CiCan amounting to Kshs.40million in equipment both

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for learning and commercial; these with Lake Region geographical location will boost practical learning and also act as an income generation unit to the Institution.

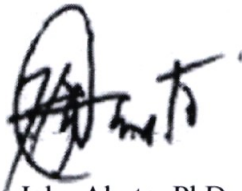
Financial Overview

The Institution remains in a strong financial position, with a modest surplus recorded for the year. Revenue from tuition fees, government funding, and fundraising efforts has been managed prudently, allowing for strategic reinvestment in teaching and learning resources.

Looking Ahead

In 2025, our strategic goals include the implementation of a new literacy program, expansion of extracurricular offerings, and the finalization of plans for a performing arts center. We remain committed to providing a holistic, inclusive, and future-focused education.

I extend my sincere thanks to our staff, students, families, and the council for their continued support and dedication. Together, we will ensure that TMNP continues to thrive as a place of learning and community.



Dr. John Abuto, PhD.
Chief Principal

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7. Statement of Performance against Predetermined Objectives

The Mawego National Polytechnic has 8 strategic pillars and objectives within its Strategic Plan for the FY 2022/2023- 2027/2028. These strategic pillars are as follows:

- Pillar 1: Human Resource Capacity
- Pillar 2: Infrastructure
- Pillar 3: Access, quality, relevance and equity in training
- Pillar 4: Research, Innovation and Development
- Pillar 5: ICT Integration
- Pillar 6: Institutional Corporate Governance and Management
- Pillar 7: Financial sustainability
- Pillar 8: Environmental sustainability

The Mawego National Polytechnic develops its annual work plans based on the above 8 pillars. Assessment of the Council's performance against its annual work plan is done on a quarterly basis. The Mawego National Polytechnic achieved its performance targets set for the FY 2024/2025 period for its strategic pillars, as indicated in the table below:

Strategic Pillar	Activity	Objective	Key Performance Indicator	Output	Achievements
Pillar 1: Human Resource Capacity	Training and Development	Enhance the human resource capacity	Workforce planning Diversity in recruitment	Succession planning.	Performance management
Pillar 2: Infrastructure	Enhancing physical, technological, accessibility and information management infrastructure	To enhance polytechnic infrastructure	Functionality and usability of physical spaces	Expanded infrastructure capacity Continuous professional development	Completion of tuition block, main gate, aquaculture and enhanced IT infrastructure
Pillar 3: Access, quality, relevance and equity in training	Improve access, quality, relevance and equity in training	To develop high quality training programs that meet established standards and objectives	Provision of training materials. Accessible digital learning platform	Training resources provided	Connection of Buku e-learning platform
	Educational and Training Opportunities	To improve quality and relevance in	CBET courses New courses	Accreditation by TVETA	Initiation of CBET courses.

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		the provision of training			Accreditation of Pharmacy and Medical Laboratory courses
Pillar 6: Institutional corporate governance and management	Adequate compliance and regulatory framework, council effectiveness, stakeholders engagement and ethical practice and corporate social responsibility	To enhance institutional Corporate Governance and Management based on principles of best practices	Reviewed policies Stakeholders collaboration	Compliance with applicable laws.	Compliance reports.
Pillar 7: Financial sustainability	Enhanced Financial sustainability	Enhanced productivity and efficiency	Quality Reports	Compliance with applicable laws.	Timely financial and other related reports.
Pillar 8: Environmental sustainability	Compliance with environmental regulations, biodiversity conservation and sustainability reporting	Enhanced habitat restoration and environmental awareness campaigns	Partnership with stakeholders and community engagements on greening TVETs	Sustainability reports	Planted trees

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8. Corporate Governance Statement

- i. Appointment of Council members, Process of appointment and removal of Council, The size, diversity, and demographics of the Council.

The Institution uses Mwongozo - code of governance for state corporations for council member appointments as well as its composition and size. Council members serve for three (3) years which can be renewed once.

The previous Board of Governors term ended on 29th January, 2024 and due process of appointing new council members was followed and duly appointed in July, 2024.

The council consists of nine appointed members and Principal as the Secretary to the Council.

- ii. Roles and functions of the council

The council consists of the following sub-committees and their mandate;

(a) Finance, Infrastructure and Procurement committee

The committee is responsible for;

- Resources management.
- Review financial operations and reports
- Review challenges experience by the Institution on implementation of strategic plan.
- Oversee the implementation of annual budgets.

(b) Education, Training and Research committee

This consists of Council members undertaking;

- Review of quarterly Performance contract.
- Analyse academic performance of the Institution.
- Recommend adoption of best practices in enhancing academic performance.

(c) Audit, Risk and Compliance committee

The committee is responsible for;

- Ensuring that internal controls are adhered to
- Provision of oversight
- Necessary safeguards are in place

(d) Special committee

This committee derives its membership from full council. They are charged with;

- Handle dynamic issues arising from learning environment.
- Handling of contingencies

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iii. Induction, training, and development

Council induction and training was coordinated by the Institution in the month of December, 2024 and done by the Ministry of education officials in guiding them on their role as oversight authority, finances, reporting and resource mobilization.

iv. Number of Council meetings held and the attendance to those meetings by members

Meetings attendance by the Council

Full Council Meeting

Name	24.07.24	20.09.24	27.09.24	14.10.24	14.01.25	24.01.25	14.04.25
1. Leah Atieno Auma	✓		✓	✓	✓	✓	✓
2. Idelquin Makina	✓	✓	✓	✓	✓		✓
3. Emmanuel Masese	✓	✓	✓	✓	✓	✓	
4. Jimmy Mwaniki	✓	✓	✓	✓	✓		✓
5. Alex Kazongo	✓	✓	✓	✓	✓	✓	✓
6. Jared Obuya	✓	✓	✓	✓	✓	✓	✓
7. Eng. Vincent Oyieng	✓	✓	✓	✓	✓	✓	
8. Dr. John Abuto, PhD	✓		✓	✓		✓	✓
9. Handson Gichana	✓	✓	✓	✓	✓		✓
10. Benard Apindi							✓

Education, Research and Training committee meetings

Name	05.09.2024	07.10.2024	03.01.2025	12.03.2025	04.04.2025
1. Jimmy Mwaniki	✓	✓	✓	✓	✓
2. Emmanuel Momanyi	✓	✓	✓	✓	✓
3. Vincent Oyieng	✓	✓	✓	✓	✓
4. Dr. John Abuto		✓	✓	✓	✓
5. Handson Gichana		✓	✓	✓	✓

Finance, Infrastructure and Procurement committee

Name	04.09.24	24.09.24	09.10.24	13.01.25	23.01.25	10.04.24
1. Emmanuel Momanyi	✓		✓	✓	✓	✓
2. Jimmy Mwaniki	✓	✓	✓	✓	✓	✓
3. Dr. John Abuto	✓			✓	✓	✓
4. Jared Obuya	✓	✓	✓	✓	✓	✓
5. Handson Gichana		✓	✓	✓		

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Audit, Risk and Compliance committee

Name	30.08.2024	03.10.2024	02.01.2025	03.04.2025
1. Leah Auma	✓	✓	✓	✓
2. Idelquin Makinia	✓	✓	✓	✓
3. Vincent Oyieng		✓	✓	✓
4. Kefa Marasi				✓
5. Ogalo Gundo	✓	✓	✓	

Special Council Meetings

Name	26.09.2024	20.03.2025	27.03.2025
1. Leah Atieno Auma		✓	✓
2. Idelquin Makina	✓	✓	✓
3. Emmanuel Masese	✓	✓	✓
4. Jimmy Mwaniki	✓	✓	✓
5. Alex Kazongo	✓	✓	✓
6. Jared Obuya	✓	✓	✓
7. Eng. Vincent Oyieng	✓	✓	✓
8. Dr. John Abuto, PhD		✓	
9. Handson Gichana	✓	✓	✓

Human Resource, ICT and Resource Mobilization Committee

Name	06.09.2024	08.10.2024	06.01.2025	02.04.2025
1. Leah Auma	✓	✓	✓	✓
2. Idelquin Makinia	✓	✓	✓	✓
3. Jared Obuya	✓	✓	✓	✓
4. Dr. John Abuto, PhD		✓	✓	

v. Policy to manage conflict of interest.
 Council members always sign conflict of interest book in compliance with conflict management policy.

vi. Council remuneration
 Council allowances and honoraria are paid in accordance with the Cabinet Secretary for Education circular on the rates.

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9. Management Discussion and Analysis

SECTION A

The entity's operational and financial performance

The Mawego National Polytechnic operates with a budget and procurement plan outlining the various activities that are supposed to be undertaken in line with the core mandate. This provides for an act of balance in operations and cash flows in maintaining financial health and continuity.

SECTION B

Entity's compliance with statutory requirements

The Institution has met all its statutory requirements (AHL, NHIF/SHA, NSSF, and P.A.Y.E & HELB REMITTANCES) in compliance with the laws governing them. The institution is therefore not exposed to any potential contingent liability.

SECTION C

Key projects and investment decisions the entity is planning/implementing.

Key projects and investment decisions the Mawego National Polytechnic is planning/implementing					
Key projects and Investment decisions the institute is planning / implementing					
S N	PROJECT	NATIONAL GOVT. OBJECTIVES	DELIVERY OF MANDATE	FINANCIER	SUSTAINABILITY/ VIABILITY
1.	Construction of Storey Tuition block	Increase access to training	Increase tuition infrastructural capacity and capability	Internally generated revenue	Complete.
2.	Mentoring Mbita TVC	Increase access to training	Increase access to training	Grant from Government	Completed and pending handing over
3.	Mentoring of Suba south TVC	Increase access to learning	Increase access to training	Grant from Government and CDF	To be completed by April, 2024; however, an extension has been granted to September, 2025 finishes works on-going
4.	TMNP Main Gate	Improvement of learning environment	Improved infrastructural capacity	Internally generated revenue	Complete

The Mawego National Polytechnic
Annual Report and Financial Statements for the year ended 30th June 2025

SECTION D

Major risks facing the entity

Liquidity risk: Inability to collect full fees and delay in disbursement of capitation, which can impact negatively on budget implementation. Delay in remitting capitation also creates hitches on budget implementation and absorption .

Market risk: With the commencement of new Institutions, we are faced with high competition in getting students admitted.

Inherent risk: This emanates from the location and access to the Institution affecting the supply prices.

SECTION E

Material arrears in statutory/financial obligations

There are no material arrears or pending financial obligations during the year; all the withheld taxes and PAYE have been remitted to KRA and therefore no defaults.

SECTION F

The entity's financial probity and serious governance issues

In the year under review, the Institution did not experience any governance issues in the Council and top management.

10. Environmental And Sustainability Reporting Statement

The Mawego National Polytechnic exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy: putting the customer first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

i. Sustainability strategy and profile

The Institution has good relations with the local authority for continuity purposes through; engaging the Constituency through the Member of Parliament that has enabled admission of students partly sponsored by the CDF and KUCCPS. We have engaged the community through the area chiefs and Assistant chiefs in ensuring the student behavior is kept on check while outside the institution as a means of peaceful co-existence mechanism. Local traders and business people have also been encouraged to put up hostels to accommodate increased student numbers who requires external accommodation at affordable rates as a way of ensuring benefit to the community and a measure of checking that students are not exploited.

Macroeconomic factors affecting sustainability are; late money remittance, which is usually occasioned by late remittance of capitation outside the required period resulting to late or delay in procurement and budget implementation. Another one is on, Government debt; non-remittance of all funds committed through KUCCPS resulting to a debt which cannot be accrued. However, the Institution has remain committed in discharge of core mandate through focus and teamwork.

ii. Environmental performance

The Institution has operationalized Environmental Policy, and engages in environmental conservation through planting trees in co-ordination with the local authority. We have always conducted environmental impact assessment (EIA) as we replace asbestos roofs in ensuring proper waste management is adhered to.

Institution sewer system is normally treated and regularly checked to ensure no spillage is discharged to the community as a measure of reducing environmental impact.

iii. Employee welfare

The Institution has adopted human resource policy that guides hiring process on merit and ensuring gender balance and people living with disability are considered. These policies are revised after every two (2) years to improve on them.

Skills improvement are encouraged through budgetary allocations and attendance of various management training with different professional bodies like ICPAK, KISM and Kenya School of Government.

iv. Market place practices-

We are improving anti-corruption policies however we have adopted the Ethics and Anti-corruption Act 2003 in ensuring checks and balances exists in operation. Politically, the

The Mawego National Polytechnic
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Institution engages the local authority in mobilization of students and bursary funding to eligible beneficiaries.

We are a member of KATTI which encourages team work amongst Technical Institutions hence encouraging healthy competition.

Suppliers are paid within 60 days upon bringing all the required documents (i.e delivery note, invoice, credit note) in line with our service delivery charter. We also give opportunity to eligible suppliers through continual enlisting of AGPO registered suppliers.

Marketing of the Institution is done through print media and even outreaches without bias, as it never discredits other institutions but service oriented through courses that are offered competently with us.

v. **Community Engagements-**

The Institute engaged several local youths in casual works.

The Mawego National Polytechnic
Annual Report and Financial Statements for the year ended 30th June 2025

11. Report of the Council

The Council members submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of The Mawego National Polytechnic affairs.

Principal activities

The principal activities of the entity are technical and business training.

Results

The results of the entity for the year ended June 30 are set out on page 1 to 6

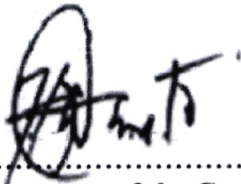
Council

Council who served during the year are shown on page vii to ix.

Auditors

The Auditor General is responsible for the statutory audit of The Mawego National Polytechnic in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015

By Order of the Board



.....
Secretary of the Council

Nairobi

Date: 08/08/2025

The Mawego National Polytechnic
Annual Report and Financial Statements for the year ended 30th June 2025

12. Statement of Council's Responsibilities

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

The board members are responsible for the preparation and presentation of The Mawego National Polytechnic's financial statements, which give a true and fair view of the state of affairs of The Mawego National Polytechnic for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of The Mawego National 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 Mawego National Polytechnic; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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

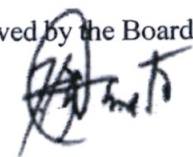
In preparing the financial statements, the Chief Principal has assessed The Mawego National Polytechnic's ability to continue as a going concern and nothing has come to the attention of the Council to indicate that The Mawego National Polytechnic will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Mawego National Polytechnic financial statements were approved by the Board on 08/8/2025 and signed on its behalf by:

.....


Name: Alex Kazongo
Chairperson of the Council

.....


Name: Dr. John Abuto, PhD.
Accounting Officer/Principal

REPUBLIC OF KENYA

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E-mail: 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 THE MAWEGO NATIONAL POLYTECHNIC FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

- A. Report on 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 The Mawego National Polytechnic set out on pages 1 to 41, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of The Mawego National Polytechnic as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Educational and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Long Outstanding Receivables from Exchange Transaction

The statement of financial position, and as disclosed in Note 24(b) to the financial statements, reflects long-term receivables from exchange transactions balance of Kshs.1,138,255. The balance relates to amount owed by Mabera TVC which has been long outstanding. Although Management has indicated the College has undertaken to repay, the timelines have not been indicated.

In the circumstances, the recoverability of the long-term receivables from exchange transactions balance of Kshs.1,138,255 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final budget and actual on comparable basis amounts of Kshs.615,295,918 and Kshs.501,969,841 respectively, resulting in underfunding of Kshs.113,326,077 or 18% of the budget. Similarly, the Polytechnic expended Kshs.363,583,959 on both recurrent and development expenditure, out of the actual receipts of Kshs.501,969,841, resulting in underutilization of Kshs.138,385,882 or 28%.

Further, the Polytechnic over spent on general expenses by Kshs.3,339,045 or 30% of the budget.

The under-funding and underutilization may have affected the planned activities and may have negatively impacted the programs and activities of the polytechnic. In addition, the authorization of the over expenditure could not be confirmed.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the prior year audit report, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources and Effectiveness of Internal Controls, Risk Management and Governance sections respectively. Review of the status during audit of the Company in 2024/2025 revealed that the following matters remained unresolved as at 30 June, 2025:

S/No.	Audit Issue
1	Receivables from Exchange Transactions
2	Long Outstanding Receivables from Exchange Transactions
3	Budgetary Control and Performance
4	Non-compliance with the law on Affirmative Action
5	Improper Constitution of the Board of Governors
6	Delayed Completion of Suba Technical and Vocational College
7	Fire Suppression and Climate Control

Other Information

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

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

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance 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. Non-Compliance with the Laws on Affirmative Action

Analysis of the personal records and payroll for the month of June, 2025 revealed that the Polytechnic had a workforce of one hundred and ninety (193) employees, out of which one hundred and fifty-four (154) employees were from one ethnic community. This represents 80% of the total workforce, contrary to Sections 7 (1) and (2) of the National Cohesion and Integration Act, which requires that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff. (2) No public establishment shall have more than one-third (1/3) of its staff from the same ethnic community.

In addition, no evidence was provided to show that the workforce of one hundred and ninety-three (193) included persons with disabilities, making it impossible to ascertain whether the Polytechnic adhered to Section 13 of Persons with Disabilities Act, 2003 which states that the Council shall endeavor to secure the reservation of five percent (5%) of all casual, emergency and contractual positions in employment in the public and private sectors for persons with disabilities.

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

2. Delayed Completion of Suba Technical and Vocational College

As reported in the previous year, the Polytechnic entered into a contract with a local company for the proposed construction of Suba Technical and Vocational College on 2 February, 2023 at a contract sum of Kshs.73,894,710. The contract period was fifty-two (52) weeks, commencing on the contract date and ending on 2 February, 2024. As at 30 June 2025, a total of Kshs.56,167,231 had been spent on the project, which includes Kshs.16,127,290 incurred in the year under review. The project is yet to be completed and is at 90% completion.

In the circumstances, the value for money realized from Kshs.56,167,231 spent on the project could not be confirmed.

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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Weaknesses in the Enterprise Resource Planning System

The Polytechnic procured Ultimate Academic ERP Web-based System to manage student and staff details, collection of fees and financial reporting among other things. Review of the system in the month of September, 2025 revealed that there was lack of segregation of duties within the ICT Department and in the administration of the system because of understaffing. The head of ICT who was also the system administrator had all the rights in the system with no one to oversee it. In addition, there was no offsite backup solution for the information system posing the risk of information loss in the event of a catastrophic event. The system had seven (7) active accounts, with administrator rights, affiliated to the system vendor provider. Out of these accounts, there were two (2) accounts, Admin and Administer, whose usage could not be linked to a specific individual, thereby limiting accountability. The presence of the vendor in the system posed integrity concerns about the system. Out of the two hundred and sixty (260) active users in the system, two hundred and thirty-two (232) had system administrator rights. It was therefore impossible to ascertain the integrity of the information system. There was no policy or formal procedure of adding or deactivating user accounts from the system. There was no password policy for users of the system, including mandatory expiry of passwords. As a result, the logical access controls are weak, making the system integrity questionable.

In the circumstances, information stored in the system is prone to manipulation and IT services could be significantly interrupted.

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 the Council

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


Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

28 November, 2025

The Mawego National Polytechnic
Annual Report and Financial Statements for the year ended 30th June 2025

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

	Notes	2024-2025	2023-2024
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6(a)	68,939,777	73,961,100
Revenue from Non-Exchange transactions		68,939,777	73,961,100
Revenue from Exchange transactions			
Rendering of services- fees from students	9	413,733,071	354,802,721
Sale of goods	10	544,840	333,358
Rental revenue from facilities and equipment	11	827,225	848,910
Finance income	12	5,686,909	5,315,900
Other income	13	18,782,063	13,750,845
Revenue from Exchange transactions		439,574,108	375,051,734
Total Revenue		508,513,885	449,012,834
Expenses			
Use of goods and services	14	231,837,837	183,425,810
Employee costs	15	72,312,601	63,786,920
Council Expenses	16	11,399,400	4,665,300
Depreciation and amortization expense	17	34,526,072	32,860,678
Repairs and maintenance	18	21,877,384	16,363,370
General expenses	19	19,449,045	12,662,017
Grants and subsidies	20	0	14,901,600
Finance costs	21	0	287,825
Total Expenses		391,402,339	328,953,520
Other Gains/(Losses)			
Net surplus for the year		117,111,546	120,059,314

The Financial Statements set out on pages 1 to 44 were signed by:

.....
Chairman of Council

.....
Chief Principal

.....
Finance Officer

Date 08/08/2025

Date 08/08/2025

ICPAK No. 14313
Date 08 /08/2025

The Mawego National Polytechnic
Annual Report and Financial Statements for the year ended 30th June 2025

15. Statement of Financial Position As At 30th June 2025

Description	Notes	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	23	141,814,231	154,677,418
Current portion of receivables from exchange transactions	24(a)	427,580,573	259,354,596
Inventories	25	3,159,070	3,123,489
Total Current Assets		572,553,874	417,155,503
Non-Current Assets			
Long term receivables from exchange transactions	24(b)	1,138,255	2,059,255
Property, plant, and equipment	26	839,819,836	769,654,894
Intangible assets	27	4,411,688	5,882,250
Total Non-Current Assets		845,369,779	777,596,399
Total Assets (A)		1,417,923,653	1,194,751,902
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	28	25,690,075	16,531,118
Conditional Grants	20(b)	0	7,549,620
Refundable deposits from customers	29	5,060,706	2,203,000
Total Current Liabilities		30,750,781	26,283,738
Non-Current Liabilities			
Total Liabilities (B)		30,750,781	26,283,738
Net Assets (A-B)		1,387,172,872	1,168,468,164
Represented By:			
Revaluation Reserves		408,471,832	399,502,649
Accumulated Surplus		515,767,741	398,656,195
Capital Fund		462,933,299	370,309,320
Net Assets		1,387,172,872	1,168,468,164

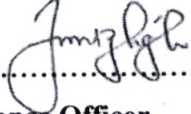
The Financial Statements set out on pages 1 to 44 were signed by:

.....

Chairman of Council

.....

Chief Principal

.....

Finance Officer
ICPAK No. 14313
Date 08 /08/2025

Date 08/08/2025

Date 08 /08/2025

The Mawego National Polytechnic
Annual Report and Financial Statements for the year ended 30th June 2025

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

At July 1, 2023	399,502,649	563,664,215	30,401,422	993,568,286
Prior year Adjustment on Capital fund	-	(285,067,334)	285,067,334	0
Surplus for the year	-	120,059,314	-	120,059,314
Transfer from fees		-	34,200,000	34,200,000
Capital grants received during the year	-	-	20,640,564	20,640,564
Capital grants adjusted for in the previous year			56,192,540	56,192,540
Transfer Work in progress in Property, Plant and Equipment	-	-	(56,192,540)	(56,192,540)
At June 30, 2024	399,502,649	398,656,195	370,309,320	1,168,468,164
At July 1, 2024	399,502,649	398,656,195	370,309,320	1,168,468,164
Revaluation gain	8,969,183	0	-	8,969,183
Surplus for the year	0	117,111,546	-	117,111,546
Transfer from Fees		0	32,623,979	32,623,979
Capital grants received during the year	0	0	20,000,000	20,000,000
Public contributions and donations (Equipment)			40,000,000	40,000,000
At June 30, 2025	408,471,832	515,767,741	462,933,299	1,387,172,872

The Mawego National Polytechnic
Annual Report and Financial Statements for the year ended 30th June 2025

17. Statement of Cash Flows For The Year Ended 30 June 2025

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities		68,939,777	94,601,664
Rendering of services- fees from students		221,078,282	276,262,456
Sale of goods		544,840	333,358
Rental revenue from facilities and equipment		136,400	304,300
Finance income		5,686,909	5,315,900
Other income		18,782,063	13,127,796
Total Receipts		315,168,271	389,945,474
Payments			
Employee cost		66,586,389	63,786,920
Use of goods and services		206,147,762	156,275,480
Finance cost		0	287,825
Board Expenses		11,399,400	4,665,300
Repairs and maintenance		21,877,384	16,363,370
Control account		944,188	14,901,600
General expenses		19,449,045	12,662,017
Total Payments		326,404,168	268,942,512
Net Cash Flows from operating activities	30	(11,235,897)	121,002,962
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	26	(54,251,269)	(98,110,060)
Purchase intangible assets	27	0	(2,668,000)
Net cash flows used in investing activities		(54,251,269)	(100,778,060)
Cash flows from financing activities			
Proceeds From Borrowing		-	-
Transfer from Fees		32,623,979	
Capital grants received during the year		20,000,000	
Repayment Of Borrowings		-	-
Net cash flows used in financing activities		52,623,979	-
Net Increase/(Decrease) in Cash and Cash equivalents		(12,863,187)	20,224,902
Cash and Cash equivalents at 1 JULY	23	154,677,418	134,452,516
Cash and Cash equivalents at 30 JUNE	23	141,814,231	154,677,418

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

	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Budget carryovers from the previous year*	0	154,677,418	154,677,418	154,677,418	0	0
Receipts						
Transfers from other National Government entities/Capitation	90,000,000	-	90,000,000	68,439,950	21,560,050	76%
Rendering of services- fees from students	353,400,500	-	353,400,500	253,702,261	99,698,239	72%
Sale of goods	750,000	-	750,000	544,840	205,160	73%
Rental revenue from facilities and equipment	450,000	-	450,000	136,400	313,600	30%
Finance income	0	-	0	5,686,909	(5,686,909)	-
Other/Miscellaneous Income	16,018,000	-	16,018,000	18,782,063	(2,764,063)	117%
Total Receipts	460,618,500	154,677,418	615,295,918	501,969,841	113,326,077	56%
Payments						
Use of goods and services	233,432,600	74,677,418	308,110,018	206,147,762	101,962,256	67%
Employee costs	72,000,000	-	72,000,000	66,586,389	5,413,611	92%
Council Expenses	12,140,000	-	12,140,000	11,399,400	740,600	94%
Repairs and maintenance	21,000,000	-	21,000,000	21,877,384	(877,384)	104%
General Expenses	15,000,000	-	15,000,000	19,449,045	(4,449,045)	130%
Total Expenditure Payments	353,572,600	74,677,418	428,250,018	325,459,980	102,790,038	76%
Capital Expenditure Payments	107,045,900	80,000,000	187,045,900	38,123,979	148,921,921	20%
Surplus	0	0	0	138,385,882	(138,385,882)	-

Budget notes

1. Non-disbursement of full capitation by National Government.
2. Delay in help loan disbursement to students resulted to less collection of student fees
3. Sale of Goods was low due to low uptake of related services as planned.

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4. Rental revenue was low due to delayed payments and conversion of some houses to police unit
5. Other Income was over absorbed due to mentoring services to Mbita TVC
6. Delay in funds resulted to low absorption under use of goods and services
7. General expenses, overspent due to graduation which consumed more than collection
8. Capital expenditure was low due to inconsistency in cash flows occasioned by delay in funding leading to delay in initiating projects

2.Changes between the original and final budget, is due to reallocations

Budget Reconciliation

Actual Surplus Amounts as per the statement of Budget	138,385,882
Add: Transfer from Ministry of Education (Ndhiwa TVC)	20,000,000
Operational Grant	499,827
Less: Control account- Transfers	944,188
Conditional Grant- Suba TVC	16,127,290
Closing Cash and Cash Equivalent as per the statement of Cash flows	141,814,231

19. Notes to the Financial Statements

1. General Information

TMNP is established by and derives its authority and accountability from TVET Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is training.

2. Statement of Compliance and Basis of Preparation

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

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3. Adoption of New and Revised Standards

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

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

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

IPSAS 43: Leases	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.</p> <p>Not relevant</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p>Not relevant</p>
IPSAS 45: Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognized as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>More disclosure and increased PPE value</p>
IPSAS 46: Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p>

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	<p>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</p> <p>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>Not relevant</p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p>More disclosures</p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p>Not relevant</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <p>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</p> <p>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</p> <p>Not relevant</p>

iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the Board on **29/01/2024**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of Cashflows has been presented.

c) Taxes

Current income tax

The entity is exempt from paying taxes.

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) Property, plant and equipment

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

e) Leases

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

f) 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.

g) Biological Assets

The entity recognizes biological assets when it controls the assets due to past events, it is probable that future economic benefits associated with the asset will flow to the entity, and when the fair value or cost of the asset can be measured reliably. Biological assets are initially and subsequently measured at fair value less costs to sell, except where fair value cannot be reliably determined. In

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such cases, the asset is measured at its cost less accumulated depreciation and any accumulated impairment losses. Changes in fair value less costs to sell are recognized in surplus/deficit in the period in which they occur.

h) Research and development costs

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

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

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

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

Financial assets

Classification

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity, or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates

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to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made an irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

The entity 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 TMNP.

k) Provisions

Provisions are recognized when TMNP 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 TMNP 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

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

Contingent assets

TMNP 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

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not wholly within the control of TMNP 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. The entity recognises a social benefit as an expense for the social benefits scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

m) Nature and purpose of reserves

The Mawego National Polytechnic creates and maintains reserves in terms of specific requirements.

n) Changes in accounting policies and estimates

TMNP 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

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

p) Foreign currency transactions

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

q) Borrowing costs

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

r) Related parties

The Mawego National 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 the Council, the Principal and senior managers.

s) Service concession arrangements

The Mawego National Polytechnic 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, TMNP 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, TMNP also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

t) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts 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.

u) Comparative figures

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

v) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

- The condition of the asset based on the assessment of experts employed by TMNP.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset

Provisions

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

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

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6. Transfers from other National Government entities

Description	2024-2025	2023-2024
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	68,439,950	64,747,500
Helb- Uriri TVC	0	9,213,600
Mbita TVC – Operational Grant	499,827	0
Total unconditional Grants	68,939,777	73,961,100
Conditional Grants amortized/ recognized in revenue		
Mbita TVC Grant	0	4,640,564
Suba TVC Grant	0	16,000,000
Ndhiwa TVC	20,000,000	0
Total Conditional Grants	20,000,000	20,640,564
Total Government Grants and Subsidies	88,939,777	94,601,664

(a) Transfers from other Government entities (Categorized)

Description of the Grant	Amount recognized in Statement of Income	Amount recognized in Statement of Income	Amount recognized in Capital Fund	Total grant income during the year	Comparative FY
State Department of Technical and Vocational Training	68,939,777	-	20,000,000	88,939,777	94,601,664
Total	68,939,777	0	20,000,000	88,939,777	94,601,664

The details of the reconciliation have been included under appendix III

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7. Transfers from Other Levels of Government

Description	2024-2025	2023-2024
	Kshs	Kshs
Transfer from Other Levels	0	0
Total Transfers	0	0

8. Public Contributions and Donations

Description	2024-2025	2023-2024
	Kshs	Kshs
Public Donations - CICAN	40,000,000	0
Total Donations and Contributions	40,000,000	0

(Aquaculture equipment donated by Cican)

9. Rendering of Services

Description	2024-2025	2023-2024
	Kshs	Kshs
Tuition fees	200,214,180	126,794,534
Activity fees	27,111,248	16,811,300
Industrial attachment fees	11,862,450	8,302,500
Examination fees	56,271,499	37,421,711
Bus fund	2,239,000	3,191,000
Fines and damages	220,000	9,591,381
PU,PU-Catering, accommodation & helb applic.	493,940	1,331,315
Registration	1,563,600	1,298,800
Development fees	6,152,000	12,630,000
Local transport and travelling	34,549,443	35,258,850
Electricity, water and conservancy	26,442,096	23,323,250
Personal emolument	92,329,063	83,849,000
Practical	11,041,000	20,025,700
Medical	10,024,250	5,589,350
Repairs maintenance and improvement	21,425,829	16,772,100
Contingency	9,445,550	15,398,440
Internet	912,600	1,676,000
Student council	1,550,500	2,793,990
Rangwe TVC	948,752	200,000
Capitation	(68,439,950)	(33,256,500)
Transfer to capital fund for Development	(32,623,979)	(34,200,000)
Total revenue from the rendering of services	413,733,071	354,802,721

(Revenue expected from students; scholarship received of Kshs. 74,382,469 was allocated to students and accounted for on the above vote heads)

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10. Sale of Goods

Description	2024-2025	2023-2024
	Kshs	Kshs
IM Practical sales	10,000	106,070
Bus hire	534,840	227,288
Tender	0	0
Total Revenue from Sale of Goods	544,840	333,358

(Funds from production unit)

11. Rental revenue from facilities and equipment

Description	2024-2025	2023-2024
	Kshs	Kshs
Rent Received	136,400	304,300
Rent receivable	690,825	544,610
Total	827,225	848,910

(Rent receivable in the year.)

12. Finance Income

Description	2024-2025	2023-2024
	Kshs	Kshs
Interest income	5,686,909	5,315,900
Interest from outstanding debtors	0	0
Total finance income	5,686,909	5,315,900

(Interest received from Goal and Savings account.)

13. Other/Miscellaneous Income

Description	2024-2025	2023-2024
	Kshs	Kshs
Return on imprest	0	120,000
Accommodation and boarding	1,161,300	3,111,100
Application fee	508,500	410,100
Kuccps application	7,983,000	6,019,500
Caution money	0	2,203,000
Institute id	2,527,200	881,400
Passport fee	0	500
Graduation fees	2,536,000	0
Accommodation (IM)	68,000	146,550
PU Catering	1,497,063	858,695
TVETA Quality Assurance fee	2,501,000	0
Total other income	18,782,063	13,750,845

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14. Use of Goods and Services

Description	2024-2025	2023-2024
	Kshs	Kshs
Tuition	12,997,173	9,609,340
Industrial attachment costs	3,502,350	2,587,900
Electricity, Water and conservancy	11,807,845	5,892,593
Activity	10,862,023	7,390,399
Contracted Security	4,240,340	3,524,880
Admin/contingency	30,378,670	24,204,094
Research and Development	2,027,263	3,539,035
School equipment and stores	44,508,614	27,142,819
Advance	0	138,000
Examination fees	69,360,550	61,124,890
Application fees	0	280,020
Boarding expenses	861,689	1,224,972
Local transport and travelling	23,929,945	20,518,383
Practical	6,935,391	2,616,807
PU, PU-Catering	10,247,720	13,509,988
Bus hire	55,320	121,690
Bank Charges	122,944	0
Total good and services	231,837,837	183,425,810

(School Equipment include Trade payables of Kshs.25,690,075)

15. Employee Costs

Description	2024-2025	2023-2024
	Kshs	Kshs
Salaries and wages	64,703,606	55,224,841
NHIF	493,500	1,956,450
NSSF	5,017,686	6,009,150
Higher education loans board	0	139,115
Kudheihwa workers union	23,100	24,150
Gratuity	980,380	190,053
Social contributions/welfare	193,720	243,161
SHA	900,609	0
Employee Costs	72,312,601	63,786,920

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16. Council Expenses

Description	2024-2025	2023-2024
	Kshs	Kshs
Chairman's Honoraria	603,500	210,000
Council Expenses	10,795,900	4,455,300
Total	11,399,400	4,665,300

17. Depreciation and Amortization expense

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, plant and equipment	33,055,510	30,899,928
Intangible assets	1,470,562	1,960,750
Total depreciation and amortization	34,526,072	32,860,678

18. Repairs and Maintenance

Description	2024-2025	2023-2024
	Kshs	Kshs
Property	21,877,384	16,363,370
Total Repairs and Maintenance	21,877,384	16,363,370

19. General Expenses

Description	2024-2025	2023-2024
	Kshs	Kshs
Fines and damages	218,500	2,159,680
Graduation expense	7,433,276	388,000
Kuccps application	22,000	1,458,000
Medical expenses	244,129	625,558
MISU	3,183,080	4,027,450
PC/ISO	1,510,600	1,566,880
PU OTC	1,072,171	1,116,700
Refund	293,112	24,200
Tender expenses	107,490	387,910
Mawego-Mbita TVC	5,351,837	907,639
Passport fee expenses	12,850	0
Total contracted services	19,449,045	12,662,017

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20. Grants and Subsidies

Description	2024-2025	2023-2024
	Kshs	Kshs
Uriri TVC	0	5,688,000
Uriri Helb	0	9,213,600
Total Grants and Subsidies	0	14,901,600

21. Finance Costs

Description	2024-2025	2023-2024
	Kshs	Kshs
Bank charges	0	287,825
Total Finance Costs	0	287,825

22. Control Account

Description	2024-2025	2023-2024
	Kshs	Kshs
HELB Transfers	944,188	-
Total Control Account	944,188	0

23. Cash and Cash Equivalents

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Account	64,243,741	82,263,161
On - Call Deposits	77,478,090	72,257,477
Cash at hand	92,400	156,780
Total Cash and Cash Equivalents	141,814,231	154,677,418

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

Financial Institution	Account number	2024-2025	2023-2024
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1106779630	7,049,562	20,019,743
	1106780612	3,634,263	17,893,663
	1104936054	6,982,728	7,871,369
	1124881085	333	2,451,969
	1202157165	569,152	4,245,617
	1274670497	20,000,440	440
	1274670276	130,487	74
Equity Bank,	1500272717716	25,876,776	29,780,286

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Sub- Total		64,243,741	82,263,161
b) On - Call Deposits			
Kenya Commercial Bank	1305863690	77,478,090	72,257,477
Sub- Total			72,257,477
c) Others			
Cash in Hand		92,400	156,780
Sub- Total		92,400	156,780
Grand Total		141,814,231	154,677,418

22(b) Conditional Grant

source	Purpose	2024-2025	2023-2024
Ministry of Education	Uriri TVC construction	-	74
Ministry of Education	Mbita TVC construction	-	440
Ministry of Education	Suba South TVC	-	7,549,106
Total		0	7,549,620

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24. Receivables from Exchange transactions

24 (a) Current Receivables from Exchange transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Receivables		
Student Debtors	426,889,748	257,902,347
Rent Debtors	690,825	544,610
Mentorship Debtors (Mbita TVC)	0	907,639
Total Current Receivables	427,580,573	259,354,596

24 (b) Long- term Receivables from Exchange transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Non-Current Receivables		
Mabera TVC	1,138,255	1,138,255
Rangwe TVC	0	921,000
Total	1,138,255	2,059,255
Current Portion Transferred To Current Receivables	0	0
Total Non-Current Receivables	0	0
Total Receivables	1,138,255	2,059,255

23 (c) Ageing Analysis of Receivables from Exchange transactions

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	Current FY	% of total	Comparative FY	% of total
Less than 1 year	181,125,230	42%	103,741,838	40%
Between 1- 2 years	94,510,870	22%	50,970,900	20%
Between 2-3 years	48,440,870	11%	25,935,460	10%
Over 3 years	104,641,858	25%	78,706,398	30%
Total	428,718,828	100%	259,354,596	100%

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25. Inventories

Description	2024-2025	2023-2024
	Kshs	Kshs
Consumable stores-Fuel,water & Lab. chemicals	168,690	164,479
Hardware and Building materials	1,337,285	1,892,747
Stationery	1,288,346	693,125
Electrical stores	0	130,560
Housekeeping/Cleaning Materials stores	165,225	201,864
Catering stores- Foodstuffs	199,524	40,714
Total Inventories at lower of Cost and Net Realizable Value	3,159,070	3,123,489

(Closing inventories as per the ledgers)

Detailed disclosure on inventories

Opening balance	3,123,489	
Additional Inventory in the year	117,794,528	
Inventory expensed in the year	117,758,947	
Write-downs in the year	-	
Others specify	-	
Closing balance	3,159,070	

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26. Property, Plant and Equipment

Depreciation Rate		2%	15%	25%	10%	30%	10%	10%		
At 1 July 2023	50,000,000	446,140,931	15,186,914	38,659,267	1,927,777	18,302,009	40,039,059	3,343,609	202,573,661	816,173,227
Additions		630,449	0	0	0	0	0	0	97,479,611	98,110,060
Disposals		-	-	-	-	-	-	-	0	0
Transfers/Adjustments									(56,192,540)	(56,192,540)
At 30th June 2024	50,000,000	446,771,380	15,186,914	38,659,267	1,927,777	18,302,009	40,039,059	3,343,609	243,860,732	858,090,747
Additions		0			-		5,500,000	0	48,751,269	54,251,269
Disposals		0		-	-		-		0	0
Transfer/Adjustments		16,229,086					40,000,000		(16,229,086)	40,000,000
Revaluation		0		8,969,183						8,969,183
At 30th June 2025	50,000,000	463,000,466	15,186,914	47,628,450	1,927,777	18,302,009	85,539,059	3,343,609	276,382,915	961,311,199
Depreciation And Impairment										
At 1 Jun 2023	0	30,018,793	3,845,192	18,593,634	640,957	1,810,695	2,219,037	407,617	0	57,535,925
Depreciation	-	8,935,427	2,278,037	9,664,816	192,778	5,490,603	4,003,906	334,361	0	30,899,928
Disposals	-	-	-	-	-	-	-	-	-	0
At 30 Jun 2024	0	38,954,220	6,123,229	28,258,450	833,735	7,301,298	6,222,943	741,978	0	88,435,853
Depreciation	-	9,260,009	2,278,037	6,945,816	192,778	5,490,603	8,553,906	334,361	0	33,055,510
Disposals	-	-	-	0	0	0	0	0	-	0
Impairment	-	-	-	0	0	0	0	0	-	0
At 30th Jun 2025	-	48,214,229	8,401,266	35,204,266	1,026,513	12,791,901	14,776,849	1,076,339	0	121,491,363
Net Book Values										
At 30th Jun 2024	50,000,000	407,817,160	9,063,685	10,400,817	1,094,042	11,000,711	33,816,116	2,601,631	243,860,732	769,654,894
At 30th Jun 2025	50,000,000	414,786,237	6,785,648	12,424,184	901,264	5,510,108	70,762,210	2,267,270	276,382,915	839,819,836

WIP

Elevated Tank	492,020	Medical laboratory	483,113
Modern Toilet	398,055	Suba TVC	16,127,290
Gate	6,646,171	Tuition block	18,392,279
Aquaculture	6,212,341		

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Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines. The assets were revalued by Odongo Kabita professional valuers in 2024. These amounts were adopted in the financial statements on 2022/2023.

26 (b) Property, Plant and Equipment at Cost

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

Description	Cost Kshs	Accumulated Depreciation Kshs	NBV Kshs
Land	50,000,000	0	50,000,000
Buildings	463,000,466	48,214,229	414,786,237
Roads	15,186,914	8,401,266	6,785,648
Plant And Equipment	85,539,059	14,776,849	70,762,210
Motor Vehicles including Motorcycles	47,628,450	35,204,266	12,424,184
Furniture and Fittings	1,927,777	1,026,513	901,264
Computers and Related Equipment	18,302,009	12,791,901	5,510,108
Other Assets-Cutleries	3,343,609	1,076,339	2,267,270
Work in Progress	276,382,915	0	276,382,915
Total	961,311,199	121,491,363	839,819,836

27. Intangible Assets

Description	2024-2025	2023-2024
	Kshs	Kshs
Cost		
At beginning of the year	5,882,250	5,175,000
Additions	0	2,668,000
At end of the year	5,882,250	7,843,000
Additions–internal development	-	-
At end of the year	5,882,250	7,843,000
Amortization and impairment		
At beginning of the year		
Impairment loss	1,470,562	1,960,750
At end of the year	1,470,562	1,960,750
NBV	4,411,688	5,882,250

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28. Trade and Other Payables

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Trade payables	25,690,075		16,531,118	
Fees paid in advance	-		-	
Other Payables	-		-	
Total Trade and Other Payables			16,531,118	
	25,690,075			
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	25,690,075	100%	16,531,118	100%
1-2 years	-		-	
2-3 years	-		-	
Over 3 years	-		-	
Total (to tie to totals above)	25,690,075	100%	16,531,118	100%

29. Refundable Deposits from Customers/Students

Description	2024-2025		2022-2023	
	Kshs		Kshs	
Caution money	5,060,706		2,203,000	
Other refundable deposits	-		-	
Total Deposits	5,060,706		2,203,000	
	Current FY	% of the Total	Comparative FY	% of the Total
Under one year		%		%
1-2 years	2,857,706	56%	2,203,000	100%
2-3 years	2,203,000	44%		%
Over 3 years		%		%
Total (to tie to totals deposits above)	5,060,706	100%	2,203,000	100%

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30. Cash generated from operations.

	2024-2025	2023-2024
	Kshs	Kshs
Surplus for the year before tax	117,111,546	120,059,314
Adjusted for:		
Depreciation	34,526,072	32,860,678
Working Capital Adjustments		
Increase in Inventory	(35,581)	(1,043,960)
Increase in Current Receivables	(168,225,977)	(103,526,665)
Increase in Payables	9,158,957	8,944,803
Increase in refundable deposits from customers	2,857,706	0
Decrease in Long-term receivables	921,000	0
Decrease in conditional grants	(7,549,620)	0
Increase in capital fund		54,840,564
Prior year adjustment on capital fund	0	8,868,228
Net Cash Flow from Operating Activities	(11,235,897)	121,002,962

31. Financial Risk Management

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

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

(i) Credit risk

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

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

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the entity's directors, who have built an appropriate liquidity risk management framework for the management of the entity's

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short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

(iii) Market risk

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

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

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

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

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32. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

- i) The National Government;
- ii) The Parent Ministry;
- iii) Key management;
- iv) Council;

Transactions with Related Parties		
a) Sales to related parties		
Sales of electricity to govt agencies		
Rent income from govt. agencies		
Water sales to govt. agencies		
Total	0	0
B) Purchases from related parties		
Purchases of electricity from kplc	3,205,600	2,440,927
Purchase of water from govt service providers	0	0
Rent expenses paid to govt agencies	0	0
Training and conference fees paid to govt. agencies	0	0
Total	3,205,600	2,440,927
b) Grants /Transfers from the Government		
Grants from National Govt	88,939,777	94,601,664
Grants from County Government	0	0
Donations in Kind	40,000,000	0
Total	128,939,777	94,601,664
c) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for Employees	0	0
Payments for Goods and Services	0	0
Total	0	0
d) Key Management Compensation		
Council Allowances	11,399,400	4,665,300
Compensation to Key Management	0	0

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Description	2024-2025 Kshs	2023-2024 Kshs
Total	11,399,400	4,665,300

33. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	2024-2025 Kshs	2023-2024 Kshs
Contingent Assets		
Insurance Reimbursements	-	-
Assets arising from determination of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Total	0	0

Contingent Liabilities

Description	2024-2025 Kshs	2023-2024 Kshs
Contingent Liabilities		
Court Case	-	-
Bank guarantees in favour of subsidiary	-	-
Contingent liabilities arising from Contracts including PPPs	-	-
Total	0	0

34. Capital Commitments

Capital Commitments	2024-2025 Kshs	2023-2024 Kshs
Authorised for		
Gate	-	8,000,000
Polytechnic Bus	12,700,000	
Solar Installation	20,000,000	
Transformer Installation	5,800,000	
Total	38,500,000	8,000,000

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35. Events After The Reporting Period

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

36. Ultimate And Holding Entity

The entity is a Semi-Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

37. Currency

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

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Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Receivables from Exchange Transactions</p> <p>The accuracy, completeness and recoverability of the current portion of receivables from exchange transactions balance of Kshs.259,354,596 could not be confirmed.</p>	<p>The management has in place the fees collection policy, however, we rely on higher education funding (HEF) model which is an outlier that places students in bands thus difficult in knowing the parental obligation to enhance collection and also experiences the delay in funding.</p>	Not Resolved	To be resolved by September 30, 2025
	<p>Long Outstanding Receivables from Exchange Transactions</p> <p>the recoverability of the long-term receivables from exchange transactions balance of Kshs.2,059,255 and, therefore, its treatment as an asset of the Polytechnic could not be confirmed.</p>	<p>Long outstanding receivables has reduced in the current financial year with Rangwe TVC clearing their total amount owed and Maberera TVC committing to pay when they get funds</p>	Partly resolved	To be resolved by June 30, 2026

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Budgetary control and performance The underfunding and underutilization affected the planned activities and may have negatively impacted on the programs and activities of the Polytechnic.</p>	<p>Late and less disbursement of funds affects budget absorption due to limited funds for utilization</p>	<p>Not resolved</p>	<p>To be resolved by June 30, 2026.</p>
	<p>Non-compliance with the laws on Affirmative Action No evidence was provided to show that the workforce of two hundred and thirty-six (236) employees included persons with disabilities, contrary to Section 13 of Persons With Disabilities Act, 2003, which states that the Council shall endeavor to secure the reservation of five percent (5%) of all casual, emergency and contractual positions in employment in the public and private sectors for persons with disabilities.</p>	<p>The management has complied with the National Cohesion and Integration in subsequent recruitments this will be incorporated in compliance with the law</p>	<p>Not resolved</p>	<p>To be resolved by June 30, 2027.</p>
	<p>Expired Term of Service for Board of Governors Review of the terms of service for the Board members revealed that their</p>	<p>There was a delayed appointment of the board of governors by the cabinet secretary for Education in the period</p>	<p>Resolved</p>	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	terms expired in January, 2024, and had not been renewed by the close of the financial on 30 June, 2024.			
	<p>Improper Constitution of the Board of Governors</p> <p>There was no member representing persons with disabilities, contrary to Section 2 of the Second Schedule of the Technical and Vocational Education and Training Act. 2013, which requires that appointments under paragraph 1(2) shall take into account ethnic and gender balance, and promote inclusion of persons with disabilities, minorities and the marginalized, and ensure balanced competencies among the members.</p>	<p>The management will liaise with the appointing authority in ratifying the current board constitution and any future appointments in compliance with the law on ethnic and gender balance</p>	<p>Not Resolved</p>	<p>To be resolved by June 30, 2026</p>
	<p>Non-compliant with membership of Board of Governance committees.</p> <p>Review of the membership of the board of committees revealed that the committees had membership of more than three members contrary to circular from Head of public service.</p>	<p>The committees were reconstituted in compliance with the circular</p>	<p>Resolved</p>	

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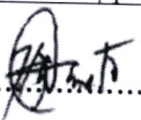
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Delayed Completion of Suba Technical and Vocational College</p> <p>Physical verification of the project on 24 March, 2025 revealed that the project was incomplete with major works such as painting, plumbing and electrical fittings still outstanding. The percentage of completion was around 80%.</p>	<p>The delay was occasioned majorly by inaccessibility during rainy season due to poor road and changes in ground levels leading to a slight change in the design</p>	<p>Not resolved</p>	<p>To be resolved September 30, 2025</p>
	<p>Collapse of pressed steel elevated water tank tower.</p> <p>Elevated water tank collapsed on 3 January 2023 due to structural failure despite the project receiving certificate of practical completion.</p>	<p>The management has agreed with the contractor to re-do the work as recommended by the ODPP.</p>	<p>Not resolved</p>	<p>To be resolved by December 31, 2025.</p>
	<p>Failure to Comply with the Approved Staff Establishment</p> <p>Review of the human resource records revealed that the Polytechnic lacked a comprehensive human resource plan, in terms of human resources management on issues of staff recruitment, staff promotion, succession plan, performance evaluation, and appraisals.</p>	<p>The management has a revised staff establishment approved by the council in December, 2024 therefore in the process of filling the positions. This will be progressive since the establishment is lasting for five years and not done at once and also subject to availability of funds.</p>	<p>Resolved</p>	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>ICT Systems Security Management</p> <p>The Polytechnic did not have an approved IT security policy to ensure that data stored in its systems did not lose its integrity and is readily available when required. Further, Management had not put-up mechanisms to ensure that there is up-to-date security on all systems software</p>	<p>ICT systems security are in place</p>	<p>Resolved</p>	
	<p>Program Change Management</p> <p>The Polytechnic did not document and approve processes to manage upgrades made to all financial and performance information system.</p>	<p>There is a prior communication and documentation on changes on information system approved before implementation</p>	<p>Resolved</p>	
	<p>IT Service Continuity</p> <p>The Polytechnic did not have a disaster recovery plan and had not implemented a backup and retention strategy. I also did not have backups stored in a secure offsite storage facility.</p>	<p>There is local backup that is automated, at capacity of 1TB</p>	<p>Resolved</p>	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Fire Suppression and Climate Controls</p> <p>The Polytechnic did not have Fire detection and suppression system in place. The server rooms were not properly secured and did not have the proper climate controls to ensure that the servers operated at their peak performance.</p>	<p>Management is in the process of putting in place fire suppression and climate control gadget in place</p>	Not Resolved	To be resolved by December 31, 2025
	<p>Logical Access Control</p> <p>The Polytechnic did not have a formally documented and approved user management standards and procedures</p>	<p>The management had recruited system administrator</p>	Resolved	

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Name: Dr. John Abuto, PhD
Chief Principal

Date : 08/08/2025

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Appendix II: Projects Implemented by The Mawego National Polytechnic

Projects

Projects implemented by the State Corporation/ SAGA Funded by development partners.

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
Ndhiwa TVC		Government/NG-CDF	1 year	20,000,000	No	Yes
Mbita TVC		Government/NG-CDF	1 year	55,317,540	No	Yes
Suba TVC		Government/NG-CDF	1 year	68,500,000	No	Yes

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Mbita TVC	56,792,540	55,317,540	100%	56,792,540		Government/NG-CDF
2	Suba TVC	73,894,710	56,437,620	60%	73,894,710		Government/NG-CDF
3	Ndhiwa TVC		0	%	88,999,260		Government/NG-CDF

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Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity: Ministry of Education

Name of beneficiary entity: TMNP

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
	20/09/2024	1,618,679.90		1,618,679.90	
	20/09/2024	8,095,699.50		8,095,699.50	
	20/09/2024	31,571,536.10		31,571,536.10	
	23/09/2024	537,339.50		537,339.50	
	24/09/2024	13,410,525		13,410,525	
	24/09/2024	32,559,214.40		32,559,214.40	
	24/09/2024	13,014,000		13,014,000	
	17/02/2025	42,015,425		42,015,425	
	07/05/2025	0	10,000,000	10,000,000	
	04/06/2025	499,827	0	499,827	
Total		143,322,246.4	10,000,000	153,322,246.4	

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

Head of Accounts Department - Disbursing Entity:

Name Sign Date 08 /08/2025

Head of Accounts Department - Beneficiary Entity:

Name Felex Odera Sign Date 08 /08/2025



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