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THE AUDITOR-GENERAL

ON

NYANDARUA NATIONAL POLYTECHNIC

FOR THE YEAR ENDED
30 JUNE, 2024



NYANDARUA NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2024

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



Nyandarua National Polytechnic
Annual Report and Financial Statements for the year ended 30th June 2024

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1. Acronyms and Definition of Key Terms

A. Acronyms

AfDB	Africa Development Bank
CBET	Competence based Education and training
CICan	Colleges and Institutes Canada
GC	Governing Council
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
KALRO	Kenya Agricultural and Livestock Research Organization
KNQA	Kenya National Qualifications Authority
KSG	Kenya School of Government
NyNP	Nyandarua National Polytechnic
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TVET	Technical and Vocational Education and Training
QAI	Qualifications Awarding Institution
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
TTC	Teacher Training College
TVC	Technical Vocational College

B. Definition of Key Terms

Academic Year: The period from the beginning of one academic session to the beginning of the next.

Accreditation: The official recognition of a qualification or institution by a recognized authority.

Assessment: The process of evaluating a student's knowledge, skills, and abilities.

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Audit: An examination of a Polytechnic's financial records to ensure their accuracy and compliance with relevant regulations.

Budget: A financial plan outlining the Polytechnic's expected income and expenses for a given period.

Certification: A document that verifies a person's qualifications or training in a particular area.

Comparative Year- Means the prior period.

Competency-Based Education and Training (CBET): A learning approach that focuses on the development of specific competencies or skills, rather than simply completing courses.

Course: A unit of study offered by a polytechnic.

Curriculum: A planned sequence of instruction designed to achieve specific learning outcomes.

Dual Training: A system of education and training that combines vocational or technical training with academic study, often involving apprenticeships or work placements.

Expenditure: Costs incurred by the polytechnic, such as salaries, operating expenses, and capital investments.

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

Financial Statements: A set of documents that provide a detailed picture of a polytechnic's financial position, results of operations, and cash flows.

Governance: The system of rules and practices that guide the polytechnic's decision-making and operations.

Governing Council: The governing body responsible for overseeing the polytechnic's operations.

Industry Partnership: A collaboration between the polytechnic and businesses or industries to provide relevant training and work experience.

Liabilities: Debts owed by the polytechnic, such as loans and accounts payable.

Management: The individuals responsible for the day-to-day management of the polytechnic.

Occupational Standard: A document that defines the knowledge, skills, and abilities required to perform a particular job or occupation.

Policy: A rule or guideline governing the polytechnic's operations.

Polytechnic: A specialized institution that provides vocational and technical education and training.

Program: A specific course of study leading to a qualification, such as a diploma or certificate.

Qualification: A formal recognition of a person's achievement in a particular field of study or work.

Recognition of Prior Learning (RPL): A process that allows individuals to receive academic credit for knowledge and skills acquired through work experience, life experience, or informal learning.

Revenue: Income earned by the polytechnic from various sources, such as tuition fees, government grants, and research contracts.

Semester: A term or session in an academic year, typically lasting about 15 weeks.

Trainee: A person enrolled in a polytechnic program.

2. Key Entity Information and Management

(a) Background information

Nyandarua National Polytechnic (NyNP) was established as Nyandarua Institute of Science and Technology (NIST) in the 1980's through an initiative from the local community and leaders. The land was donated by Kenya Agricultural Research Institute (KARI). NyNP is established by and derives its authority and mandate from TVET Act 2013. The Polytechnic is domiciled in Kenya and is wholly owned by the Government of Kenya under the Ministry of Education, State Department for Vocational and Technical Training. The Polytechnic's principal activity is provision of technical and vocational education and training (TVET) research and innovation.

The idea of establishing the then NIST was to create an institution that could meet the educational and development needs of the Nyandarua Community which was mooted in early 80's by the people of Nyandarua who contributed Kshs Five (5) million towards the project. The construction of the institute began in 1996. Among the main contributors in the initial effort were parents of children in schools in the former Nyandarua District.

In the year 2005 Constituency Development Fund (CDF) from four constituencies of Nyandarua contributed Kshs. Ten (10) million which was used to complete the first classes and administration block. In March 2006, the first batch of 25 students were admitted and since then the student population has grown steadily up to 2055 students.

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The Institute was elevated to a National Polytechnic vide Legal Notice No. 209 of December 2020, which gave it power to award higher diplomas, diplomas, certificates and other academic qualifications as authorized by the academic policy of the Polytechnic. In addition, the Polytechnic was granted power to award degrees in collaboration with recognized universities, promoting and establishing a culture of innovation in engineering and technology and transfer of technology amongst staff and students.

As a National Polytechnic, NyNP operations are guided by various legislations and regulations including TVET Act 2013, Science, Technology and Innovation (ST&I) Act 2013, TVET regulations 2015, Public Finance Management Act 2012, Public Procurement and Disposal Act 2015 among others.

The long-term Vision of the polytechnic at inception was to develop a strong technological institution to play a leading role in the development of the immense resources and potential of Nyandarua region and in so doing contribute to National Development.

The Polytechnic is ISO 9001:2015 certified and it is also under Performance Contracting. The road to certification gave the polytechnic impetus to develop home grown quality objectives to improve service delivery to its customers. Through the achievement of these objectives, the polytechnic continually makes progress in contributing to the realization of its strategic plan and the Kenya Vision 2030.

In addition to providing academic and technical skills, we seek to develop, in our students, creativity and innovativeness that enables them to integrate successfully in all areas of management in the public and private sectors.

(b) Principal Activities

VISION:

A leading global centre of excellence in technical and vocational training, research, innovation and technology.

MISSION:

To cultivate a talented, diverse and inclusive workforce by providing technical and vocational training, technology, opportunities for research and innovation for current and future community and industry.

MOTTO:

Skills for Empowerment.

MANDATE:

The Polytechnic is mandated to:

- i. Provide technical and vocational training as well as research and innovation as per the TVET Act and Legal Notice No. 209 of 2020. We offer skills development programmes to youths and adults in technical, commercial and scientific fields relevant to satisfy the needs of the national economy.
- ii. Collaborate with industry and academia to plan and implement programmes that facilitate the acquisition of appropriate knowledge, skills, attitudes and values necessary for the development of self and the nation.

STRATEGIC OBJECTIVES

- i. Equip trainees with knowledge, skills, and attitudes for today's global environment
- ii. Foster research, innovation and entrepreneurship
- iii. Strengthen partnerships and linkages with industry and academia for practical relevance
- iv. Enhance effective corporate governance practices
- v. Enhance digital skills, talents and creativity for employment
- vi. Promote inclusivity and empowerment of human capital

(c) Key Management

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

- i. Governing Council- made up of nine members appointed by the Cabinet Secretary, Ministry of Education. This is the overall management organ of the polytechnic;
- ii. Academic Board- made up the Principal, Deputy Principals and Heads of Academic Departments. The board is in charge of all the academic matters of the polytechnic;
- iii. Management Board- made up of the Principal, Deputy Principals and key senior administrators. The Board is the Polytechnic senior management team responsible for managing the Polytechnic strategy and policy.

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

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No.	Designation	Name
1.	Principal	Felix Mung'atu
2.	Deputy Principal Academic and Student Affairs.	Dr. Stephen Mbugua
3.	Deputy Principal, Planning, Administration and Finance	Mary Njane
4.	Registrar	George Macharia
5.	Dean of students	Mutura Ngooro
6.	Head of Finance	CPA Monica Ndirangu
7.	Head of Procurement	Stanley Ndirangu
8.	Head of Teaching Departments representative	Mr. Peter Mwangi
9.	Director of Quality Assurance and Performance Management (DQAPM)	Dr. Nahashon Kanyi

Key Entity Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

Oversight of polytechnic activities is carried out by various committees including but not limited to the following:

Audit and risk committee

The purpose of the audit committee is to provide assistance to the council in ensuring effective and economic management of finances and to establish and maintain appropriate systems of internal control and risk management. Duties and responsibilities include:

- i) Review and provide oversight on governance initiatives established by the council and maintained by the Polytechnic.
- ii) Obtain assurance from management that all financial and non-financial internal control and risk management functions are operating effectively and reliably.
- iii) Review and provide oversight on the establishment, implementation, maintenance, and effectiveness of risk assessment, risk management, and risk reporting practices.
- iv) Provide an independent review of an NyNP's reporting functions to ensure the integrity of financial reports.
- v) Monitor the effectiveness of the Polytechnic's performance management and performance information.

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- vi) Provide strong and effective oversight of the polytechnic's internal audit function.
- vii) Provide effective liaison and facilitate communication between management and external audit.
- viii) Provide oversight of the implementation of accepted audit recommendations.
- ix) Ensure the NyNP effectively monitors compliance with legislative and regulatory requirements and promotes a culture committed to lawful and ethical behaviour.
- x) Review and provide advice to the Council on the key financial management and performance reports and disclosures issued to the public.
- xi) Review regular reports on implementation status of approved management action plans resulting from prior internal audit recommendations.
- xii) Review and provide oversight on the organization's internal control framework. Keep informed on all significant matters arising from work performed by any governance, risk, and control assurance providers.
- xiii) Approve and periodically review the polytechnic's audit policy.
- xiv) Review and approve an internal audit plan. The audit plan should be risk-based and supported by appropriate risk assessments

Finance, Infrastructure and Human resource committee

This committee shall deal with all financial matters of the polytechnic and scheme of service for GC staff and all other human resource related issues. The Committee's roles are to:

- i. Formulating strategies, operational plans and budgets for approval by the Council
- ii. Identification of material risks and in conjunction with the Audit Committee, formulation of mitigation, management of the risk, monitoring of effectiveness of the risk management processes and reporting to the Council
- iii. Ensure that the Polytechnic follows and adheres to proper financial and accounting procedures.
- iv. Ensure compliance with all statutory regulations in respect of financial and other Polytechnic's management matters.

- v. Ensure that the Polytechnic keeps all financial records on a proper accounting basis
- vi. Provide reports on financial statements and audited accounts to the Council Members during Council meetings and or any special Council or general meeting.
- vii. Advise the Council on financial management, resource mobilization, and administration
- viii. Formulating terms and conditions of service and reviewing the same for GC staff for Council approval;
- ix. Oversee the conduct of interviews for employment, appointment and promotion of members of faculty and staff from grade 13 and below and submit reports to council;
- x. Consider and recommend for approval terms and conditions of service and criteria for recruitment, appointment and promotion of staff;
- xi. Oversee the development and implementation of a Human Resource strategy;
- xii. Receive and consider reports on staff welfare;
- xiii. Receive and consider proposals for the provision of Occupational Safety and Health facilities and systems for staff and students;
- xiv. Receive, consider and recommend for approval regulations governing students and staff conduct and discipline;
- xv. Receive, consider, discuss and recommend to council proposals on staff establishment of the Polytechnic;
- xvi. Adjudicate on staff and student disciplinary appeals;
- xvii. Oversee the mainstreaming into policies and practices on gender balance, equality of opportunities, equalization of persons with disabilities, minorities and other marginalized groups and submit reports to Council;
- xviii. Receive reports on gender balance, equality of opportunities, equalization of persons with disabilities, minorities and other marginalized groups
- xix. Transact any other business as directed by Council

Education, Research, and Training Committee

This committee shall deal with all matters related to curriculum implementation, training, research and other academic issues. These shall include:

- i) Monitoring compliance with education policies, processes and codes of conduct approved by the Council;
- ii) Identification and adoption of information, Communication Technology processes;

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- iii) To satisfy itself regarding the content and academic standard of any course of study in respect of any diploma, certificate or other award and to report its findings thereon to the Council.
- iv) To propose regulation for consideration by the Council regarding the eligibility of persons for admission to a course of study,
- v) To propose regulations for consideration by the Council regarding the standard of proficiency to be gained in each examination for a Diploma, certificate or other award.
- vi) To approve programmes of study, regulate admission of persons to the polytechnic and determine their continuation or discontinuation in such programmes.
- vii) To determine the Academic policy of polytechnic and to advise the council on the provision of facilities to carry out that policy,
- viii) To direct and regulate the training and instruction within the polytechnic subject to the powers of the council.
- ix) Curriculum and academic standards of any course of study.
- x) Determine Academic affiliations, linkages, partnerships and associations.
- xi) Promotion of research and innovation work in the polytechnic and dissemination of the findings.
- xii) Quality standards and assurance of education, training, research and innovation.
- xiii) The Constitution of the Students' Association.
- xiv) Receive and consider reports on students' welfare;
- xv) Oversee the constitution of an Alumni Association and receive reports on their proposals and recommendations;
- xvi) Transact any other business as directed by Council.

Development partner oversight activities

The Polytechnic has entered into partnership with national and international partners including KARLO, KSG, CICan, KIRDI and Mastercard foundation. The Polytechnic is in the process of developing a framework for the strengthening the effectiveness of development cooperation with the aim of ensuring that all the available resources are mobilized and used in ways that maximise their potential in the realization of our goals and priorities. The framework will be in line with the Public Service framework on resource mobilisation for training and capacity building for the Public Service.

(f) Nyandarua National Polytechnic Headquarters

P.O. Box 2033-2030
Nyahururu-Gilgil Highway
Kenya

(g) Nyandarua National Polytechnic Contacts

Telephone: 0727256001 / 0732335757
E-mail: info@nyandaruanationalpoly.ac.ke
Website: www.nyandaruanationalpoly.ac.ke

(h) Nyandarua National Polytechnic Contacts Bankers

- i. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
- ii. Equity bank
P.O. Box 75104-00200
Nairobi.
- iii. Co-operative Bank
P.O. Box 48231 - 00100,
Nairobi.
- iv. Kenya Commercial Bank
Kencom House, Moi Avenue,
P.O. Box 48400 - 00100,
Nairobi, Kenya.

(i) Independent Auditors





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

Key Entity Information and Management (Continued)




(j) Principal Legal Adviser


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

3.The Council of Governors



SN	Member/ Director	Details
1.	<p>Prof E.G. Wagaiyu</p> 	<p>Chairperson/ chairlady Council</p> <ul style="list-style-type: none"> • Professor (Consultant). • PhD in Periodontology from University of Nairobi. • Master of Science in Periodontology from University of London, united Medical and Dental schools, Guys Hospital U.K, • Bachelor of Dental Surgery from University of Nairobi
2.	<p>Felix Mung'atu</p> 	<p>Secretary Governing Council and all Committees.</p> <ul style="list-style-type: none"> • Holds Master of Philosophy in Education Communication, BED in Automotive. • Principal, Nyandarua National Polytechnic.
3.	<p>James Nyambune</p> 	<p>Council Member</p> <ul style="list-style-type: none"> • PS representative • Principal Technical Educational Officer
4.	<p>Feisal Abdikadir Aden</p> 	<p>Council Member</p> <ul style="list-style-type: none"> • Master of Education in Leadership and Education Management – ongoing. • Master in Management Information Technology. • Bachelors Degree in Business Information Technology. • Diploma in Business Administration

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5.	<p>Eng. Venansio Mbataru Kariuki.</p> 	<p>Council Member</p> <ul style="list-style-type: none"> • Director / CEO Millenium Star Enterprises Ltd, An Independent Petroleum dealer company inNBI. • Chairman Kenya Independent petroleum dealers association (KIPEDA) • Bachelor of civil Engineering Degree [B.Eng. civil] – Kingston Polytechnic LONDON-U.K. {now University of Kingston Upon Thames} – 1987. • Ordinary Diploma in Mechanical Engineering. Kenya Polytechnic – 1982.
6.	<p>FA Ben Masawa Sanda</p> 	<p>Council Member</p> <ul style="list-style-type: none"> • Ag. Chief Financial Officer -The Technical University of Kenya (TU-K) • Masters of Arts in Economics • Public Sector Financial Management Course Kenya School of Government • ISO 9001:2008 Lead Auditors Course Kenya School of Government. • Certified Securities & Investment Analysts (CSIA). • CIFA Membership No. FA/00076 • Certified Public Accountant (CPA-K). • ICPAK Membership No.11018
7.	<p>CPA Jacob Tom Ojwando</p> 	<p>Council Member</p> <ul style="list-style-type: none"> • Principal Accountant-National Treasury/MOE(SDVTT) • MBA –(Finance Option):Maseno University • Bachelor of Commerce – Accounts Option (Second Class Honors): Catholic University of East Africa • C.P.A. I, II and III (CPA K); Vision Institute • K .A.T. C Graduate Dima College

<p>8.</p>	<p>Miriam Wambui</p> 	<p>Council Member</p> <ul style="list-style-type: none"> • Founder and Executive Director, Scope and Impact Ltd. • Launched a HR digital platform dubbed iSCOPE HR. • Currently pursuing a Masters in Leadership and Sustainability. • BSc in Nutrition and Chemistry from the University of Eastern Africa Baraton. • Higher National Diploma from the Institute of Human Resource Management. • Senior Member, IHRM (K) • Accredited Executive Leadership Coach by AoEC • Member, Technical Committee Kenya Bureau of Statistics (KEBS) • Member by affiliation, American Workforce • Member, Institute of Directors Kenya • Member, Council of Governors' Secretariat (infrastructure and urban development workstream) representing IHRM(K) • Member, Women in Business East Africa • Green Horn Mentor, University of Nairobi • Member, Business Forum International (BNI) Legacy Chapter • Life Member, YMCA Kenya Chapter
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9.	<ul style="list-style-type: none"> • Joel Sigilai 	<p>Independent Council Member</p> <ul style="list-style-type: none"> • Advocate of the High Court of Kenya. • Holds a Bachelor of Laws Degree from University of Nairobi.
10.	<ul style="list-style-type: none"> • Eng .George K. Matoke MSc. {Eng} 	<p>Council Member</p> <ul style="list-style-type: none"> • Retired civil servant • Private practice. • PhD. in Renewal Energy Engineering- Kenyatta University • MSc. Engineering systems & Management-


4. Key Management Team

No.	Member	Details
1.	 <p>Felix Mung'atu Master of Philosophy in Education Communication, BED in Automotive Engineering.</p>	Chief Principal
2.	 <p>Mary Njane. B.Ed. (Science), M.Sc. Applied Mathematics</p>	Deputy Principal, Planning, Administration and Finance
3.	 <p>Dr. Stephen Mbugua M.Ed. Educational Administration, B.Ed. (Science), Diploma Education Management.</p>	Deputy Principal- Academic and Student Affairs
4.	 <p>George Macharia B.Ed. (Arts), CPA II</p>	Registrar

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5.	 <p>Mutura Ngooro Kimani B.Ed. (Arts), CPA</p>	Dean of Students
6.	 <p>CPA Monica Ndirangu MBA (Strategic Management) B.Com (Accounting Option), CPA- K, Member ICPAK, Member AWAK CS II</p>	Chief Finance Officer
7.	 <p>Peter Mwangi MBA Finance, BBA, Dip.Tech.Ed, CPA(K), CPS(K)</p>	Heads of Teaching Departments representative

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	 <p>Dr. Nahashon Kanyi PhD in Agricultural Entomology. M.Sc in Agricultural Entomology B.Ed. (Science), Agricultural Education and Extension</p>	<p>Director, Quality Assurance and Performance management</p>
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5. Chairman's Statement

It gives me great pleasure to present the Nyandarua National Polytechnic (NyNP) annual report and financial statements for the year ended 30th June 2024.

As the Governing Council we are mandated to mobilize resources and utilize them effectively and efficiently to promote technical and vocational training. This mandate is enshrined in our Strategic Plan 2023-2027. During the year under review, the Strategic Plan was being reviewed to align with the Bottom up Economic Transformation Agenda (BeTA), MTP IV, Vision 2030 and SDGs. The Polytechnic is putting in place several strategies to manage the anticipated fast growth in terms of student population, infrastructure, training programmes and labour force.

NyNP is keen in ensuring that TVET programmes pursued, will enable the trainees acquire the necessary skills, knowledge, experience and confidence to be exemplary leaders in their professions and to drive the current government agenda of transforming our communities. During the year we launched the Jitume program in collaboration with Ministry of ICT and Konza Technopolis. The program aims to train the youth on digital skills that will enable them to earn a decent living and contribute to economic growth as espoused in the Digital Superhighway and Creative Economy pillar of the Bottom up Economic Transformation Agenda (BeTA.)

Technical, Vocational, Education and Training (TVET) provides knowledge, skills and attitudes that have become a key driver of growth and development globally. Production of knowledge intensive, technologically sophisticated, higher value goods and services is not possible without a trained management cadre and labour force with the appropriate mix of technical and vocational skills. In view of this, it is imperative to ensure that there exist enabling and friendly environment that will enhance delivery of quality TVET programmes for sustainable development of Kenya and beyond. To this end, I am delighted to note that much has been achieved during the year despite challenges faced.

We are proud to be part of the TVET sector where we provide knowledge, skills and attitudes that have become a key driver of growth and development globally. Production of knowledge intensive, technologically sophisticated, higher value goods and services is not possible without a trained labour force with the appropriate mix of technical and vocational skills. In view of this, we have put efforts to ensure that there exists an enabling and friendly environment that will enhance delivery of quality TVET programmes for sustainable development of Kenya and beyond.

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NyNP is keen in ensuring that TVET programmes pursued, will enable the trainees acquire the necessary skills, knowledge, experience and confidence to be exemplary leaders in their professions and to be role models in their communities and become responsible citizens wherever in the world their careers might take them.

The Council is committed to embracing best practices in the industry and during the year under review we have engaged the industry as we developed curricular for CBET programs that will shift the focus from conventional training to skills-based training. To this end and in recognition of our status as a Qualification Awarding Institution (QAI), we have completed development of an assessment and certification framework to guide the process of certification.

We have also benchmarked with our peers at the national level on the best practices for national polytechnics. During the year the council commenced the construction of the first phase of a 52-class tuition block with funding from the Ministry of Education. We however regret that we could not complete the phase as a result of financial constraints. We urge the ministry to release the next batch of the funding to enable us proceed with the project.

In the recent past, the polytechnic's student population has grown as a result of collaborations with KUCCPS, the local administration under the 100% transition program, and other stakeholders thus exerting pressure on our existing resources and facilities.

To this end we continue to appeal for support for the projects in our strategic plan such as a modern automotive garage, classrooms, science laboratory, student hostels among others to enable us achieve our core mandate in the provision of quality teaching, research and innovations.

A collaborative effort from our partners is paramount if we have to realise the TVET Agenda and I urge development partners and other stakeholders to back up our efforts.

We are committed to the prudent utilisation of the public funds which has been placed under our stewardship.



Prof. E.G. Wagaiyu

CHAIRMAN, GOVERNING COUNCIL

6. Report of the Chief Principal

Am pleased to present the Nyandarua National Polytechnic (NyNP) annual report and financial statements for the year ended 30th June 2024.

During the year under review the Polytechnic has continued to carry out her mandate of offering a diverse outstanding TVET programs in a way that provides trainees with the best opportunity to achieve success and to enjoy their years here. We have put measures during the year to improve the various aspects of our institution to provide the requisite policy direction and resources to diversify the courses offered and improve on the existing ones.

During the year under review, the polytechnic implemented the 100% school leaver transition program in 2024 which demonstrates our commitment to providing educational opportunities for all. This initiative, in collaboration with the State Department for TVET and local administration, ensures that graduates from primary secondary schools have a clear pathway to continue with their education and gain valuable technical skills.

We have taken great strides towards the implementation of new CBET curriculum by initiating the development of occupational standards for CBET courses and curriculum in collaboration with the industry and our accreditation bodies. Implementation of the CBET system will however require investment in terms of staff, equipment and other infrastructure. We acknowledge our mandate as a QAI and have obtained accreditation by the Kenya National Qualifications Authority (KNQA). The process of developing curricular and certification framework is however expected to utilize massive resources which are constrained.

NyNP recognizes that learning extends beyond formal education. We are committed to providing opportunities for individuals to leverage their existing skills and experience through the implementation of Recognition of Prior Learning (RPL). During the year under review, a comprehensive RPL policy was developed, outlining the process for individuals to gain recognition for their prior learning and potentially obtain qualifications. Currently, the Polytechnic is in the final stages of acquiring accreditation from regulatory bodies to officially launch the RPL program.

During the year NyNP immensely contributed to labour export. Our trainees in Agriculture Department successfully secured jobs in the labour market abroad, in the United Kingdom. 89

have already been engaged in seasonal jobs, which has improved their agricultural skills and experience.

The Polytechnic started Dual TVET program focusing on bridging the gap between theoretical knowledge and practical experience. The dual training program has four courses and has secured industry placements for 113 trainees. By partnering with industries, students gain hands-on training in real-world settings, preparing them for a smooth transition into the workforce. The secured industry placements for courses in Catering and Accommodation, Hair and Beauty therapy, Horticulture production and science laboratory technology which directly address the skills demanded by industries, enhancing graduate employability.

In the field of research and innovation the Polytechnic hosted the second international conference whose theme was: Leveraging skills and innovation for commercialization and social economic transformation. The conference gave academics and researchers in academia and industry to showcase their research findings and technological innovations. Additionally, we continue to implement our intellectual Property and which gives guidelines on incubation and eventual commercialisation of the innovations for the mutual benefit of the institution and the budding innovators.

We are cognisant of our role towards the realisation of the Bottom Up Transformation Agenda, (BeTA). Towards that end, we put in measures to support the implementation of the enablers and pillars by initiating training programs in areas of Agriculture, digital superhighway and creative economy. We commenced the training of our trainees and staff in using online platforms to earn a living under the Jitume and Ajira initiatives.

As a National Polytechnic, we acknowledge the importance of collaborations and partnerships with stakeholders including the industry and academia. These will enable us to provide market driven and relevant courses so that our graduates can take their place in the transformation of our country.

During the year, we trained officers from different public institutions for Senior Management Course in partnership with the Kenya School of Government (KSG) as part of partnership and collaborations initiatives. We also signed a collaboration agreement with the Rift Valley Institute of Business Studies (RVIBS) on CBET delivery and assessment.

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In our pursuit of providing all round graduates we also participated co-curricular activities including sports, trade fairs and robotics, and Presidents Award Scheme which inculcates values of patriotism and service to the nation to our trainees.

During the year the polytechnic commenced the construction of the first phase of the 52-classroom block with funding from the ministry of education. However, the phase was not completed due to delay in release of sufficient funding.

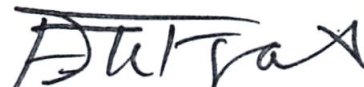
Despite these successes, we have faced numerous challenges of mobilizing adequate funds to build training rooms, hostels and developing new infrastructure to cater for the increase in population and also match the industry trends to ensure relevance in training. We acknowledge that we require a lot of investment in both financial and human capacities which continue to stretch the scarce financial resources at our disposal.

The challenge is also compounded by the heavy financial burden incurred by the institution as remuneration for trainers hired under Governing Council terms as the PSC has not been able to provide adequate human resource to enable the polytechnic deliver her mandate. It is our hope that the bodies concerned with the hiring the TVET trainers will expedite the process to relieve us of the burden and therefore channel the resources to other pressing issues.

We would like in a special way to thank the Government of Kenya for the renewed commitment to TVET and recognising technical training as a vehicle for achieving the vision 2030. The funding of trainees through capitation and provision of loans and bursaries by HELB is greatly appreciated as is the provision of training equipment and machinery.

We also thank the Ministry of Education, the directorate of vocational and technical training, AfDB and our development partners for supporting NyNP in its efforts to deliver quality and market driven programmes. We remain committed to quality training and declare our resolve to continue addressing the opportunities and challenges that come our way more so, in playing our role in the realization of the BeTA.

We also greatly appreciate the Council, staff, students and all stakeholders who have contributed greatly in their own way to make the Polytechnic a 'leading global centre of excellence in Technical and Vocational Training, Research, Innovation and Technology'


Felix Mung'atu

CHIEF PRINCIPAL

7. Statement of Performance against Predetermined Objectives

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

Nyandarua National Polytechnic has seven strategic pillars and objectives within current Strategic Plan for the FY 2021/22 - FY 2026/27. These strategic pillars are as follows:

STRATEGIC PILLARS

1. Training and skills development
2. Research and innovation
3. Enabling environment
4. Collaborations and partnerships
5. Oversight and governance
6. Human resource development
7. Equity and inclusion

Nyandarua national polytechnic develops its annual work plans based on the above seven pillars. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The Polytechnic achieved some of its performance targets set for the FY 2023/24 period for its seven strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
1. Training and skills development	To equip trainees with appropriate knowledge, skills and attitudes requisite in today’s dynamic global environment;	<ul style="list-style-type: none"> • No. of training rooms, workshops • New curriculum for tailor made programmes 	<ul style="list-style-type: none"> • Construction of training rooms, workshops • Review academic programmes to ensure market relevance and applicability • Diversify modes of curriculum delivery 	<ul style="list-style-type: none"> • Masonry and carpentry workshops completed • Initial CBET programs assessment done • LMS developed for e-learning

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2. Research and innovation	To enhance research, technology, innovation and incubation;	<ul style="list-style-type: none"> • Research policy • IP Policy • TISC centre 	<ul style="list-style-type: none"> • Review and implement a Research Policy • Develop intellectual property policy • Establish and operationalize TISC centre in collaboration with KIPI/WIPO 	<ul style="list-style-type: none"> • Policies reviewed • MOU signed with KIPI • TISC centre established
3. Enabling environment	To upgrade the Polytechnic's training facilities and infrastructure towards world class standards;	<ul style="list-style-type: none"> • Master plan • Cabro laid in m² 	<ul style="list-style-type: none"> • To develop and adopt a master plan that depicts a world class Polytechnic • Lay additional cabros on walk ways 	<ul style="list-style-type: none"> • Master plan developed and approved • Cabro laid 6300m²
4. Collaborations and partnerships	To enhance collaborations, linkages and partnerships with industry and academia;	<ul style="list-style-type: none"> • Policy on collaborations • Areas of collaborations • MoUs 	<ul style="list-style-type: none"> • Develop a policy on collaborations and linkages • Identify areas of collaborations • Signing of MoUs 	<ul style="list-style-type: none"> • MOU with KSG signed
5. Oversight and governance	To establish and strengthen the Polytechnic's	<ul style="list-style-type: none"> • Guiding policies, operational charters, statutes • Working committees • Restructured QA 	<ul style="list-style-type: none"> • Develop guiding policies, operational charters, statutes 	<ul style="list-style-type: none"> • Policies developed and/or reviewed • Committees established

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	corporate governance;		<ul style="list-style-type: none"> • Establish working committees • Restructure quality assurance 	<ul style="list-style-type: none"> • QA restructured
6. Human resource development	To develop, empower and retain adequate and high caliber staff;	<ul style="list-style-type: none"> • Reviewed policies • Funds allocated for staff development 	<ul style="list-style-type: none"> • Review the HR policies and procedures manual • Allocate funds for staff development activities • Establish and implement a meritorious scheme 	<ul style="list-style-type: none"> • Policies reviewed • Funds allocated • Meritorious scheme awaiting approval by the council
7. Equity and inclusion	To promote equity and inclusivity in accessing service delivery	<ul style="list-style-type: none"> • Walkways • Parking slots • Sanitation facilities • Reviewed policies 	<ul style="list-style-type: none"> • Provision of walkways • Parking slots • Sanitation facilities for persons with disabilities • Review and implement gender and Disability mainstreaming policies • Strengthen Alumni network 	100% complete

8. Corporate Governance Statement

The Polytechnic has put in place a Charter which provides as follows:

The Council

- (1) The Council members shall comprise Nine (9) Members as follows-
- (a) Chairperson,
 - (b) The Principal Secretary in the Ministry for the time being responsible for matters relating to technical and vocational education and training,
 - (c) The Principal Secretary in the Ministry for the time being responsible for finance; and
 - (d) Five members appointed by the Cabinet Secretary by virtue of their knowledge and experience in:
 - (i) Leadership and management;
 - (ii) Financial management;
 - (iii) Industry;
 - (iv) Engineering;
 - (v) Information communication Technology
 - (vi) Law.
 - (e) The Principal, who shall be an ex-officio member and the Secretary to the Council.

Appointment to the Council

The members of the council shall be appointed by the Cabinet Secretary Ministry of Education after wide consultation from strategic partners and individuals who share the same values, commitments and have an interest to work with NyNP. The recruitment to Council membership shall be through head hunting, recommendations by management, staff and other Council members, interviews and consensus among the Council members.

Powers and Duties of the Council

Generally, the Council of Members will have the following roles:

- i) Ensure that a proper management structure is in place and that the management maintains the corporate integrity, reputation and responsibility of the Polytechnic;
- ii) Monitor and evaluate the implementation of strategies, policies, and management plans of the Polytechnic;
- iii) Constantly review the viability and financial sustainability of the Polytechnic at least once in every year;

- iv) Ensure that the Polytechnic complies with all the relevant laws, regulations, governance practices and accounting and auditing standards;
- v) Oversee the conduct of education and training at NyNP in accordance with the provisions of the TVET Act and any other written law;
- vi) Promoting and maintaining standards, quality and relevance in education and training in NyNP;
- vii) Administer and manage the property of the polytechnic;
- viii) Develop and implement NyNP strategic plan;
- ix) Prepare annual estimates of revenue and expenditure for the Polytechnic and incurring expenditure on its behalf;
- x) Making regulations governing Polytechnic, conduct and discipline of the staff and students;
- xi) Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submit the same to the TVETA Council;
- xii) Providing for the welfare of the students and staff of the polytechnic; and
- xiii) Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the Polytechnics;

Conflict of Interest

- a) A member who has a direct or indirect interest in a matter being considered or to be considered by the Council shall, as soon as the relevant facts regarding the matter come to knowledge of the member, disclose the nature of such interest, and shall not be present during any deliberations on the matter.
- b) A disclosure of interest made under paragraph (a) shall be recorded in the minutes of the meeting at which it is made.
- c) A member of the Governing Council who contravenes subparagraph (a) commits an offence and shall be liable as stipulated in the Act.

Commitment in Attending to the Polytechnic Affairs

- a) Council members are expected in the exercise of their role as Members to have the commitment, time, availability and energy to give due attention to the affairs of the Polytechnic. In this regard, Council members have the duty to regularly attend all council meetings and committees on which they serve.

- b) Failure to attend three consecutive meetings of the Council without a written apology constitutes a ground for termination of a Council member.

Setting of performance targets

The Council shall set its performance targets based on the strategic plan and performance contracts signed by both Council and Management.

Evaluation

By adopting the Corporate Governance Guidelines, the following methods may be used in Council evaluation:

- a) Self-assessment carried out once a year; and
- b) End of council Term Report

Induction

The chairman of the Council ensures members when appointed participate in appropriate induction process an induction and are thereafter continually developed based on identified development needs.

Remuneration and expense reimbursement Policy

The remuneration of the Members shall be within the benchmarks set by the TVET Act 2013 and relevant circulars from the PSC more specific in reference to ability to pay and shall be by way of sitting allowance only. The Members may also be paid all travelling expenses from their ordinary place of residence to the place where the meetings of the Members or any committee of the Members or general meeting of the polytechnic in connection with the business of the polytechnic.

9. Management Discussion and Analysis

Operational and financial performance

During the year under review, the Polytechnic was committed to embracing best practices in the industry and have facilitated various benchmarking exercises as it prepares to launch more CBET programs that are skill oriented and more relevant to the industry. In the area of collaborations and partnerships, the Polytechnic collaborated with Colleges and Institutes Canada (CICan) in the area of research in value addition of Irish Potato.

During the year the Polytechnic registered a surplus of Kshs **68,561,522**.

The Council will continue the implementation of the 2016-2021 Strategic Plan with an emphasis on new status as a National Polytechnic.

Governance

The Council of Governors notes that the Polytechnic has complied with all Financial and Governance Policies and Laws as stipulated by the Constitution of Kenya, 2010. Provisions of Chapter 12 on Principles of Public Finance have been followed both in letter and spirit on all the financial management decisions of the Polytechnic. The management has also complied with the Provisions of Chapter 6 of the Constitution in defining its Governance Structures as well as the Provisions of the Public Procurement and Asset Disposal Act, 2015 that preclude any instances of conflict of interest.

Key projects and investment decisions the NyNP is planning/implementing

The Polytechnic implemented tuition block project funded by the Government. As at the end of the year, the total expenditure incurred on acquisitions was Kshs 64,451,055 which was within the estimated expenditure voted for the year.

Nyandarua National Polytechnic compliance with statutory requirements

The Polytechnic did not have any compliance issues relating to its statutory requirements

Major Risks

The Polytechnic does not foresee any major risks in its financial operations. The Governing Council has been able to mitigate risk especially in the key areas of Operation, Credit, Liquidity and Capital to minimal levels. The Council has put in place strong financial management policies and these have been customised by the management into equally strong internal controls that give assurance on the propriety of the Institution's systems of control. This position is supported greatly by the significant investment in strong internal controls that safeguard the Polytechnic's assets and liabilities. The Polytechnic's credit risk is mitigated and protected by holding deposits in state approved and reputable banking institutions namely, Equity and Cooperative Bank. The Polytechnic holds high quality fees debts that are continuously being monitored with a major portion being Receivables underwritten by GOK institutions - NYS and HELB. The Polytechnic's capital risk was minimal since at the end of this year the Polytechnic had no external borrowing. The same applies to liquidity risk where the total Current Liabilities at Kshs 61,337,810.78 was 47.52 % of current assets holding which was standing at Kshs 129,065,171

Material arrears in Statutory/Financial Obligations

The Polytechnic complied with all laws and key regulation that relate to its statutory obligations under the NSSF, NHIF, INCOME TAX and LABOUR Laws of Kenya. The Polytechnic has also complied with PFM laws that relate to Public Procurement and Asset Disposal, Annual Estimates and Financial Reporting.

10. Environmental and Sustainability Reporting Statement

Sustainability strategy and profile

The polytechnic is cognizant of the 17 Sustainable Development Goals adopted by UN Member States in transforming our world: The 2030 Agenda for Sustainable Development. Our performance contract for FY 2023-2024 has a commitment to make further advances on social progress, economic growth and environmental protection, balancing the three pillars of sustainable development.

Sustainability prompts us to think in terms of the future and using global perspective, recognising the connections between economy, society and ecology. The concept carries the aim of improving quality of life for people and communities across the globe, whilst protecting the natural systems upon which life depends.

Sustainability at the Nyandarua National Polytechnic is about understanding the wider consequence of our current activities while using learning, imagination and leadership to support societies towards more sustainable futures. Our shared understanding of sustainability is based on internationally agreed principles of learning and change for sustainability, providing a working definition adaptable to different areas of professional and academic practice.

Moving into the future the polytechnic will formulate a sustainability strategy based on the following pillars:

Leadership and Governance – sustainability informs our organisational direction and culture: Sustainability principles underpin our core purpose as a polytechnic, including the experiences of our students, the professional practice of our staff, and the wellbeing of our community.

Student Experience – sustainability provides distinctive capabilities for our graduates: Our students develop their future focus, global outlook and the ability to innovate and lead change in support of sustainability, which is increasingly critical for professionals in all sectors.

Academic Innovation – sustainability is integral to our learning, teaching and research: Education for Sustainability principles will be integrated into our framework of graduate attributes and help to increase the quality and value of our academic practice and scholarship

Business Operations – sustainability is an essential corporate improvement priority: Sustainability is central to our practice as a responsible employer, in tackling negative impacts, creating value and bringing positive benefits to staff, students and communities.

Collaborations and Partnerships – sustainability adds value to our collaborations at all levels: Sustainability guides our local, national and international relationships, enhancing our role as an anchor institution in our region and a stimulus for innovation.

Environmental performance

Introduction

Environmental Sustainability refers to concerted efforts to mitigate against environmental degradation. It is the maintenance of the factors and practices that contribute to the quality of environment on a long-term basis. Environmental sustainability involves making decisions and taking action that are in the interests of protecting the natural world, with particular emphasis on preserving the capability of the environment to support human life. Sustainability means “meeting the needs of the present without compromising the ability of future generations to meet their own needs.”

The polytechnic is committed to environmental sustainability and has undertaken the following initiatives.

- Establishment and operationalization of environmental sustainability committee;
- Compliance with the Environmental Management and Coordination Act (EMCA);
- Carrying out an Environmental Sustainability Audit on compliance with EMCA-
- Participating in activities of ‘Greening TVET’ including planting of trees in collaboration with our partners eg. Equity Bank.
- Waste management practices including the segregation of waste.

We are however faced with challenges of managing electronic waste and in that respect, we are exploring partnerships with persons or organizations that have the knowhow of managing this waste. As we move into the future the Environment sustainability committee will be tasked with developing an environmental sustainability policy

Employee welfare

Recruitment

Nyandarua National Polytechnic (NyNP) has a Human Resource Policies and Procedures Manual and a Schemes of Service that governs the management of human resources. The manuals are to be reviewed when changes are necessary with authorization of the Governing Council but not later than three years.

The Polytechnic is enrolled on the Fuzu portal in conjunction with National Council for the Persons with disability (NCPWD)

Strictly following the labour laws and our policies has ensured healthy employee relations and currently, we have zero labour-related court cases.

The job description and specifications are derived from the provisions of the Schemes of Service informs the job advertisement. The advert also clearly specifies that the institution is an equal opportunity employer.

The Human Resource Policies and Procedures Manual provides the following guidelines for recruitment:

- a) Where vacant positions are to be filled through open advertisement, applications shall be invited through the print media with wide circulation. The applicants shall be allowed at least twenty-one (21) days before the advert is closed.
- b) The advert shall have the following details: The title of the post, number of vacancies, job description, person specification, and the proposed remuneration.
- c) The Head of Human Resources will notify the successful candidates as soon as possible but not later than Fourteen (14) days.

Career Management

The institution avails opportunities to all staff to be trained essential skills that enhances their performance and service delivery.

The schemes of service outlines clearly the career progression of each cadre and the requirements to qualify the next grade.

The staff are also encouraged to be members of relevant professional bodies and improve their skills through continuous learning. Those who are members of professional bodies the polytechnic caters for their annual membership fees.

Performance Appraisal

The Polytechnic has put in place the Employee Performance Management Committee (EPMC) which is tasked with ensuring that the appraisal process is adequately linked to objectives, workplans and individual performance contracts. The committee also moderates and validates the assessment and make recommendations for awards and /or sanctions.

Rewards

Based on the scores of performance appraisal, the Polytecnic has a rewards and sanctions policy (meritorious scheme) that governs the rewards and sanctions on performance.

Occupation Safety and Health Act of 2007, (OSHA).

Nyandarua National Polytechnic in her mandate to offer quality training adhere to set OSHA policy by undertaking various activities;

1. Undertaking capacity building for trainers, staff and trainees in technical departments on safety measures and firefighting techniques.
2. Adhere to occupational safety standards operating procedure by ensuring use of PPE's for various disciplines.
3. Operationalize an OSHA policy in the polytechnic, by ensuring mandatory inspection's and audits.

Market place practices-

- a) Responsible competition practice.

Anti-corruption: - the polytechnic has appointed a committee who is responsible for ensuring that service providers adhere to principles of integrity.

Responsible political involvement: - coordinating well with the national and county government.

Fair competition: - through open tendering and request for quotations

Respect for competitors: - we have respected competition by giving out request for quotations and open tenders so that bidders to compete in any tender.

- b) Responsible Supply chain and supplier relations

The Polytechnic has maintained good business practices by issuing request for quotations and open tenders for competitive bidding. We have honored contracts and payment of invoices within **60 to 90** days.

- c) Responsible marketing advertisement to maintain ethical marketing practices through

1. Charging the fees available in the marketing materials without any hidden charges
2. Ensuring the courses advertised are offered
3. Giving marketing information without exaggerating
4. Marketing without antagonizing our competitors

Corporate Social Responsibility / Community Engagements

NyNP recognizes the need for Corporate Social Responsibility (CSR) and engages in various activities. In the year under review, we engaged in a community health services where we had screening for various ailments e.g., HIV, Prostate Cancer, Cervical Cancer, Breast Cancer,

Hypertension etc. We also attended public forums and visited secondary schools to offer career guidance.

Human Resource

NyNP recognizes that health, safety and training, play a key in ensuring our employees commitment to responsibility in the workplace and a working environment in which personal and employment rights are upheld. Effective policies and procedures are aligned with the Polytechnic's needs and the promotion of good communication processes, to assist timely and consistent delivery of relevant information to employees.

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

Stakeholders

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

11. Report of the Council of Governors

The Council members submit their report together with the Audited Financial Statements for the year ended June 30, 2024, which show the state of the NyNP's affairs.

Principal activities

The principal activities of the NyNP are training, research and development are expected to continue in foreseeable future.

Results

The results of the NyNP for the year ended June 30 2024 are set out on page 1 to 39

Governing Council

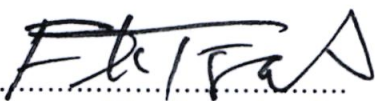
The members of the Council who served during the year are shown on page xiii-xvi. During the year no Council member retired/ resigned and hence no new appointments were made during the year.

Nyandarua National Polytechnic
Annual Report and Financial Statements for the year ended 30th June 2024

Auditors

The Auditor General is responsible for the statutory audit of the NyNP in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 were nominated by the Auditor General to carry out the audit of the NyNP for the year/period ended June 30, 2024, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Governing Council


.....
Secretary of the Governing Council

Nyahururu

Date: 28/11/24

12. Statement of Governing Council's Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 - require the council members to prepare financial statements in respect of NyNP, which give a true and fair view of the state of affairs of the NyNP at the end of the financial year/period and the operating results of the NyNP for that year/period. The Council members are also required to ensure that the NyNP keeps proper accounting records which disclose with reasonable accuracy the financial position of the NyNP. The Council members are also responsible for safeguarding the assets of the NyNP. The Council members are responsible for the preparation and presentation of the NyNP's Financial Statements, which give a true and fair view of the state of affairs of the NyNP for and as at the end of the Financial Year (period) ended on June 30, 2024. This responsibility includes:

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

The Council members accept responsibility for the NyNP'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 the State Corporations Act, TVET Act 2013 and legal order No. 209 of 2020.

The council members are of the opinion that the NyNP's Financial Statements give a true and fair view of the state of NyNP's transactions during the Financial Year ended June 30, 2024, and of the NyNP's financial position as at that date. The Council members further confirm the completeness of the accounting records maintained for the NyNP, which have been relied upon in the preparation

Nyandarua National Polytechnic
Annual Report and Financial Statements for the year ended 30th June 2024

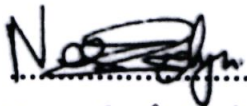
of the NyNP's Financial Statements as well as the adequacy of the systems of internal financial control.

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

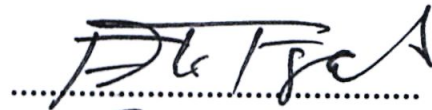
Approval of the Financial Statements

Approval of the financial statements

The Polytechnic's financial statements were approved by the Council on ...11/9/2024 and signed on its behalf by:


.....

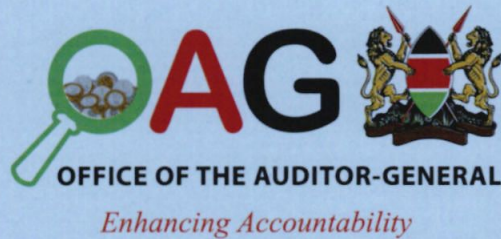
Name Prof E.G. Wanyonyi
Chairperson of the Governing Council


.....

Name FELIX K. MUNG'ATU
Accounting Officer/Chief Principal

REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON NYANDARUA NATIONAL POLYTECHNIC FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

- A. Report on the 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 the Lawfulness and Effectiveness in 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 the 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 Nyandarua National Polytechnic set out on pages 1 to 35, which comprise the statement of financial position as at 30 June,

2024 and statement of financial performance, statement of changes in net assets, statement of cashflows, statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Nyandarua National Polytechnic as at 30 June, 2024 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 Public Finance Management Act, 2012 and the Technical and Vocational Education and Training Act, 2013.

Basis for Qualified Opinion

1. Long Outstanding Receivables from Exchange Transactions

The statement of financial position reflects the current portion of receivables from exchange transactions balance of Kshs.83,240,153 as disclosed in Note 17 of the financial statements. However, review of records on outstanding receivables indicates an amount of Kshs.29,828,251 has been outstanding for periods of more than 90 days to over a year. This being a clear indication that the Polytechnic has not instituted measures to collect the outstanding balances or curb potential unrecoverable debts.

In the circumstances, the recoverability of receivables totalling Kshs.29,828,251 as at 30 June, 2024 is in doubt.

2. Valuation Report and Land Ownership Documents

The statement of financial position reflected a balance of Kshs.504,116,022 for property, plant and equipment as disclosed in Note 19 to the financial statements. The balance included an amount of Kshs.200,000,000 for land measuring approximately 100 hectares. However, no valuation report and ownership documents in respect to the land were provided for audit.

In the circumstances, the accuracy, completeness and ownership of the parcel of land whose reported value was Kshs.200,000,000 could not be confirmed.

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

1. Budgetary Controls and Performance

The statement of comparison of budget and actual amounts for the year ended 30th June, 2024 reflected final incomes budget of Kshs.543,800,000 and actual on comparable basis of Kshs.296,473,913 resulting to a budgetary shortfall of Kshs.247,326,087 or 26% of the budget. Similarly, the Polytechnic spent a balance of Kshs.227,912,391 against actual receipts of Kshs.296,473,913 resulting to an under-utilization of Kshs.68,561,522 or 23.%.

The under-funding and under-utilization affected the planned activities and may have impacted negatively on service delivery to the public.

2. Outstanding Trade and Other Payables from Exchange Transactions

The statement of financial position reflects a balance of Kshs.47,330,569 under trade and other payables from exchange transactions as disclosed in Note 22 to the financial statements. However, a long outstanding amount of Kshs.8,065,585 remained unpaid to date and further a stalled building project with a payable certificate of Kshs.23,213,555 remained un paid at the time of audit.

In the circumstances, failure to settle the outstanding payables violates legal and regulatory obligations, exposing the organization to potential penalties, legal disputes, and reputational damage. The prolonged stalling of the building project could lead to cost overruns due to inflation, deterioration of materials, and additional expenses for completion of the project.

My opinion however, 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 matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Information

The Management is responsible for the other information set out on page iv to xxxviii which comprise of Key Entity Information and Management, The Council of Governors, Key Management Team, Chairman's Statement, Report of the Chief Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement,

Management Discussion and Analysis, Environmental and Sustainability Reporting Statement, Report of The Council of Governors, and statement of the Governing Council Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Polytechnic's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information and I am required to report that fact.

Based on the audit procedures performed and the matters described in my Basis for Qualified Opinion, I confirm that other information is not materially inconsistent with the financial statements

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in 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

1.0. Non-Compliance with Minimum Requirements on Employee Ethnic Composition

Review of employee records for management showed that the dominant ethnic community employed as at 30 June, 2024 constitutes 73% (123) of the total population of 168 staff members. This was 40% above the provision of National Cohesion and Integration Act, 2008 which provides that no public establishment shall have more than one third of its staff from the same ethnic community.

Further, examination of master data and payroll records for the year ended 30 June, 2024 revealed that the Management recruited eleven (12) new staff members. However, the dominant ethnic community employed by the Management constituted of 8 persons out of the 12 which is equivalent to 67% of the new recruits.

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

2.0. Stalled Construction of Tuition Block

The Polytechnic awarded a contract to a company for the construction of a tuition block at Kshs.139,317,810 for a period of 378 months with start date being on 18 December 2023 and expected completion date of 22 January, 2025. A total of Kshs.41,237,500 has so far been paid. However as at the time of audit the contractor had abandoned the site and the construction has stalled.

In the circumstances, value for money may not be realised on the Kshs.41,237,500 spent on the project.

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

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

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the 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

Internal Audit and Audit Committee Function

Examination of records revealed that audit committee met only once in the year under review while the law provides for at least four (4) times per year. It was also noted that internal audit function is also weak since no activities have been carried out and no audit reports have been produced. In addition, internal audit function is understaffed since it is manned by only one officer.

In absence of the internal audit function and internal audit committee, the efficiency and effectiveness of the Polytechnic's internal controls and risk management could not be confirmed.

The audit was conducted in accordance with ISSAIs 2315 and 2330. The Standards require that I plan and perform the audit to obtain assurance about whether effective

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

Responsibilities of Management and the Council of Governors

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

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

The Council of Governors 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 overall 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 INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, SBS
AUDITOR-GENERAL

Nairobi

31 December, 2024


Nyandarua National Polytechnic
Annual Report and Financial Statements for the year ended 30th June 2024

14. Statement of Financial Performance For The Year Ended 30 June 2024

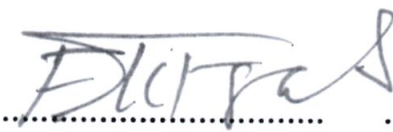
	Notes	2023-2024	2022-2023
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government -Recurrent/Operational	6	63,035,825	-
Transfers from other National Government -Capitation	6	-	30,890,000
Transfers from other National Government -Development Grants	6	23,737,500	17,500,000
Grants from donors and development partners	7	2,771,730	-
		89,545,055	48,390,000
Revenue from Exchange transactions			
Rendering of services- fees from students	8	192,495,028	149,189,590
Sale of goods	9	7,820,192	6,739,820
Rental revenue from facilities and equipment	10	6,613,638	857,745
Revenue from Exchange transactions		206,928,858	156,787,155
Total Revenue		296,473,913	205,177,155
Expenses			
Use of goods and services	11	160,137,958	150,342,917
Employee costs	12	42,782,510	39,621,704
Governing Council Expenses	13	3,843,800	3,600,014
Depreciation and amortization expense	14	16,377,346	16,278,473
Repairs and maintenance	15	4,770,777	8,298,436
Total Expenses		227,912,391	218,141,545
Net surplus/(deficit) for the year		68,561,522	-12,964,390

(The notes set out on pages 6 to 39 form an integral part of the Annual Financial Statements).

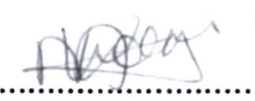
The Financial Statements set out on pages 1 to 5 were signed by:



 Chairman of Governing
 Council



 Principal



 Finance Officer

Date 28/11/24

Date 28/11/2024

Date 28/11/24

ICPAK No. 20670

Nyandarua National Polytechnic
Annual Report and Financial Statements for the year ended 30th June 2024

15. Statement of Financial Position As At 30th June 2024

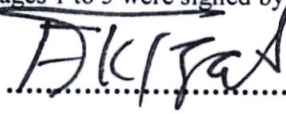
Description	Notes	2023/2024	2022/2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	16 & 16(a)	19,548,943	13,189,617
Current portion of receivables from exchange transactions	17	83,240,153	45,583,912
Inventories	18	26,276,075	16,754,288
Total Current Assets		129,065,171	75,527,817
Non-Current Assets			
Property, plant, and equipment	19	504,116,022	454,447,902
Intangible assets	20	7,173,568	6,555,431
Biological Assets	21	1,415,000	1,151,830
Total Non-Current Assets		512,704,590	462,155,163
Total Assets (A)		641,769,760	537,682,980
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	22	47,330,569	35,114,243
Refundable deposits from customers	23	5,366,773	4,662,373
Deferred income	24	8,640,469	9,773,435
Total Current Liabilities		61,337,811	49,550,051
Non-Current Liabilities			
Total non-current liabilities			
Total Liabilities (B)		61,337,811	49,550,051
Net Assets (A-B)		580,431,950	488,132,929
Represented By:			
Revaluation Reserves		-	-
Accumulated Surplus		580,431,950	488,132,929
Capital Fund		-	-
Net Assets and Liabilities		641,769,760	537,682,980

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



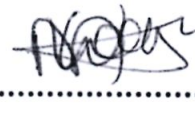
Chairman of Governing
Council

Date 28/11/24



Chief Principal

Date 28/11/2024



Finance Officer

ICPAK No.20670
Date 28/11/24

Nyandarua National Polytechnic
Annual Report and Financial Statements for the year ended 30th June 2024

16. Statement of Changes in Net Asset For The Year Ended 30 June 2024

Description	Revaluation reserve	Accumulated Fund	Capital	Total
			Grants/Fund	
At July 1, 2022	-	483,597,318	-	483,597,318
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	(12,964,390)	-	(12,964,390)
Capital grants received during the year	-	-	17,500,000	17,500,000
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2023	-	470,632,928	17,500,000	488,132,928
At July 1, 2023	-	488,132,928	-	488,132,928
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	68,561,522	-	69,458,164
Capital grants received during the year	-	-	23,737,500	23,737,500
Transfer of depreciation/amortisation from capital fund to	-	-	-	-
At June 30, 2024	-	556,694,450	23,737,500	580,431,950

Nyandarua National Polytechnic
Annual Report and Financial Statements for the year ended 30th June 2024

17. Statement of Cash Flows For The Year Ended 30 June 2024

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government -Recurrent/Operational		63,035,825	30,890,000
Transfers from other National Government -Development Grants		23,737,500	17,500,000
Grants from donors and development partners		2,771,730	-
Rendering of services- fees from students		177,865,254	108,673,416
Sale of goods		3,910,471	5,774,434
Rental revenue from facilities and equipment		6,329,752	812,745
Total Receipts		277,650,532	163,650,595
Payments			
Use of goods and services		166,306,525	136,580,303
Employee costs		42,746,690	39,340,584
Board /Council Expenses		3,843,800	3,094,300
Repairs and maintenance		9,179,021	647,706
Total Payments		222,076,036	179,662,893
Net Cash Flows from operating activities	25	55,574,496	(16,012,298)
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(49,215,170)	(12,114,493)
Proceeds from sale of property, plant and equipment		-	-
Net cash flows used in investing activities		(49,215,170)	(12,114,493)
Cash flows from financing activities			
Proceeds From Borrowing		-	-
Repayment Of Borrowings		-	-
Net cash flows used in financing activities		-	-
Net Increase/(Decrease) in Cash and Cash equivalents		6,359,326	(28,126,791)
Cash and Cash equivalents at 1 July 2023	16	13,189,617	41,316,408
Net Increase/(Decrease) in Cash and Cash equivalents		6,359,326	(28,126,791)
Cash and Cash equivalents at 30 July 2024	16	19,548,943	13,189,617

Nyandarua National Polytechnic
Annual Report and Financial Statements for the year ended 30th June 2024

18. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2024

Description	Original budget 2023-2024	Adjustments 2023-2024	Final	Actual on comparable basis	Performance difference	Utilization Difference
			Budget 2023-2024			
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other National Government -Recurrent/Operational	169,600,000	169,600,000	169,600,000	63,035,825	106,564,175	37
Transfers from other National Government -Development Grants	140,000,000	140,000,000	140,000,000	23,737,500	116,262,500	17
Grants from donors and development partners-Research Grants	3,000,000	3,000,000	3,000,000	2,771,730	228,270	92
Rendering of services- fees from students	202,229,640	202,229,640	202,229,640	192,495,028	9,734,612	95
Sale of goods	21,970,360	21,970,360	21,970,360	7,820,192	14,150,168	36
Rental revenue from facilities and equipment	7,000,000	7,000,000	7,000,000	6,613,638	386,362	94
Total Income	543,800,000	543,800,000	543,800,000	296,473,913	247,326,087	
Expenses						
Use of goods and services	449,974,174	449,974,174	449,974,174	160,137,958	289,836,216	36
Employee costs	54,300,000	54,300,000	54,300,000	42,782,510	11,517,490	79
Board /Council Expenses	8,891,080	8,891,080	8,891,080	3,843,800	5,047,280	43
Depreciation and Amortization expense	19,377,346	19,377,346	19,377,346	16,377,346	3,000,000	85
Repairs and maintenance	11,257,400	11,257,400	11,257,400	4,770,777	6,486,623	42
Total Expenditure	543,800,000	543,800,000	543,800,000	227,912,391	315,887,609	
Surplus For the Period	-	-	-	68,561,522	-	-
Capital Expenditure	-	-	-	-	-	-

Notes

- i. Transfers from National Government underperformance is resulted from partial disbursement of Capitation, Recurrent, Development Partners and Development Grants.
- ii. Rendering of services –Fee from students budget underperformance was as a result student debtors.
- iii. Sale of Goods and Rental Revenue from Facilities& Equipment underperformance was as a result of not meeting projected revenue targets.
- iv. Underutilization in expenses resulted from a decreased expected revenue.

19. Notes to the Financial Statements

1. General Information

Nyandarua National Polytechnic is established by and derives its authority and accountability from TVET Act 2013. The Polytechnic is wholly owned by the Government of Kenya and is domiciled in Kenya. The Polytechnic'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 judgement in the process of applying the Polytechnic's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Polytechnic. 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 2013 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2024.

There are no new standards in the year ended 30th June 2024

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.

Standard	Effective date and impact;
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> 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. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non-Current Assets Held for Sale and	<i>Applicable 1st January 2025</i> The Standard requires,

Discontinued Operations	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: 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.
IPSAS 45: Property Plant and Equipment	Applicable 1st January 2025 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 recognised 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.
IPSAS 46: Measurement	Applicable 1st January 2025 The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47: Revenue	Applicable 1st January 2026 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.
IPSAS 48: Transfer Expenses	Applicable 1st January 2026 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

Nyandarua National Polytechnic
Annual Report and Financial Statements for the year ended 30th June 2024

		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.
IPSAS Retirement Benefit Plans	49:	Applicable 1st January 2026 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.

iii. Early adoption of standards

The Polytechnic did not early-adopt any new or amended standards in year 2024.

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 Polytechnic 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 Polytechnic recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by 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 Polytechnic.

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 2023/2024 was approved by the Council or Board on 11th November 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the Polytechnic did not have additional appropriations on the FY 2023/2024 budget following the Council's approval. The Polytechnic'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 financial performance has been presented on page 5 under section of these financial statements.

c) Taxes

Current income tax

The Polytechnic is exempt from paying taxes as per Section 10 sub-section (a) and (b) of Income Tax Act 2010.

The Polytechnic pays statutory tax deductions.

Sales tax/ Value Added Tax

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

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

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

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an xx-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit. Investment properties are derecognized either when they have been disposed of

or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Polytechnic 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.

f) 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.

g) Intangible assets

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

h) Research and development costs

The Polytechnic expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Polytechnic 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. The Polytechnic does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, 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 Polytechnic 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 Polytechnic'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 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 Polytechnic 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 Polytechnic recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL)

Financial liabilities

Classification

The Polytechnic 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.

Inventories (Continued)

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

k) Provisions

Provisions are recognized when the Polytechnic has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Polytechnic expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

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

Contingent assets

The Polytechnic does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Polytechnic 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 Polytechnic 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 Polytechnic will incur in fulfilling the present obligations represented by the liability.

m) Nature and purpose of reserves

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

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

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

p) Foreign currency transactions

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

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 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 directors, the Principal and senior managers.

s) Service concession arrangements

The 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, the Polytechnic recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Polytechnic 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, 2024.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Polytechnic 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 Polytechnic. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

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

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

6. Transfers from other National Government entities

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	-	30,890,000
Operational/Recurrent Grant	63,035,825	-
Development grants	23,737,500	17,500,000
Total unconditional Grants	86,773,325	48,390,000
Total Government Grants and Subsidies	86,773,325	48,390,000

7. Grants from Donors and Development Partners

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Development partners-Research Grants	2,771,730	-
Total Grants from Development Partners	2,771,730	-

8. Rendering of Services

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Tuition Fees	85,774,181	26,471,520
Activity Fees	7,998,960	8,244,300
Industrial Attachment Fees	1,714,000	2,912,650
Examination Fees	22,618,080	21,809,910
Repair, Maintenance &Improvement	4,901,949	4,121,195
Personal Emoluments	27,375,812	28,729,550
Registration Fees	700,900	1,052,900
Travelling &Transport	7,133,815	7,332,125
Student Welfare	1,671,300	1,469,400
Administration	3,958,032	4,154,400
Medical &Insurance	4,962,496	5,188,110
Boarding, Equipments & Stores	-	1,300,500
Electricity, Water &Conservancy	7,773,784	8,128,300
Caution Money	704,400	1,431,000
Application Fees	-	2,508,971
Student I.D	816,800	874,200
KUCCPS Validation Fees	2,079,500	2,144,000
NYS Material Fees	1,651,000	3,433,405
NYS Food and Accommodation	5,861,620	13,469,399
Hospitality Material fees	2,235,000	2,135,050
Library Fees	3,799	5,505
TVETA Quality Assurance Fees	1,298,700	1,151,200
Graduation Fees	44,000	1,122,000
ICT Services/Internet	1,102,500	-
Talent Development Training	114,400	-
Total Revenue from The Rendering of Services	192,495,028	149,189,590

9. Sale of Goods

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Sale of Farm Produce	4,166,885	2,616,297
Driving School	2,087,610	2,196,710
Production Units Income	1,248,600	1,699,263
Hospitality-Catering Sales	42,705	24,450
Tender Document sales	-	2,000
Other Incomes-Research conference	248,090	201,100
Damages	20,707	-
Others	5,595	-
Total Revenue from Sale of Goods	7,820,192	6,739,820

10. Rental revenue from facilities and equipment

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Hire of Facilities and Equipment	2,185,648	554,245
Catering & Accommodation	4,427,990	303,500
Total	6,613,638	857,745

11. Use of Goods and Services

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Teaching and learning materials	30,922,751	15,210,202
Industrial attachment costs	2,284,500	1,724,400
Electricity	2,344,502	2,441,218
Water	1,203,140	1,507,372
Advertising costs	6,732,046	4,203,644
Security	3,039,761	3,087,274
Subscriptions	290,002	383,825
Administration Expenses	9,212,703	8,944,186
Examination fees	16,945,500	18,421,400
Conferences and Seminars	-	205,284
Travelling and accommodation	18,318,765	8,704,765
Food, Accommodation & Related Expenses	12,333,998	22,216,381
Fuel and oil	5,156,708	3,106,411
Insurance Expenses	1,391,064	978,298
Printing and stationery	6,165,553	7,373,390
Activity Expenses	5,843,740	4,611,795
Telephone expenses	2,211,500	2,197,000
Internet expenses	2,493,564	2,465,792

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Student Welfare	1,326,409	2,175,179
Medical Expenses	409,953	554,685
Driving School Expenses	294,160	355,680
Farm Expense	1,109,005	2,392,091
Academic Trip Expenses	328,595	917,965
Students Fees Refunds	18,000	20,650
Textile &Uniform Expenses	44,800	1,545,860
Capacity Building	14,325,811	18,568,760
Research, Training &Development	9,011,857	8,178,541
Bank Charges	86,601	200,024
Production Units Expenses	1,632,470	1,407,676
CiCAN Research Hub Project expenses	1,570,121	-
Cleaning Services	2,899,920	2,380,656
Garbage &Sanitation Services	93,240	170,160
Newspapers &Periodicals	97,220	119,560
Graduation Expenses	-	2,663,293
Teambuilding-Extra-curricular activities	-	859,000
Corporate Social Responsibility	-	50,500
Total good and services	160,137,958	150,342,917

12. Employee Costs

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Basic Pay	34,303,578	31,876,581
House Allowance	1,898,000	1,839,613
Commuter Allowance	1,874,806	1,824,935
Salary Arrears	-	347,798
Medical Allowance	405,962	463,533
Leave Allowance	138,000	164,000
Employer NSSF	1,562,934	1,283,040
Gross Pay	40,183,280	37,799,500
PAYE	2,058,000	1,597,270
NHIF	1,028,400	1,034,100
NSSF	3,125,868	2,568,240
HELB loan Deductions	625,368	880,262
KUDHEIHA workers	48,750	53,850
Bank Loan Repayments	3,391,944	1,498,694
Housing Levy	1,094,584	-
NITA Levy	62,100	57,600
Salary Advance	-	5,000
Total Deductions	11,435,014	7,695,016
Net Pay	28,748,266	30,167,084
Gratuity	865,790	281,120
Casual Workers	1,733,440	1,478,485
Employee Costs	42,782,510	39,621,704

13. Council Expenses

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Directors Emoluments-Sitting Allowance	2,355,000	1,685,714
Governing Council-Accommodation	982,800	1,244,300
Governing Council -Transport expenses	400,000	670,000
Governing Council -Internet expenses	106,000	-
Total	3,843,800	3,600,014

14. Depreciation and Amortization expense

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Property, plant and equipment	15,580,283	15,707,336
Intangible assets	797,063	571,137
Total depreciation and amortization	16,377,346	16,278,473

15. Repairs and Maintenance

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Property, Plant & Equipment	3,381,797	5,283,979
Equipment and machinery	264,030	60,710
Vehicles & Machinerics	988,950	1,745,321
Furniture and fittings	-	57,000
Computers and accessories	136,000	1,151,426
Total Repairs and Maintenance	4,770,777	8,298,436

16. Cash and Cash Equivalentents

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Current Account	19,548,943	13,189,617
On - Call Deposits	-	-
Fixed Deposits Account	-	-
Staff Car Loan/ Mortgage	-	-
Others (Specify)	-	-
Total Cash and Cash Equivalentents	19,548,943	13,189,617

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

Financial Institution	Account number	FY 2023/2024	FY 2022/2023
		KShs	KShs
a) Current Account			
Equity Bank, Nyahururu	160296471157	2,325,692	1,496,947
Co-operative Bank, Nyahururu	1129038043701	13,068,185	10,243,413
Co-operative Bank, Nyahururu	1129038043702	2,953,255	1,449,068
K.C.B-CICAN Research Hub	1321112068	1,201,609	-
Sub- Total		19,548,741	13,189,428
Cash in Hand		202	189
Mobile Money account		-	-
Sub- Total		202	189
Grand Total		19,548,943	13,189,617

17. Receivables from Exchange transactions

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Current Receivables	KShs	KShs
Student Debtors	83,240,153	45,523,912
Other Debtors	-	-
Consultancy Debtors	-	-
Other Exchange Debtors-Advance	-	60,000
Less: Impairment Allowance	-	-
Total Current Receivables	83,240,153	45,583,912

18. Inventories

Description	2023-2024	2022-2023
	KShs	KShs
Consumable stores	24,814,005	16,754,288
Maintenance stores	-	-
Electrical stores-Consumables	973,776	-
Catering stores/Food & Beverages	488,294	-
Less: Impairment allowance	-	-
Total Inventories at lower of Cost and Net Realizable Value	26,276,075	16,754,288

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19. Property, Plant and Equipment

Details	Land	Buildings, Extensions & Other infrastructures	Plant & Machinery	Motor Vehicles	Comp. Equip	Office Equip	Furniture & Fittings	Other Loose Tools	Catering equipment	Books & Reading Materials	Other Equip	Work in Progress	Sports Equip & Curtains	Total
COST	Kshs	Kshs.	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs		Kshs	Kshs
As at 1st July, 2021	200,000,000	157,610,425	2,893,289	4,513,303	4,660,189	154,165	7,392,835	67,752	327,197	421,235	4,302,996	-	254,430	382,597,817
Additions during the year	-	32,282,025	1,865,500	-	9,628,860	-	3,938,102	-	-	1,517,771	2,689,260	-	-	51,921,518
Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 30th June, 2022	200,000,000	189,892,450	4,758,789	4,513,303	14,289,049	154,165	11,330,937	67,752	327,197	1,939,006	6,992,256	-	254,430	434,519,335
Depreciation for the year	-	4,297,641	231,463	1,128,326	1,537,862	30,833	591,427	13,550	65,439	84,247	860,599	-	50,886	8,892,274
As at 30th June, 2022	200,000,000	185,594,809	4,527,326	3,384,977	12,751,186	123,332	10,739,511	54,201	261,758	1,854,759	6,131,657	-	203,544	425,627,061
As at 1 July 2022	200,000,000	185,594,809	4,527,326	3,384,977	12,751,186	123,332	10,739,511	54,201	261,758	1,854,759	6,131,657	-	203,544	425,627,061
Additions	-	41,318,011	1,407,075	-	1,032,190	-	566,000	-	-	-	204,900	-	-	44,528,176
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 30 th June 2023	200,000,000	226,912,820	5,934,401	3,384,977	13,783,376	123,332	11,305,511	54,201	261,758	1,854,759	6,336,557	-	203,544	470,155,237
Depreciation for the year	-	7,423,792	362,186	575,446	4,207,891	40,700	1,396,136	10,840	52,352	370,952	1,226,331	-	40,709	15,707,336
As at 30th June 2023	200,000,000	219,489,028	5,572,215	2,809,531	9,575,485	82,632	9,909,375	43,361	209,406	1,483,807	5,110,226	-	162,835	454,447,901
As at 1st July 2023	200,000,000	219,489,028	5,572,215	2,809,531	9,575,485	82,632	9,909,375	43,361	209,406	1,483,807	5,110,226	-	162,835	454,447,901
Additions	-	-	-	-	211,000	147,850	391,700	-	-	-	46,800	64,451,055	-	65,248,405
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 30th June 2024	200,000,000	219,489,028	5,572,215	2,809,531	9,786,485	230,482	10,301,075	43,361	209,406	1,483,807	5,157,026	64,451,055	162,835	519,696,305
Depreciation for the year	0	8,779,561	445,777	477,620	3,159,910	27,269	1,288,219	8,672	41,881	296,761	1,022,045	-	32,567	15,580,283
NBV as at 30th June 2024	200,000,000	210,709,467	5,126,438	2,331,911	6,626,575	203,214	9,012,856	34,689	167,525	1,187,046	4,134,980	64,451,055	130,268	504,116,022
Net Book Values														
At 30th Jun 2023 (previous year)	200,000,000	219,489,028	5,572,215	2,809,531	9,575,485	82,632	9,909,375	43,361	209,406	1,483,807	5,110,226	-	162,835	454,447,901
At 30th Jun 2024 (current year)	200,000,000	210,709,467	5,126,438	2,331,911	6,626,575	203,214	9,012,856	34,689	167,525	1,187,046	4,134,980	64,451,055	130,268	504,116,022

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Notes to the Financial Statements (Continued)

19.(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	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	200,000,000	-	200,000,000
Buildings	219,489,028	8,779,561	210,709,467
Plant And Machinery	5,572,215	445,777	5,126,438
Motor Vehicles including Motorcycles	2,809,531	477,620	2,331,911
Computers and Related Equipment	9,786,485	3,159,910	6,626,575
Office Equipment, Furniture, And Fittings	17,587,992	2,717,414	14,870,578
Work in Progress(WIP)-Tuition Block	64,451,055	-	64,451,055
Total	519,696,305	15,580,283	504,116,022

20. Intangible Assets

Description	2023-2024	2022-2023
	Kshs	Kshs
Cost		
At beginning of the year	-	5,711,368
Additions	-	1,415,200
At end of the year	-	7,126,568
Additions—internal development	-	-
At end of the year	-	7,126,568
Amortization and impairment		
At beginning of the year	6,555,431	-
Additions	1,415,200	-
	7,970,631	-
Amortization	797,063	571,137
At end of the year	7,173,568	6,555,431
Impairment loss	-	-
At end of the year	7,173,568	6,555,431
NBV	7,173,568	6,555,431

21. Biological Assets

Description	2023-2024	2022-2023
	Kshs	Kshs
Cattle-At the beginning of the year	1,151,830	788,830
Additions	263,170	363,000
Disposal during the year	-	-
Trees	-	-
Total as at 30th June 2024	1,415,000	1,151,830

22. Trade and Other Payables

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Trade payables	31,279,139		28,149,413	
Fees paid in advance	-		-	
Salary deductions	-		-	
Third-Party Payments	-		-	
Other Payables	16,051,430		6,964,830	
Total Trade and Other Payables	47,330,569		35,114,243	
Ageing analysis:	2023-2024	% of the Total	2022-2023	% of the Total
Under one year	31,279,139	66	28,149,413	80
1-2 years	16,051,430	34	6,964,830	20
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (to tie to totals above)	47,330,569	100	35,114,243	100

23. Refundable Deposits from Customers/Students

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Caution money-Bal.b/f	4,662,373		3,231,373	
Add: Receipts for the year	704,400		1,431,000	
Total Deposits	5,366,773		4,662,373	
Less: Refunds for the year	-		-	
Total Refundable Deposits	5,366,773		4,662,373	
Ageing analysis:	2023-2024	% of the Total	2022-2023	% of the Total
Under one year	704,400	13	1,431,000	31
1-2 years	4,662,373	87	3,231,373	69
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (to tie to totals deposits above)	5,366,773	-	4,662,373	-

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24. Deferred Income

Description	2023-2024		2022-2023	
	Kdhs		Kdhs	
Student Fees	8,640,469		9,773,435	
Others(specify)	-		-	
Total	8,640,469		9,773,435	
Ageing analysis:	2023-2024	% of the Total	2022-2023	% of the Total
Under one year	8,640,469	100	9,773,435	100
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (to tie to totals deposits above)	8,640,469	100	9,773,435	

25. Cash generated from operations.

Surplus for the year before tax	2023-2024		2022-2023	
	Kdhs		Kdhs	
Surplus for the year before tax	68,561,522		-12,964,389	
Adjusted for:				
Depreciation	16,377,346		16,278,473	
Finance Cost	-		-	
Working Capital Adjustments				
Increase in Inventory	-9,521,787		-4,845,671	
Increase in Receivables	-37,656,241		-38,131,514	
Decrease in Deferred Income	-1,132,966		-7,831,875	
Increase in Payables	18,242,222		30,051,679	
Increase in Refundable Deposits	704,400		1,431,000	
Net Cash Flow from Operating Activities	55,574,496		-16,012,298	

26. Financial Risk Management

The Polytechnic's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Polytechnic's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise 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 Polytechnic's financial risk management objectives and policies are detailed below:

(i) Credit risk

The Polytechnic 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 Polytechnic's management based on prior experience and their assessment of the current economic environment.

The carrying amount of financial assets recorded in the financial statements representing the Polytechnic's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2023				
Receivables from exchange transactions	45,583,912	45,583,912	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	19,548,943	19,548,943	-	-
Total	65,132,855	65,132,855	-	-
At 30 June 2024				
Receivables from exchange transactions	83,240,153	83,240,153	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	19,548,943	19,548,943	-	-
Total	102,789,096	102,789,096	-	-

Financial risk management (continued)

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The Polytechnic has significant concentration of credit risk on amounts due

The Governing Council sets the Polytechnic's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Polytechnic's Governing Council, who have built an appropriate liquidity risk management framework for the management of the Polytechnic's short, medium and long-term funding and liquidity management requirements. The Polytechnic manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the company under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kdhs	Kdhs	Kdhs	Kdhs
At 30 June 2023				
Trade Payables	-	35,114,243	-	35,114,243
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	9,773,435	-	9,773,435
Employee Benefit Obligation	-	-	-	-
Total	-	44,887,678	-	44,887,678
At 30 June 2024				
Trade Payables	-	47,330,569	-	47,330,569
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	8,640,469
Employee Benefit Obligation	-	-	-	-
Total	-	55,971,038	-	55,971,038

(iii) Market risk

The Polytechnic has put in place an internal audit function to assist it in assessing the risk faced by the Polytechnic 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 Polytechnic'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 Polytechnic'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 Polytechnic's exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

The Polytechnic has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2024			
Financial Assets (Investments, Cash, Debtors)	129,065,171	-	129,065,171
Liabilities			
Trade and Other Payables	47,330,569	-	47,330,569
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

The Polytechnic manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

Foreign currency sensitivity analysis

The following table demonstrates the effect on the Polytechnic's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

b) Interest rate risk

Interest rate risk is the risk that the Polytechnic's financial condition may be adversely affected as a result of changes in interest rate levels. The Polytechnic's interest rate risk arises from bank deposits. This exposes the Polytechnic to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Polytechnic's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Sensitivity analysis

The Polytechnic analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs (2024: Kshs). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs (2024 – Kshs)

iv) Capital Risk Management

The objective of the Polytechnic's capital risk management is to safeguard the Polytechnic's ability to continue as a going concern. The Polytechnic capital structure comprises of the following funds:

Description	2023-2024	2022-2023
	KShs	KShs
Revaluation Reserve	-	-
Retained Earnings	580,431,950	488,132,928
Capital Reserve	-	-
Total Funds	580,431,950	488,132,928
Total Borrowings	-	-
Less: Cash and Bank Balances	19,548,943	13,189,617
Net Debt/(Excess Cash and Cash Equivalents)	560,883,007	474,943,311
Gearing	-	-

27. Related Party Balances

Nature of related party relationships

Entities and other parties related to the Polytechnic 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 the Polytechnic, holding 100% of the Polytechnic's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Polytechnic, both domestic and external. Other related parties include:

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

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

1.Related Party Balances

Description	2023-2024	2022-2023
	KShs	KShs
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	-	-
Others (<i>specify</i>)	-	-
Total	-	-
B) Purchases from related parties	-	-

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Purchases of electricity from kplc	-	-
Purchase of water from govt service providers	-	-
Rent expenses paid to govt agencies	-	-
Training and conference fees paid to govt. agencies	-	-
Others (<i>specify</i>)	-	-
Total	-	-
b) Grants /Transfers from the Government		
Grants from National Govt-Reccurent/Operational	63,035,825	30,890,000
Grants from National Govt-Development Grants	23,737,500	17,500,000
Grants from County Government	-	-
Donations in Kind	-	-
Total	86,773,325	48,390,000
c) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for xx Employees	-	-
Payments for Goods and Services for XX	-	-
Total	-	-
d) Key Management Compensation		
Directors' emoluments	3,843,800	3,600,014
Compensation to Key Management	-	-
Total	3,843,800	3,600,014

28. Events After The Reporting Period

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

29. Ultimate And Holding Entity

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

30. Currency

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

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20. 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)	Timelines / Put a date when you expect the issue to be resolved
FY 2018/19				
2	Inaccuracies in the Financial Statement			
3	Property Plant and Equipment	The 100 acres land occupied by the Institute was excised from the KARI Ol-Joro-orok vide the Director's letter dated 6th February 2008. KARI is in the process of acquiring mother title deed after which we will pursue the acquisition of the Institute's title for the 100 acres. We are in constant communication with KARI to expedite the processing of the title. The issue has been taken up by sub county administration in liaison with land registrar. For valuation of Buildings, the Institute is in the process for valuation of all the PPE.	Not Resolved	31-Dec 2024
3.2	Buildings	For valuation of Buildings, the Institute is in the process for valuation of all the PPE	Not Resolved	31-Dec 2024
3.3	Machinery-Donated Farm Machines	The process is ongoing through the line Ministry and we have communicated as per attached letter. The Institute has already started using the machines by cultivating our Institute farm and also learning by the students.	Not Resolved	31-Dec 2024
FY 2019/20				
	Property Plant and Equipment			
9.1	Missing Valuation Report	The 100 acres land occupied by the Institute was excised from the KARI Ol-Joro-orok vide the Director's letter dated 6th February 2008. KARI is in the process of acquiring mother title deed after which we will pursue the acquisition of the Institute's title for the 100 acres. We are in constant communication with KARI to expedite the processing of the title. The issue has been taken up by sub county administration in liaison with land registrar. For valuation of Buildings, the Institute is in the process for valuation of all the PPE.	Not Resolved	31-Dec 2024

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9.2	Undisclosed Assets Received from Ministry of Education	The process is ongoing through the line Ministry and we have communicated as per attached letter. The Institute has already started using the machines by cultivating our Institute farm and also learning by the students.	Not Resolved	31-Dec 2024
FY 2020/21				
1	Property, Plant and Equipment			
1.1	Unsupported Land Balance	The Institution has communicated with the line ministry for registration and the process is ongoing as per attached. After acquisition of Land Title Deed, the Polytechnic will be able to do valuation for Property, Plant and Equipment.	Not Resolved	31-Dec 2024
1.2	Unsupported Building Balance	The Institution has a budget for valuation of assets in the FY 2022-23.	Not Resolved	31-Dec 2024
1.4	Undisclosed Assets Received from the Ministry of Education	The Institution received the equipment's donated by the Ministry of Education through China bilateral contract agreement dated 27 March 2018 as per the attached documents	Not Resolved	31-Dec 2024
FY 2021/22				
1	Unsupported Land Balance	The process of the Polytechnic's Land Title Deed acquisition and its valuation is ongoing	Not Resolved	31-Dec 2024
2	Unconfirmed Teaching and Learning Materials Expenditure	The stores records reflecting receipts and issue of materials bought were present. However, the terminology used was different. The requirement was about S11 and S13, in documentation the management was using manual with the following documents Good Received Note (GRN) as S13 to receive goods in the store while for issuing, the management used store requisition as S11.	Not Resolved	31-Dec 2024
		Currently the Polytechnic has and uses an ERP system that captures both GRN and store issue voucher. Below is a brief process of entire supply chain process;		
		i. Internal requisition		
		ii. Preparation of L.P.O/L.S.O		
		iii. Delivery of goods (received in store by GRN)		
		iv. Issue to respective users upon requisition (store requisition)		
		v. Issue voucher.		
		All these documents are attached for your verification and advise.		

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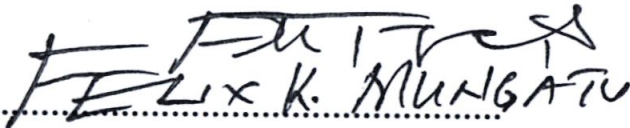
3	Inaccuracies in the Financial Statements	We have addressed the issues raised above	Not Resolved	31-Dec 2024
	Other Matter			
1	Budgetary Control and Performance	This arose due to non-receipt of Grants from Government and Development Partners as budgeted	Not Resolved	31-Dec 2024
2	Unresolved Prior Year Matters	The unresolved prior year issues are disclosed under the progress on follow up of auditor's recommendations section of the financial statements as required by the Public Sector Accounting Standards Board reporting template. Most of the issues have been solved and unresolved issues are on the process	Not Resolved	31-Dec 2024
	Basis for Conclusion			
1	Irregular Remuneration of Governing Council	The Ministry of Education has approved the Governing Council allowances	Not Resolved	31-Dec 2024
2	Non-Compliance with Law on Staff Ethnic Composition	The Polytechnic has been encouraging diversity, by having open advertisement and using all available channels to ensure that all adverts reach as many qualified applicants as possible.	Not Resolved	31-Dec 2024
	Basis for Conclusion			
1	Staff Under Establishment	The staff establishment was projected to be actualized progressively as the students population grows. The management has also outsourced the services of cleaning, security, catering and accommodation.	Not Resolved	31-Dec 2024
		The trainers and non-trainers are expected to be engaged gradually as the institution population grows.		
FY 2022/23	Unsupported Land Balance	The process of the Polytechnic's Land Title Deed is ongoing	Not Resolved	31-Dec 2024
	Budgetary Control and Performance	This arose due to non-receipt of Grants from the Government as budgeted which affected both revenue and expenditure. The management has been communicating with the Government on the same and also making effort to generate revenue from other income generating units	Not Resolved	31-Dec 2024
	Unresolved Prior Year Matters	The management has responded prior year issues and is liaising with the office of Auditor General to ensure the matters are resolved.	Not Resolved	31-Dec 2024

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	Non-Compliance with Law on Staff Ethnic Composition	The Polytechnic receives trainers from the Public Service Commission through State Department of TVET. There is no control on who joins the Polytechnic in this case. For the staff employed by its Governing Council, the Polytechnic has always encouraged diversity by having open advertisement and using all available channels to ensure that all adverts reach as many qualified applicants as possible. Besides, recruitment is always competitively carried and purely on merit.	Not Resolved	31-Dec 2024
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Guidance Notes:

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

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 FELIX K. MUNGATU

Name

Accounting Officer

Chief Principal

Date 28-11-2024

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Appendix II: Projects Implemented by the 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)
N/A	N/A	N/A	N/A	N/A	N/A	N/A

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Tuition Block-Phase I	140,000,000.00	64,451,055	43	140,000,000.00		GOK

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Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity..... Ministry of Education

Name of beneficiary entity..... Nyandarua National Polytechnic

Confirmation of amounts received by Nyandarua National Polytechnic as at 30 th June 2024						
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total		Remarks
				(C)=(A+B)		
1	10/07/2023	-	10,000,000.00	10,000,000.00		
2	29/09/2023	9,649,500.00	-	9,649,500.00		Capitation Grants Quarter 1 FY 2023/24
3	19/01/2024	10,006,500.00	-	10,006,500.00		Capitation Grants Quarter 2 FY 2023/24
4	07/02/2024	11,436,000.00	-	11,436,000.00		Capitation Grants Quarter 3 FY 2023/24
5	12/03/2024	-	13,737,500.00	13,737,500.00		
6	08/05/2024	25,000,000.00	-	25,000,000.00		
7	28/05/2024	7,035,825.00	-	7,035,825.00		
8	12/06/2024	31,000,000.00	-	31,000,000.00		
Total		94,127,825.00	23,737,500.00	117,865,325.00		

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

Head of Accounts Department - Disbursing Entity:

Name Sign Date

Head of Accounts Department - Beneficiary Entity:

Name MONICA NDIRANGU Sign [Signature] Date 28/11/24

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Appendix IV: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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Appendix V: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments
N/A	N/A	N/A	N/A	N/A	N/A	N/A