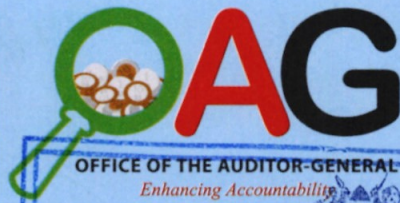


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 19 NOV 2025 DAY: WEDNESDAY

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THE AUDITOR-GENERAL

ON

KISUMU NATIONAL POLYTECHNIC

FOR THE YEAR ENDED
30 JUNE, 2025

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 02 DEC 2025 DAY: Tuesday

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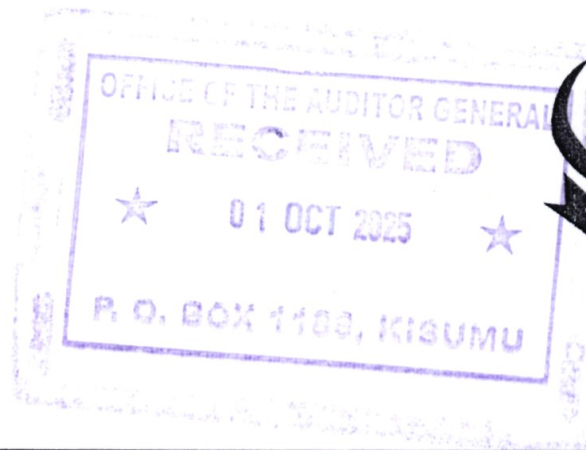
Hon. Naomi Jillo, MP
Deputy Majority Whip

CLERK-AT
THE-TABLE:

Benson lrofu

THE KISUMU NATIONAL POLYTECHNIC

Annual Report and Financial Statements for the year ended 30th June 2025



THE KISUMU NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30TH JUNE 2025

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

THE KISUMU NATIONAL POLYTECHNIC
Annual Report and Financial Statements for the year ended 30th June 2025

THE KISUMU NATIONAL POLYTECHNIC

Annual Report and Financial Statements for the year ended 30th June 2025

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1. Acronyms and Definition of Key Terms

A. Acronyms

ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Fiduciary Management	Key management personnel who have financial responsibility in
TKNP	The Kisumu National Polytechnic
KSG	Kenya School of Government
TVET	Technical Vocational Education and Training
TVETA	Technical Vocational Education and Training Authority

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Entity Information and Management

(a) Background information

The Kisumu National Polytechnic is a premier National Polytechnic in Kenya situated within the Lake City of Kisumu, approximately 349 Km from Nairobi, the Capital City of Kenya. The Kisumu National Polytechnic began operations in 1967 as a technical secondary school. The first batch of students was admitted at Sigalagala Technical and Trade School, awaiting the completion of Kisumu Technical Secondary School. It was officially opened in 1971 by the education minister at that moment, the late Dr. Taita Towett.

In 1988, the Ministry upgraded the institution to a Technical Training Institute to produce hands-on human resources, competent in technical skills applications. This exercise coincided with the national roll-out of the 8-4-4 education curriculum, which mandated such institutions to provide training for the growing demand for technical skills in industry. In 1996, the Ministry upgraded the Technical Training Institute into a Polytechnic to provide for regional demand for technical skills. The late President, H.E. Daniel Toroitich Arap Moi, inaugurated it into its new status on June 21, 1997.

On 22nd August 2014, responding to section 26 (2) of the Technical and Vocational Education and Training (TVET) Act No. 29 of 2013, the Cabinet Secretary for Education, Science and Technology invoked the Kisumu National Polytechnic Legal Order 2014. They established “The Kisumu National Polytechnic” after the repeal of Legal Notice No 85 of May 30th, 2001, which recognised it as a polytechnic.

The Polytechnic is governed by a Council, which consists of nine persons appointed by the Cabinet Secretary: Chairperson; the Principal Secretary in the Ministry for the time being responsible for the Technical and Vocational Education and Training; the Principal Secretary in the Ministry for the time being responsible for Finance; and five members appointed by the Cabinet Secretary based on their knowledge and experience in either-leadership and management, financial management, industry, engineering, information communication technology or the law. The Principal of TKNP is the secretary to the Council.

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Annual Report and Financial Statements for the year ended 30th June 2025

(b) Principal Activities

The Kisumu National Polytechnic derives its mandate from The Kisumu National Polytechnic legal order, 2014 which establishes the National Polytechnic as a body corporate, and sets out its objects and functions. The objects and functions of The Kisumu National Polytechnic therefore shall be to:

- i. Provide directly or in collaboration with other institutions of higher learning, facilities for technical trainers in technological, professional, and scientific education;
- ii. Participate in technological innovation as well as in the discovery, transmission, and enhancement of knowledge and stimulate the intellectual life in the economic, social-cultural, scientific, and technological development;
- iii. Contribute to the industrial and technological development of Kenya in collaboration with industry and other organizations through the transfer of technology;
- iv. Examine and make proposals for new diploma courses and subjects of study, institutes, departments, resources and research, and innovation;
- v. Promote and establish a culture of innovation in engineering and technology, and technology transfer amongst staff and trainees;
- vi. Develop an institution with excellence in teaching, training, scholarship, entrepreneurship, research, consultancy, and community service, among other educational services and products, with emphasis on technology and its development, impact, and application within and outside Kenya;
- vii. Provide a multi-level system of post-secondary school education and training programs relevant to the needs of the community covering a wide range of fields and levels with provision for recognition of prior learning and flexibility of transition between programs;
- viii. Provide high-quality educational, research, residential, commercial, cultural, social, recreational, sporting and other facilities;
- ix. Advance knowledge and its practical application by research and other means, the dissemination of outcomes of research by various means, and the commercial exploitation of search results;
- x. Promote critical enquiry within the polytechnic and in the general community;
- xi. Participate in commercial ventures and activities;
- xii. Foster the general welfare of all staff and students;

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- xiii. Provide opportunities for development and further training for staff of the National Polytechnic;
- xiv. Develop and provide educational, cultural, professional technical, and vocational services to the community and in particular fostering corporate social responsibility;
- xv. Provide programs, products, and services in ways that reflect the principles of equity and social justice;
- xvi. Facilitate student mobility between different programs at different technical training institutions and other National Polytechnics;
- xvii. Conduct examinations for and grant such academic awards as provided under this Order; and
- xviii. Collaborate with recognized universities for the conduct and award of degree programmes in technology.

The mandate of The Kisumu National Polytechnic captured in its mission and operations cemented with core values to enable the realization of her vision is lucidly set. Consequently, the vision, mission, core values and motto of the polytechnic are:

Vision

A world Class Polytechnic Nurturing Entrepreneurs, Innovators, and Industry Leaders

Mission

To Produce Globally Competitive Graduates through Quality Training, Research, and Innovation for Sustainable Development

Core Values

Integrity
Professionalism
Accountability
Inclusivity
Teamwork Efficiency
Quality
Innovation
Environmental Stewardship

Motto

Industry Succeeds

THE KISUMU NATIONAL POLYTECHNIC
Annual Report and Financial Statements for the year ended 30th June 2025

(c) Key Management

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

- The Council
- The Principal
- The Management Board
- The Academic Board

(d) Fiduciary Management

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

SN	Designation	Name
1.	Principal	Catherine K. Kelonye
2.	Deputy Principal Administration	Gilbert Olala
3.	Deputy Principal Academics	Tom Oswago
4.	Registrar	Joshua Mose
5.	ICT Services Manager	Willys Okindo
6.	Senior Human Resource Officer	Kennedy Rambo
7.	Finance Manager	CPA Paul Maher
8.	Supply Chain Manager	Esther Ngigi
9.	Internal Audit Manager	CPA Barnabas Kiprotich
10.	IGU Manager	Fredrick Gwara
11.	Monitoring and Evaluation Coordinator	Luciana Okwiri
12.	Performance Contract Coordinator	Harriet Khajeha
13.	Textile Technology Institute Manager	Peter Mugo

Key Entity Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

Name	Position	Date of Appointment	Status	Date Term Ended
Eng. Meshack Kidenda	Chairperson	May 2019	2 nd term ended	May 2025
Geoffrey Kibanda	Alternate member PS The National Treasury	May 2019	3 rd term ended	May 2025
Joyce Mwanika Mwale	Alternate member PS SD-TVET	May 2019	1 st term ended	May 2025
CPA Alex Kazongo	Member	May 2019	2 nd term ended	May 2025
Prof. Eng. Bernadette Waswa Sabuni	Member	May 2019	1 st term ended	May 2025
Rajeev Arora	Member	May 2019	2 nd term ended	May 2025
Roseline Odede	Member	May 2019	2 nd term ended	Deceased
Lillian Mainye	Member	May 2019	2 nd term ended	May 2025
John Wamae	Interim Chairperson	June 2025	Serving (Interim)	Ongoing
Joyce Mwanika Mwale	Interim Member	June 2025	Serving (Interim)	Ongoing
Ruth Mounde	Interim Member	June 2025	Serving (Interim)	Ongoing
CPA Benson Murithi	Interim Member	June 2025	Serving (Interim)	Ongoing
Catherine K. Kelonye	Secretary/Chief Principal	Ex-officio	Ongoing	Ongoing

Council Committees	Members	Position	Status
Full Council	1. Eng. Meshack Kidenda	Chairperson	Term ended
	2. Geoffrey Kibanda	Member	Term ended
	3. Joyce Mwanika Mwale	Member	Active
	4. CPA. Alex Kazongo	Member	Term ended
	5. Prof. Eng. Bernadette Waswa Sabuni	Member	Term ended
	6. Rajeev Arora	Member	Term ended
	7. Lillian Mainye	Member	Term ended
	8. Roseline Odede	Member	Deceased
	9. Catherine K. Kelonye	Secretary	Active

THE KISUMU NATIONAL POLYTECHNIC
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Finance, Infrastructure and Procurement (FIP) Committee	1. Rajeev Arora	Committee Chair	Term ended
	2. Joyce Mwanika Mwale	Member	Active
	3. Geoffrey Kibanda	Member	Term ended
	4. Alex Kazongo	Member	Term ended
Audit, Risk and Compliance (ARC) Committee	1. Prof. Eng. Bernadette Waswa Sabuni	Committee Chair	Term ended
	2. Joyce Mwanika Mwale	Member	Active
	3. Geoffrey Kibanda	Member	Term ended
	4. Roseline Odede	Member	Deceased
Education, Research, and Training (ERT) Committee	1. Lilian Mainye	Committee Chair	Term ended
	2. Prof. Eng. Bernadette Waswa Sabuni	Member	Term ended
	3. Geoffrey Kibanda	Member	Term ended
	4. Roseline Odede	Member	Deceased
Human Resources, ICT, and Resource Mobilisation (HIRM)	1. Alex Kazongo	Committee Chair	Term ended
	2. Joyce Mwanika Mwale	Member	Active
	3. Rajeev Arora	Member	Term ended
	4. Lillian Mainye	Member	Term ended

The term of office of the previous Governing Council ended in May 2025. In line with the TVET Act/State Corporations Act, the Ministry of Education appointed an Interim Council with effect from June 2025 to oversee the affairs of the Polytechnic until a new substantive Council is constituted. The Interim Council is fully responsible for governance and oversight in the reporting period

3. Interim Council Members

1.



Mr. John Wamae

MSc Applied Statistics
BSc. Mathematics and Computer Science
Post Graduate Diploma in Education

CHAIRMAN




Date of Birth: 1969

Mr. John Wamae is an accomplished education and training professional with over 25 years of experience in teaching, policy formulation, and technical education management. He is currently serving as the Regional/County Director of TVET in Kisumu and Siaya counties, where he promotes and coordinates technical and vocational training and oversees the administration of sound governance in the sector.

Mr. Wamae is currently finalising his MSc in Project Management. In addition, he has undertaken specialized training in various fields, including Monitoring and Evaluation at AMREF and the Strategic Leadership Development Programme at the Kenya School of Government. He also holds a certification as an Oracle Database 11g Administrator Certified Associate.

He has held senior positions at the Directorate of Technical Education, where he played a key role in developing TVET policies, overseeing accreditation, and fostering international partnerships. Additionally, he has taught statistics courses on a part-time basis at universities and taught computer studies, mathematics, and physics at polytechnics and high schools.

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2.	<p>Joyce Mwanika Mwale MEMBER Date of Birth:1972</p> <p>Ms. Mwale has an Executive Master in Business Administration from the Eastern and Southern Africa Management Institute (ESAMI) and a Bachelor of Arts degree from Kenyatta University. She joined The Kisumu National Polytechnic as a Council Member in April 2023 as a representative of the Principal Secretary, State Department for TVET. She is currently the Secretary Administration in the State Department. Before the appointment, she served on the National Industrial Training Authority’s Board and the National Employment Authority (both as a member and Session Chair). She has also served in high-level committees in both the Public and Private Sectors as a member and chair respectively. Joyce has over 27 years of working experience in Government in the field of Administration and leadership where she has risen through the ranks from a District Officer to the current position of Director of Administration. She has served in the Office of the President, the Ministry of Education twice, the Ministry of Defence, and the Ministry of Labour and Social Protection. She has vast training in management, leadership, and human resource fields. She is a member of the African Association of Public Administration (AAPAM).</p>	
3.	<p>RUTH MOUNDE M.Ed. Education B.Ed. Education MEMBER</p> <p>Ruth is a Director in the State Department for Technical Vocational Education and Training (TVET), the Directorate of Vocational Education and Training (VTE). Her training includes Master’s Degree in Education, Bachelor’s Degree in Education, a certificate in Strategic Leadership Development Program and Senior Management Course. She has working experience of 33 years in the Public Sector including the Teachers Service Commission and in the County Government.</p>	
4.	<p>Benson Mureithi Kinyua CPAK, CPS, ICPAK MEMBER Date of Birth:1979</p> <p>Currently serving as the Senior Deputy Accountant General at the Ministry of Education, specifically within the State Department for Technical, Vocational Education and Training. Education-wise, he holds a Master of Science in Commerce with a specialization in finance and accounting, along with a Bachelor of Commerce</p>	

degree focusing on accounting. His professional certifications include being a Certified Public Accountant of Kenya (CPAK) and a Certified Public Secretary (CPS). He is an esteemed member in good standing of the Institute of Certified Public Accountants of Kenya (ICPAK).

In terms of experience, CPA Benson Mureithi Kinyua boasts over 20 years in the accounting profession within the public sector. Prior to his current role, he has held various positions of responsibility across different ministries, contributing significantly to public financial management and governance.

His career trajectory underscores a deep commitment to financial excellence and public service, making him a seasoned professional in the realm of governmental finance and accounting in Kenya

(f) Entity Headquarters

P. O. Box 143-40100
Technology Road
Kisumu, KENYA

(g) Entity Contacts

Telephone :(+254) 0723446773
E-mail: info@kisumupoly.ac.ke
Website: www.kisumupoly.ac.ke

(h) Entity Bankers

Co-operative Bank

Kampala Street
P.O. Box 1511-40100
Kisumu, Kenya

Absa Bank Kenya PLC

Oginga Odinga Street
P. O. Box 831- 40100
Kisumu Kenya

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Equity Bank Limited
Oginga Odinga Street
P. O. Box 1763- 40100
Kisumu Kenya

KCB Limited
P.O. Box 17 Kisumu
City/Town: Kisumu
Tel: +254-57-2023307/16, 23307/16
Email. Address: info@kcbgroup.com
Website: ke.kcbgroup.com

(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

4. The Council

No. Member Details



Eng. Meshack Kidenda,
CE, FIEK, MBS, HSC
CHAIRPERSON
Date of Birth: June 1956

1.

Eng. Kidenda is a highly experienced registered Consulting Engineer, a Fellow of the Institution of Engineers of Kenya, and a Member of the Chartered Institute of Arbitrators. He holds a BSc. Degree in Civil Engineering from the University of Nairobi and an MSc. in Traffic Engineering from the University of Birmingham. Eng. Kidenda's vast experience in Public Service spans well over 37 years, where he has served in various capacities, including as Chief Engineer (Roads), Director of Industrial Training, and as the first Director General of the Kenya National Highways Authority – KeNHA. Eng. Kidenda has served as a board member of the National Transport and Safety Authority (NTSA) and is currently a member of the Council of the Kenya Advanced Institute of Science and Technology (KAIST)

Geoffrey Kibanda
MEMBER
Date of Birth:1967

2.

Mr. Geoffrey Kibanda serves at the National Treasury and Pensions Departments and represents the Principal Secretary to the National Treasury. He has vast experience in personnel and HR issues and holds a Master of Business Administration (HR).



Joyce Mwanika Mwale
MEMBER
Date of Birth:1972

3.

Ms. Mwale has an Executive Master in Business Administration from the Eastern and Southern Africa Management Institute (ESAMI) and a Bachelor of Arts degree from Kenyatta University. She joined The Kisumu National Polytechnic as a Council Member in April 2023 as a representative of the Principal Secretary, State Department for TVET.

She is currently the Secretary Administration in the State Department. Before the appointment, she served on the National Industrial Training Authority's Board and the

THE KISUMU NATIONAL POLYTECHNIC
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National Employment Authority (both as a member and Session Chair). She has also served in high-level committees in both the Public and Private Sectors as a member and chair respectively. Joyce has over 27 years of working experience in Government in the field of Administration and leadership where she has risen through the ranks from a District Officer to the current position of Director of Administration. She has served in the Office of the President, the Ministry of Education twice, the Ministry of Defence, and the Ministry of Labour and Social Protection. She has vast training in management, leadership, and human resource fields. She is a member of the African Association of Public Administration (AAPAM).

4.



Lillian Mainye,
MEMBER
Date of birth: February, 1974

Ms. Lillian Mainye is a seasoned HR professional with a Bachelor of Arts in Geography and Sociology (University of Nairobi), a Higher National Diploma In HRM, and a Diploma in HRM and she is an active Member of IHRM. She is an HR professional with over 15 years of vast experience in the hospitality and telecommunication

sector.

CPA Alex Kazongo,
MEMBER
Date of birth: April, 1965

5.

Mr. Alex Kazongo has a wealth of experience in public service, corporate governance, and financial management having served as a board member in several high-profile state corporations and listed companies for a cumulative 20 years.

Alex holds a Bachelor of Commerce (University of Nairobi), MBA (United States International University), CPA (K), and Management Development (University of Cape Town)

Mr. Kazongo is a seasoned member of the Institute of Certified Public Accountants of Kenya (ICPAK) and the Institute of Directors (IOD). Alex also serves as Council Chairperson of The Mawego National Polytechnic.





Rajeev Arora,
MEMBER
Date of Birth: October, 1951

6.

Mr. Rajeev Arora is a Specialist in the Advocacy, Investment, Trade Promotion, Industrial Parks, and Development cluster with a Hons in Agriculture and Economics. Mr. Arora is The Technical Centre for Agricultural and Rural Cooperation's (CTA) Value Chain Advisor to the Cabinet Secretary and Ministry of Industry, Trade and

Cooperative.

He served as the Executive Director of the African Cotton & Textile Industries Federation (ACTIF). Mr. Arora has over 36 years of experience managing 100 percent export-oriented facilities and overseeing vertically. He has experience consulting for 24 African countries as well as 4 Asian countries, including Bangladesh, Hong-Kong, India, Kenya, Tanzania, USA, and Zambia, in developing integrated manufacturing in apparels and working with government institutions for conducive policy development for investment and trade.

Roseline Odede
MCIARB, MIACP, LL.M., LLB.
MEMBER
Date of birth: March, 1967



7.

The late Ms. Roseline Odede was an Advocate of the High Court of Kenya with over twenty years' experience in private legal practice and strategic leadership in various professional organizations. She practiced as a Certified Professional Mediator and an Independent Legal Consultant. Ms. Roseline was a member of the African Union Commission Panel of Experts and has been a Council member of the Law Society of Kenya, East Africa Law Society, and Commonwealth Lawyers Association. She also served on the Council for Legal Education, as Vice Chairperson of the Judges and Magistrates Vetting Board Kenya, and was a Council Member of FIDA(K). She was also the Honorary Legal Counsel for the Kenya Medical Association Eldoret. Ms Odede held a Master's degree in Law, from Witwatersrand University, South Africa, and a LLB degree from the University of Nairobi. She was a Member of the Chartered Institute of Arbitrators and a certified mediator. She was the Chairperson of the Kenya National Commission on Human Rights (KNCHR) until her untimely demise in January 2025.

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Prof. Eng. Bernadette Waswa Sabuni
MEMBER
Date of birth: 1964

8. Prof. Eng. Bernadette Waswa Sabuni holds a PhD in Disaster Preparedness and Engineering Management specializing in engineering disaster mitigation in terms of the use of alternative and appropriate building materials and technologies, an MSc in Civil Engineering, and a BSc in Civil Engineering. She is a Civil engineer by profession, Registered by the Engineers Board of Kenya, and a member of the Institution of Engineers of Kenya. She is a member of the Association of Disaster Management and Conflict Resolution of Kenya and a member of the Association of African Women in Science and Engineering (AWSE). She has vast experience of over ten years as a lecturer at Masinde Muliro University of Science and Technology (MMUST) and is currently serving as the Dean, of the School of Engineering and the Built Environment. Prof. Sabuni has also served as Chairperson of the Civil and Structural Engineering Department. Quality Assurance Director Chairperson. Acting Deputy Vice-Chancellor; Academic and Student Affairs at MMUST. She is a trained Lead Quality Auditor and continues to do monitoring and evaluation processes at MMUST. She is serving. Our second term as a Trustee member of the MMUST Staff Retirement Benefit Scheme.



Catherine Kelonye,
COUNCIL SECRETARY/ CHIEF PRINCIPAL
Date of Birth: September 1966

9. Mrs. Catherine K. Kelonye is the Secretary to the Council and the Chief Principal of The Kisumu National Polytechnic. She holds a Master's degree in Education—Curriculum and Instruction Technology and a Bachelor of Education Science (Mathematics and Applied Science). She is an educationist with more than thirty years of experience as a trainer across basic and tertiary education sectors. She served at Sigalagala National Polytechnic from 2010 to September 2020, when she was deployed to The Kisumu National Polytechnic as the Chief Principal. She is a member of the KENET board of trustees.

5. Key Management Team



Catherine K. Kelonye
Chief Principal/Council
Secretary



Gilbert Olala
Deputy Principal
Administration



Tom Oswago
Deputy Principal
Academics



Joshua Mose
Registrar



Willys O. Okindo
ICT Services Manager



Kennedy Rambo
Senior Human Resource
Officer



CPA. Paul Maher
Finance Manager



Esther Ngigi
Supply Chain Manager



CPA. Barnabas Kiprotich
Internal Auditor

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Fredrick Gwara
IGU Manager



Luciana Okwiri
M&E Coordinator



Harriet Khajeha
PC Coordinator



Peter Mugo
Textile Technology
Institute Manager

6. Chairman's Statement

It is my pleasure to present the Kisumu National Polytechnic Annual Report and Financial Statements for the year ended 30th June 2025. This report outlines our performance amid domestic and global challenges and sets priorities for the 2025/2026 financial year.

We remain committed to our vision of being "a world-class polytechnic nurturing entrepreneurs, innovators, and industry leaders through quality training, research, and innovation for sustainable development." In line with this vision, the Polytechnic will continue strengthening partnerships with the private sector, local and international community, industry and other stakeholders to execute its core mandate effectively.

Performance Contract

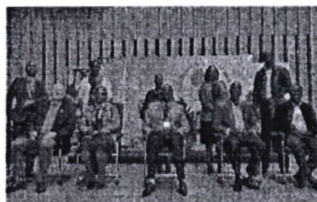
During the year under review, the Council signed a Performance Contract with the Government and had a performance index of 3.01%. We focused on streamlining processes and embracing digital transformation in service delivery, as well as strengthening monitoring frameworks for the timely achievement of contract targets.

Financial Performance

Total revenue from non-exchange transactions decreased by 13% mainly due to a drop in transfers from government entities, while revenue from exchange transactions increased by 36% due to an increase in revenues derived from rendering services; and overall revenue increased was 20%. Expenses increased by 9% due to increased activities resulting from the introduction of modularized curricula.

Human Resource Development

During the 2024/2025 financial year, the Polytechnic recruited 216 new staff members in line with the approved staff establishment and undertook capacity building for 50% of its employees. Our priorities included implementing targeted retention strategies to reduce staff turnover, expanding training in emerging



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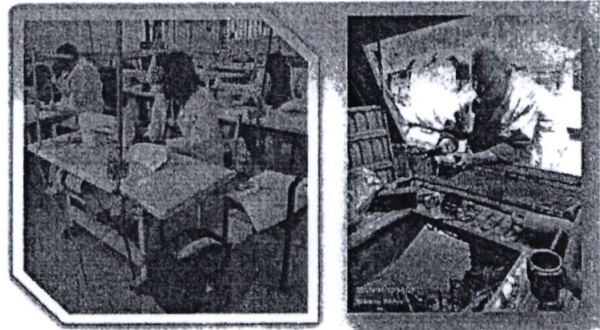
technologies and strengthening succession planning to ensure leadership continuity.

Donor-Funded Projects

During the 2024/25 financial year, the Polytechnic benefited from the following initiatives:

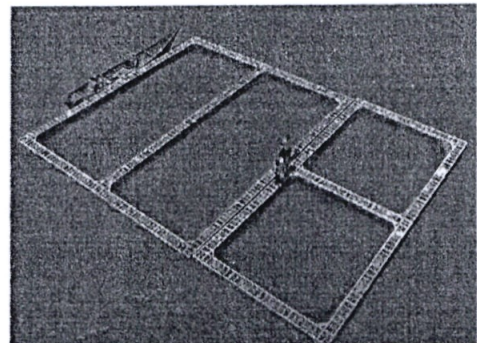
- **African Development Bank/Ministry of Education:**

TKNP secured KES 3 million from the African Development Bank under the TVET Phase III Project to administer Competency-Based Assessment and Certification for 100 MSME sector candidates with the aims to enhance employability, productivity, and inclusive economic growth. A total of 124 candidates were assessed, certified and graduated.



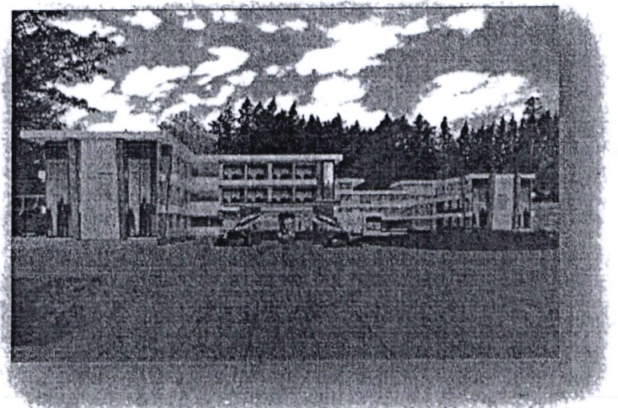
- **MasterCard/ CICA Project:**

TKNP received Kshs 3,665,900 as the final disbursement of the Kshs 7,000,000 Applied Research project grant for establishing the Center for Applied Research and Innovation (CARI) and implemented an applied research project to address the high cost of fish feeds in Lake Victoria's fish cage farming. Through this project, the institution perfected the breeding of black soldier flies (BSF) on organic waste and the production of nutritionally balanced fish feeds from BSF larvae, thereby lowering costs and improving feed access for small- and medium-scale farmers.



- **SIFA Project:**

The institution commenced the implementation of the €3,000,000 AUDA-NEPAD-funded Blue Skills Training for Employability Project (BSTEP). The Skills Initiative for Africa (SIFA) program is aimed

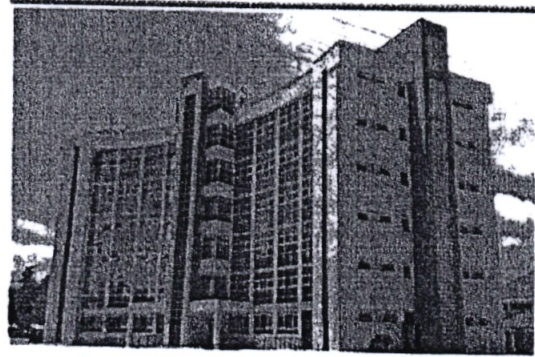


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at building our institutional capacity to deliver quality competence-based training for the vulnerable youths and women in the Lake Victoria basin.

- **Regional Flagship TVET Institute in Textile Technology (RFTITT)**

The €9,280,000 (KES 1.08 billion) World Bank-funded East Africa Skills for Transformation and Regional Integration Project (EASTRIP) has achieved 95% completion of its state-of-the-art facility, which includes a five-storey administration block housing tuition rooms, laboratories, workshops, a learning



factory, a restaurant, and hostels. All equipment has been delivered, with installation ongoing. The institution prioritizes completing and operationalizing the facilities while strengthening impact reporting to demonstrate value to partners and attract new funding.

With reduced government funding, it has become imperative for the institution to establish more robust income-generating avenues and engage like-minded partners in pursuit of additional revenue streams.

In appreciation, I extend heartfelt thanks to the Council Members for their dedication, governance, and oversight; to the Chief Principal and Management Board for their leadership, and to our staff and trainees for their commitment to the Polytechnic's mission. Together, we have laid a strong foundation for an even more impactful 2025/2026.



Mr John Wamae

GOVERNING COUNCIL CHAIRPERSON

7. Report of the Chief Principal

I am pleased to present The Kisumu National Polytechnic's Annual Report and Financial Statements for the 2024/2025 fiscal year. Guided by our mission to nurture entrepreneurs, innovators, and industry leaders, the Polytechnic remains steadfast in its commitment to producing globally competitive graduates through excellence in training, research, and innovation, thereby contributing meaningfully to sustainable development.

During the year under review, the institution made significant strides in strengthening curriculum relevance and assessment. We successfully mapped key industries and established functional Industry Advisory Boards (IAB) and strengthened the Institutional Liaison Office (ILO) to facilitate structured engagement with industry partners. These efforts ensured that our curricula and training approaches reflect current market demands. Industrial attachment opportunities were fully embraced, with 331 trainees benefiting from dual training programs in collaboration with industry, greatly enhancing their employability and practical skills. A total of 40 curricula were developed in partnership with industry experts, while three additional short-course curricula await TVETA approval. The Polytechnic offered 157 curricula during the year, of which 78 were Competency-Based Education and Training (CBET) programs, surpassing the set targets and demonstrating our capacity to expand high-quality, market-driven learning opportunities.

Under human resource development, the Polytechnic recruited 216 staff members, including 6 interns, 163 Council trainers, 9 apprentices, and 38 non-academic staff. We continued to invest in staff development through training in quality assurance, leadership, and emerging pedagogical approaches, with nine senior managers undergoing the Strategic Leadership Development Programme (SLDP) and the other 9 taking the Senior Management Course (SMC). To enhance safety and preparedness, five child caregivers and catering staff received training in first aid and emergency response. We maintained our policy of paying subscription fees to relevant professional bodies, ensuring staff remain compliant with industry standards. However, high turnover among Council employees remained a concern, and our human resource priorities going forward include implementing targeted retention strategies, expanding training in emerging

technologies and TVET pedagogy, and strengthening succession planning to ensure leadership continuity.

The Polytechnic's research, innovation, and outreach agenda gained momentum during the year. We launched the TKNP TVET Journal, sponsored 15 innovations for national and international exhibitions, and patented 4 papers. The institution's active Research Club, now with 81 members, has become a hub for innovative thinking and collaboration. We held our annual multidisciplinary conference from 18 to 20 June 2025, where 45 papers were presented. In addition, we organized and hosted our third TKNP National Skills Competitions in diverse disciplines including building and civil engineering, hospitality, ICT, electrical engineering, fashion design, and mechanical engineering. The Polytechnic continued to allocate budget for participation in national skills competitions, and through partnerships with government, NGOs, industries, and the private sector, we secured innovation grants and enhanced awareness of intellectual property rights among staff and trainees.

In advancing blended learning, we digitized the content of 5 courses, including Communication Skills, Life Skills, and Research Methods, basic technical drawing and textile material knowledge making them accessible online for CBET learners. This investment in digital content enhances learning flexibility and accessibility. Furthermore, we implemented a functional graduate tracer study system to monitor alumni outcomes and assess the impact of our training programs.

Throughout the year, The Kisumu National Polytechnic carried out several infrastructure and capacity-building projects aimed at improving learning, research and innovation, and over all service delivery. Key developments involved building a secure perimeter wall, installing a modern ablution block, upgrading the drainage system, and adding a second entry gate. Rainwater harvesting systems, each with a capacity of 20 m³, were installed at the masonry workshop of the Building and Civil Engineering Department and the Hospitality and Accommodation Building respectively to facilitate practical training. Additional facilities included a bakery, laundry laboratory, and fish feeds processing plant, along with improvements to the clinic's water supply and renovations of the driving school. Pavements were built connecting the RPL Centre, Registry, and Bottling Plant House, while painting and road markings enhanced the institution's appearance. At the Rarieda Campus, new agricultural training facilities were established. Investments were

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also made in textile training equipment, ICT infrastructure. Infrastructure and capacity development remained a priority throughout the year. We completed the construction of a secure perimeter wall fence, an improved drainage system, and a second entry gate to ease institutional access. At the TKNP School of Agriculture – Rarieda Campus, new facilities were developed to support agricultural training. Additional training equipment was procured for the Textile Technology Department, and the number of computers was increased to strengthen ICT-based learning. A fish feeds processing plant was established to support aquaculture training.

Financially, the Polytechnic recorded an overall revenue growth of 20% during the year. Revenue from non-exchange transactions decreased by 13%, mainly due to reduced transfers from government entities, while revenue from exchange transactions increased by 36% as a result of higher service-related income. Expenses rose by 9% due to increased activities.

Our corporate image and visibility improved markedly during the period, supported by the successful implementation of an Enterprise Resource Planning (ERP) system, the launch of a more interactive and user-friendly website, and increased community outreach. We enrolled 7,252 students in CBET courses, and our Recognition of Prior Learning (RPL) program continued to provide a pathway for skilled individuals to have their competencies formally recognized and trained 121 RPL practitioners. The total student population stood at 11748 in the financial year. Trainees' welfare remained a top priority. The Polytechnic expanded mental health and counselling services, career guidance, and employability training programs. Sports and recreation activities grew to include new games such as floorball and women's rugby, while our consistent excellence in drama and music remained a point of pride. In May 2024, we introduced a child day-care service to support young mothers, which has significantly improved class attendance and retention rates, with female trainees making up 87% of beneficiaries. Student leadership development programs covered gender and disability mainstreaming, substance abuse prevention, leadership and integrity, national cohesion, and financial management. Our mentorship initiatives, including those under Women in Technical Education and Development (WITED), continued to inspire and guide female trainees. The fully functional institutional clinic provided routine medical care and organized regular health drives on sexual and reproductive health, HIV/AIDS prevention,

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dental care, and counselling for survivors of gender-based violence, in collaboration with partner health facilities.

Environmental management remained a strong focus, with TKNP integrating the Greening Curriculum and participating actively in the Greening TVET Initiative. We installed 28 solar panels, promoted natural lighting and ventilation, established tree nurseries, and planted over 13,400 trees. These efforts, coupled with the maintenance of clean and well-landscaped grounds, paved roads, and corporate-themed infrastructure, have created an attractive and environmentally sustainable learning environment.

In closing, I extend my sincere appreciation to the Government, Governing Council, for their guidance and constructive engagement in the implementation of our institutional strategy, and to the Management and staff for embracing teamwork in delivering on our core mandate.

Thank you.



Catherine K. Kelonye

CHIEF PRINCIPAL/COUNCIL SECRETARY.

8. Statement of Performance against Predetermined Objectives

The Kisumu National Polytechnic has ten Key Results Areas within the Strategic Plan for the FY 2023 - FY 2027. These strategic pillars are: curriculum and assessment; human resources; research, innovation, and outreach; infrastructure & development; blended learning; financial management and accountability; council performance; corporate image and visibility; trainees' welfare services; and environmental management.

The Kisumu National Polytechnic developed its annual work plan based on the Key Results Areas. Assessment of the Council's performance based on the annual work plan was done quarterly. The achievement during the FY 2024/2025 period for the ten Key Results Areas is shown in the following matrix.

Key Result Area (KRA)	Objective	Key Performance Indicator (KPI)	Activities	Achievements	Corrective Actions
Curriculum and Assessment	To align curriculum and assessment with the industry needs	% of CBET programs developed	Partner with industry experts to co-develop curricula prepare & submit curricula for TVETA approval	40 curricula developed in collaboration with industry experts; 3 short course curricula awaiting TVETA approval (51.28% achieved vs 20% Q4 target)	Continue partnering with industry experts to achieve the 100% annual target
		% of CBET programs implemented	Offer approved CBET curricula in various departments -Admit trainees to CBET programs	78 CBET curricula currently being implemented out of 157 total curricula (49.68%)	On track Maintain current pace to achieve annual target
		No. of attachment providers mapped	-Conduct outreach and mapping exercise to industries	1,938 industries mapped	Maintain industry mapping database for future linkages
		% of dual training programs implemented	-Partner with industry -Admit trainees -Develop training plan	5 dual training programs implemented; 331 trainees enrolled (6.4%)	-Conduct awareness campaign -strengthen industry partnerships align tasks with classroom modules

		No. of sensitization schedules conducted	-Conduct quality assurance sessions during induction of new staff -prepare sensitization schedules	3 sensitization sessions conducted	Increase frequency of QA sensitizations beyond induction
Human Resource	To strengthen human resource function	Employee training & development plan in place	Prepare & approve training plan for FY 2023/2024 & 2024/2025	Approved plans available	Review and update plan annually
		% of staff trained	-Conduct training needs assessment -maintain training reports	44.32 % of staff trained	Sustain continuous capacity building
		% of professional bodies subscribed	Pay annual subscription fees	100% subscriptions paid	Maintain timely renewals
		% of OSH implemented	-Train OSH committee -enforce policy	OSH policy implemented; committee trained	Continue OSH trainings and compliance checks
		% of new employees inducted	Conduct induction sessions	100% of new employees inducted	Maintain induction for all new employees
Research Innovation and Outreach	To expand dissemination of research and innovation outputs	% of research club operationalized	-Register members -Plan activities	Research club operational with 81 members	Maintain club activities and membership engagement
		No. of calls for research papers and innovation proposals made	-Make call for research papers and innovation proposals	1 call for research paper and innovations made for the year	Increase frequency of calls to encourage more submissions
		No. of international conferences organized	Plan and host annual conference	1 conference held on 18–20 June 2025 with 45 papers presented	Maintain annual conference schedule
		No. of editions of publication journals developed	Compile and publish 2nd TKNP journal	2nd edition of the journal published with 57 papers	Maintain annual journal publication
		No. of further products improvement undertaken	-undertake further product improvement	Fish feeds improvement project undergoing beta testing	On track
Infrastructure development	To provide adequate infrastructure	% of drainage, driveways and walkways renovated	-Install cabro and work on pathways	75% completed	On track
		% of tuition rooms and workshops renovated	-renovate laboratories and workshops	Multiple rooms/workshops renovated	Continue renovations to meet full target
Flexible learning	To enhance flexible learning	% of RPL practitioners trained	Conduct RPL practitioner training	117 staff trained as practitioners (30%)	On track
		% of assessment tools developed	-Design assessment tools - review assessment tools	-Development of assessment tools for all RPL programs done (100%)	Continue assessment tool development and review as needed

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		No. of RPL candidates recruited	-Screen RPL candidates -Admit RPL candidates	124 candidates recruited	Intensify RPL marketing and awareness campaigns
		No. of candidates assessed	-Conduct assessments for RPL candidates	124 candidates assessed	Offer flexible payment plans; subsidize fees via partnerships
		% content digitized for E-learning	-Digitize content for E-learning	Textile science and Technical drawing units for the department fashion and cosmetology department digitized (20%)	On track
		% gender mainstreaming and GBV policy implemented	Implement and enforce policy	100% implementation	Maintain policy awareness activities
		% of disability mainstreaming policy implemented	-implement and enforce policy	-Policy implemented -PWD representation in student union -100% implementation	Maintain inclusive representation and facilities
Financial Management and accountability	To generate diverse revenue streams	% IGU activities upscaled	-Expand bakery -Expand water bottling	-All activities within the institution use TKNP bottled water -Bakery has been expanded	Explore additional IGU ventures
	To optimally utilize diverse revenue streams for growth	Number of quarterly reports	-Quarterly reports submitted	4 quarterly reports submitted	On track
		No. of budgets reviewed	Conduct quarterly reviews	budget reviewed	On track
Council Performance	To improve the council's performance index	% of strategic policy documents adopted	-Review and approve policies -Develop and approve policies	-4 policy developed and approved 7 policies reviewed and approved	On track
		No. of budgets approved	Approve budget	1 budget approved	On track
		No. of procurement plans approved	Approve procurement plan	1 procurement plan approved	Maintain timely approval
Trainees welfare	Prepare workplans	No. of workplans prepared	Develop quarterly workplans	3 workplans prepared	Ensure preparation of all planned workplans
	Organize co-curricular activities	% organized	Facilitate sports, drama, music	100% implementation	Continue supporting diverse activities
	Conduct internal sensitization	No. of events conducted	Hold health drives	3 events conducted	Maintain termly health drives

	on health issues				
	Implement ADA policy	% implemented	Enforce ADA policy	100% implementation	Sustain ADA policy enforcement
Corporate image and visibility	To enhance corporate image and visibility	No of communication officers recruited	-recruit public relations and communications officer	2 public relations and communications officers recruited	On track
Environmental management	To mainstream environmental management	No. of trees planted	Plant and maintain trees	13,400 trees planted	On track

9. Corporate Governance Statement

a) Roles and functions of the Council

The Kisumu National Polytechnic governing council is responsible for overseeing the effective management and control of the Institution. Transparency and Disclosure are key focus areas of the council, as demonstrated in our Financial Statements for the year under review. (As per Mwongozo January 2015 and Legal notice 113 of 2014). The governing council has implemented a risk assessment tool where risks are identified, monitored, and controlled.

In implementing the Corporate Governance tenets, the Council seeks to add value through constructive dialogue and engagement with stakeholders as well as management with a strong focus on the Institutions' strategic agenda (strategic plan), which is in line with the medium-term Goals (MDGs), vision 2030 and the Government's Big Four Agenda. (Legal notice 113 of 2014) The council embraces and recognizes the benefits of diversity in skills and experience in its composition and the effective discharge of the Council's strategic oversight function. (TVET Act 2013)

b) Composition of the Council

The council is made up of nine (9) members, comprising the Chairman, the Principal Secretary of the Treasury, the Principal Secretary of the State Department of Vocational and Technical Training, the Chief Principal as the secretary to the Governing Council, and five (5) members from various areas of specialization appointed by the Cabinet Secretary. (As per Mwongozo 2015 and TVET Act 2013) The year under review saw one new member being brought on board, and one member retired after the expiry of his term.

All council members are subject to reappointment in accordance with the TVET Act 2013 and the Ministry of Education guidelines.

The Governing Council has established four standing Committees with specific terms of reference to exercise delegated responsibilities.

The Committees are Audit Risk and Compliance, Finance, Infrastructure and Procurement Human Resource, ICT, and Resource Mobilization, Education Research and Training

c) Council Meetings

The council meetings are held in accordance with the annual almanack, the Board Charter and guidelines from the legal notice 113 of 2014 for the respective Committees and the full governing council meetings, in exceptional cases where special meetings are held as per the TVET Act 2013, when critical business matters arise.

d) Induction and Continuous Professional Development

During the year under review, new council members received induction training as per the legal requirements. Key areas were highlighted during the induction. The induction included specific sessions with the relevant personnel across units, especially on finance and infrastructure, procurement procedures, human resource-related issues, corporate governance, and regulatory bodies under which the organization operates.

In the year 2024/2025, council members were trained by various professional bodies and government institutions. These are: Institute of Certified Public Accountants Kenya (ICPAK), Institute of Human Resource Management (IHRM) , Institute of Engineers and Young African Works Kenya (YAWK) board managers training.

e) Notification and Conflict of Interest

The Council members are required to bring to the attention of the chairman during both the committee meetings and full council meeting any circumstances that might lead to a conflict of interest, whether real or potential. At each council or committee meeting, council members declare any conflict of interest and such is appropriately recorded in a register. During the year, there was no conflict of interest registered.

f) Governance Audit

The Kisumu National Polytechnic's commitment to exemplary governance practices is evidenced by the comprehensive governance audit overseen by the institution's dedicated Audit Committee. The audit ensures transparency, accountability, and efficient management of resources, evaluating Council Operations and Control, Rights of stakeholders and their Relations, Ethics and Social Responsibility, as well as Accountability, Risk Management, and Internal Control mechanisms. The institution has also implemented the Zero Fault Audit initiative to minimize discrepancies and

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enhance overall governance quality. The outcomes underscore the institution's dedication to governance excellence and setting benchmarks in the education sector.

g) Remuneration

The Kisumu National Polytechnic Council is paid sitting allowance, subsistence, and transport as per the Salaries and Remuneration Commission's rates, as per a circular by the head of Public Service.

h) Council Tenure

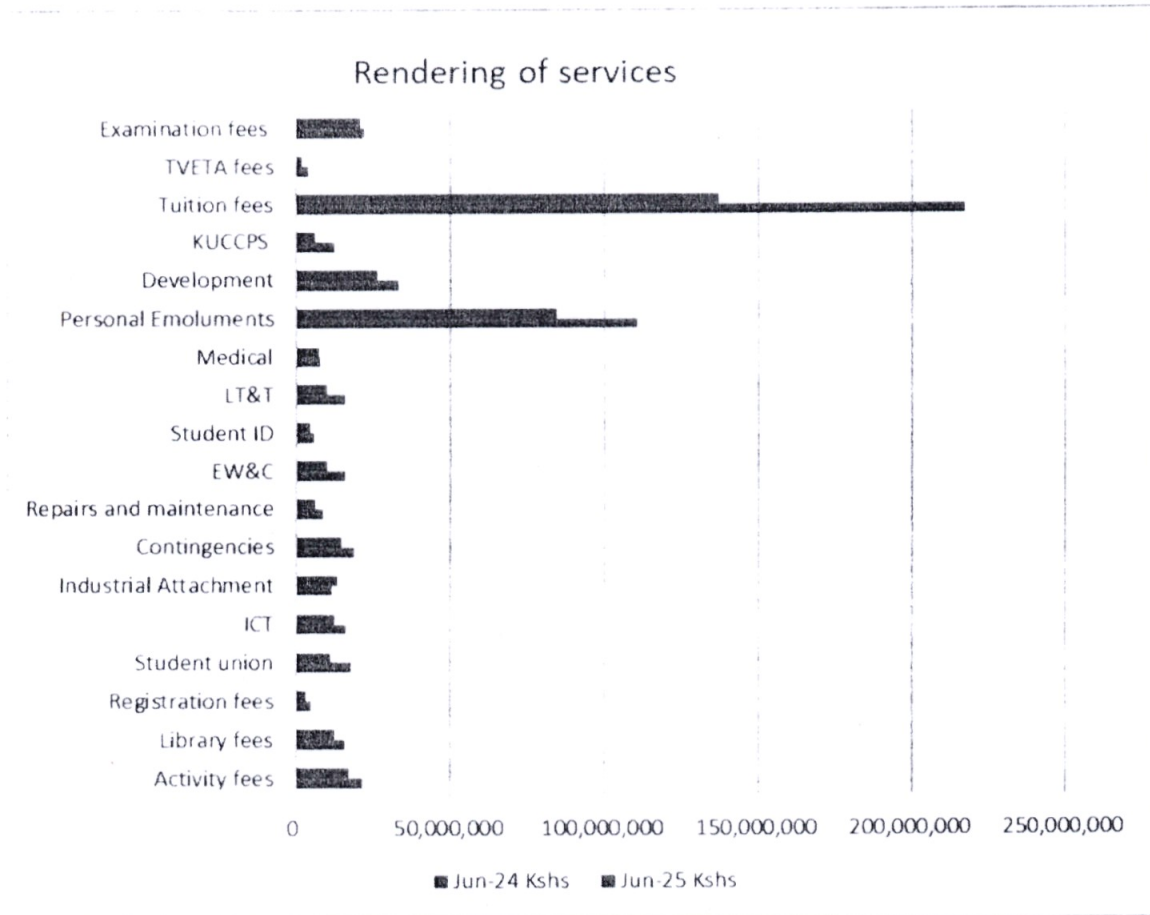
The tenure of the Council members appointed in May 2019 ended in May 2025, after most members completed two consecutive three-year terms, in accordance with the TVET Act and institutional governance guidelines. Notably, Prof. Eng. Bernadette Waswa Sabuni and Ms. Joyce Mwanika Mwale had only finished their first three-year terms, while Mr. Geoffrey Kibanda, representing the National Treasury, had served three terms as Treasury nominee. The Chief Principal, Ms. Catherine K. Kelonye, remains in her ex officio role as Secretary to the Council.

Following the expiry of the Council's term, the Principal Secretary, State Department for TVET appointed an Interim Council to provide oversight governance and ensure continuity in institutional functions. The interim Council members include Mr. John Wamae Chairperson-County Director TVET, Joyce Mwanika Mwale-PS SD-TVET Alternate, CPA Benson-Member, and Ruth Mounde-Member

This transition demonstrates the institution's ongoing compliance with good governance practices by ensuring that the oversight role of the Council remains functional and effective pending the appointment of a substantive Council.

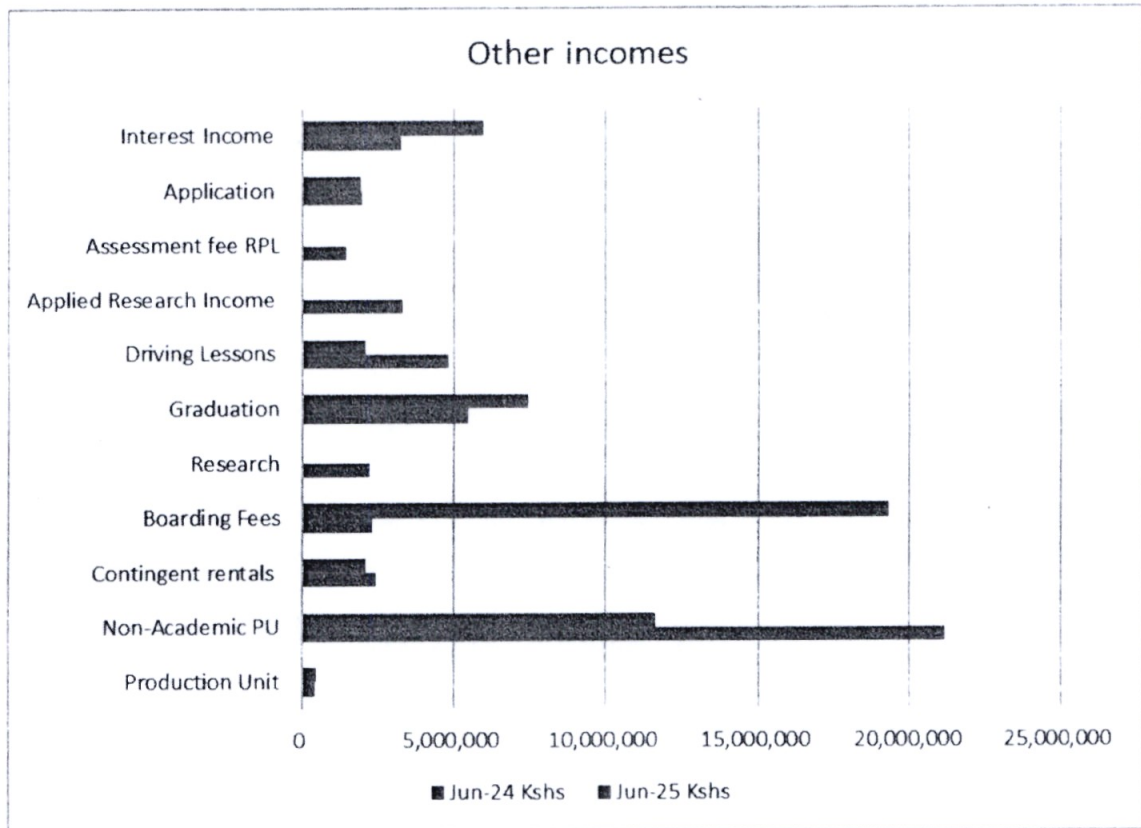
10. Management Discussion and Analysis

a) Revenue



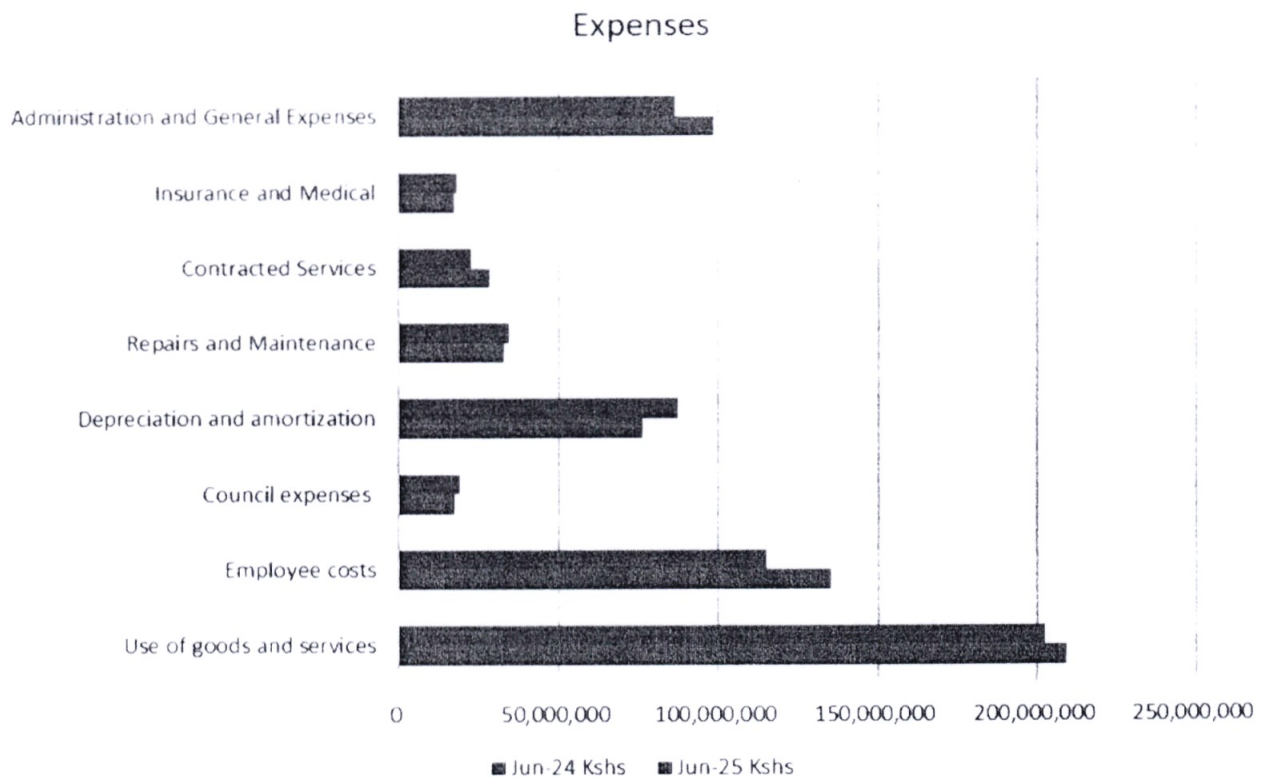
The rendering of Services revenue streams shows notable shifts between June 2024 and June 2025. KUCCPS income recorded the most significant growth, rising sharply from approximately Kshs 140 million in June 2024 to about Kshs 230 million in June 2025, reflecting increased student placements. Personal Emoluments also increased moderately, indicating adjustments in staffing levels or remuneration structures. While most other income categories, including TVETA fees, Activity fees, and ICT, posted marginal increases, the overall trend points to a strengthened revenue capacity. The institution should continue leveraging high-growth segments like KUCCPS while exploring ways to enhance performance in lower-growth areas to maintain a balanced and sustainable income profile.

b) Other Incomes



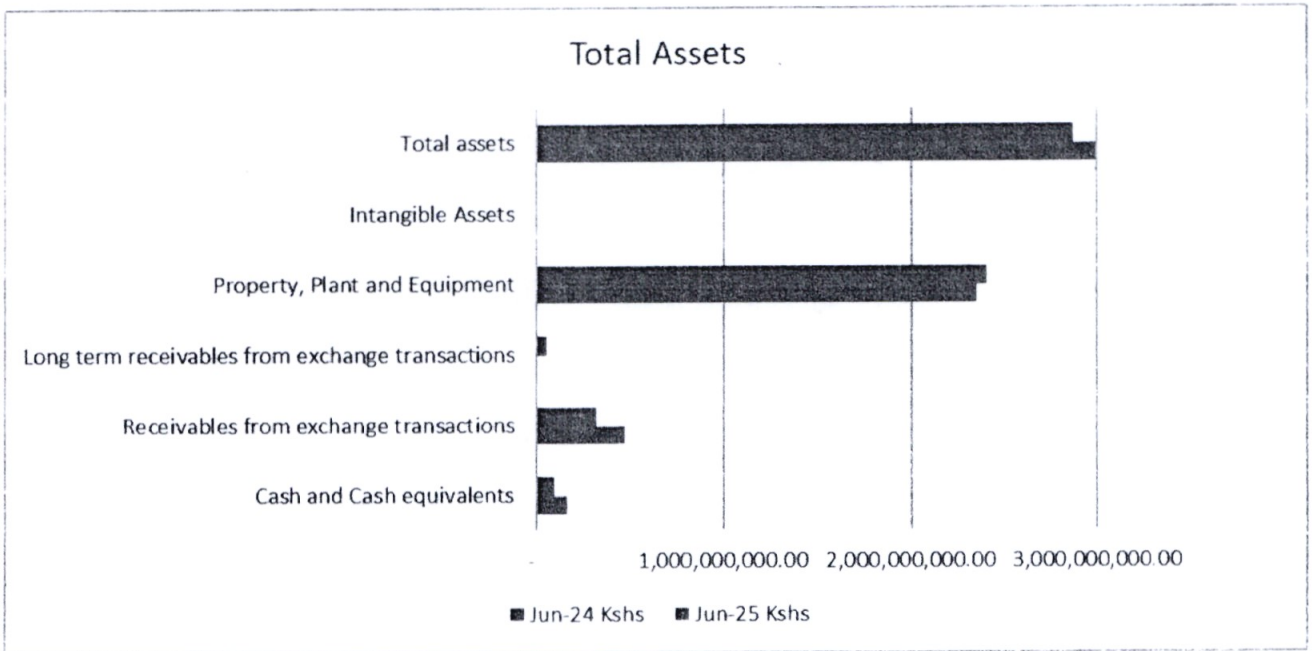
Between June 2024 and June 2025, the most notable growth was in the Non-Academic Production Unit, which more than doubled to surpass Kshs 20 million, reflecting successful diversification efforts. Modest gains were achieved in Research, Applied Research Income, and Application Fees. Boarding fees were collected towards the end of the previous financial year and recognised then.

c) Expenses



In 2024/2025, total expenses reached Kshs 672,348,504, showing a notable increase from the previous year's Kshs 615,694,601. This change demonstrates management's flexible response to operational demands and strategic priorities.

d) Total Assets



The organisation's total assets grew by approximately 3.95% from the fiscal year 2023/2024 to 2024/2025. This increase was mainly driven by a significant rise in current assets, especially receivables from exchange transactions, which grew by 49%, and in cash and cash equivalents, which went up by 75%. The rise in current assets by Kshs 226,355,122 indicates improved liquidity and operational efficiency.

Conversely, non-current assets saw a marginal decline of approximately Kshs 112,740,961, caused by a decrease in the values of property, plant, equipment, and intangible assets. This reflects depreciation of certain long-term assets during the period and a postponed acquisition of assets.

11. Environmental And Sustainability Reporting Statement

a) Sustainability strategy and profile

The Kisumu National Polytechnic (TKNP) demonstrates a distinctive and comprehensive commitment to sustainability, based on the principles of environmental stewardship, social responsibility, and economic viability. This commitment is reflected through strong waste

management programmes, the incorporation of green technologies, active community participation, inclusive education policies, and the promotion of income-generating projects.

TKNP's sustainability priorities are influenced by a dynamic interaction of political, macroeconomic, and technological factors. Supportive government policies that promote sustainability in education have encouraged the Polytechnic to integrate sustainability principles across curricula, research, and institutional operations. Economic challenges have led to innovative approaches to resource efficiency and waste reduction, ensuring the optimal use of available resources. Technological advancements have further facilitated the adoption of renewable energy solutions and the deployment of digital platforms to enhance operational efficiency and learning delivery.

The Polytechnic's strategy is guided by international sustainability standards and frameworks, ensuring that initiatives are aligned with relevant United Nations Sustainable Development Goals (SDGs). Special focus is given to SDG 3 (Good Health and Well-being), SDG 4 (Quality Education), SDG 6 (Clean Water and Sanitation), and SDG 7 (Affordable and Clean Energy), which are directly supported through targeted institutional projects.

To enhance transparency and accountability, TKNP is working towards adopting the Global Reporting Initiative (GRI) Standards for sustainability reporting. This will offer a clear, credible framework for measuring and communicating progress, allowing stakeholders to assess the Polytechnic's contributions to environmental conservation, social inclusion, and economic empowerment in the Lake Victoria region and beyond.

b) Environmental performance

TKNP has further demonstrated commendable commitment to sustainability through the integration of the Greening Curriculum and active participation in the Greening TVET initiative. During the review period, notable achievements included the installation of 28 solar panels, utilization of natural lighting and aeration, and the establishment of tree nurseries and a green corner; all aligned



with climate-smart and cost-effective practices. With over 13,400 trees planted through well-organized tree planting programs, the institution has significantly enhanced its aesthetic appeal while contributing meaningfully to environmental sustainability and climate action.

The Polytechnic takes pride in maintaining physically appealing and environmentally friendly infrastructure, featuring approved corporate colors, clean water closets, neatly trimmed hedges, and paved internal walkways. The implementation of environmental policy ensures a clean, organized, and professional learning environment that supports both academic excellence and sustainable development.

c) Employee welfare

The Kisumu National Polytechnic (TKNP) maintains transparent, merit-based recruitment practices, guided by Kenya's Public Service values and its Strategic Plan. The institution promotes gender equality in hiring and promotions, in line with the Employment Act 2007 and the two-thirds gender rule.

Recruitment processes involve the Council, departmental heads, union representatives, and external observers when necessary, ensuring accountability. HR policies are reviewed regularly to reflect changes in the labour market, regulations, and institutional needs.

TKNP supports continuous staff development through workshops, seminars, and training. Staff are also sponsored for further studies and professional certifications, with structured career progression based on job grading and Schemes of Service.

Staff welfare is supported by assisting those affected by Substance Use Disorders (SUDs), including access to counselling and rehabilitation. The institution offers medical cover to supplement the Social Health Authority (SHA), ensuring quality healthcare for staff and their dependants.

A daycare centre with a lactation room supports staff and trainees with children under three, enabling them to work or study effectively.

TKNP has adopted a Performance Appraisal System (PAS) that aligns individual goals with institutional objectives, with transparent annual evaluations.

To ensure workplace safety, TKNP has an active Occupational Health and Safety Committee and a designated officer. Key measures include safety audits, fire drills, staff training, safety signage, emergency exits, and PPE in high-risk areas.

Through these initiatives, TKNP fosters a safe, inclusive, and professional work environment

d) Marketplace practices

During the 2024/25 financial year, The Kisumu National Polytechnic adopted marketplace practices in line with the Public Procurement and Asset Disposal Act, 2015 (PPADA) and its institutional Code of Conduct and Ethics. The institution made sure that all procurement, contractual, and public engagement activities adhered to the core principles of Section 3 of PPADA: fairness, equity, and transparency, and competitiveness, value for money, accountability, public participation, and integrity.

Responsible Competition Practices

In line with PPADA Sections 60–67 (Ethics and Integrity in Procurement), TKNP maintained fair competition through; prohibition of bribery, corruption, collusion, conflict of interest, and bid rigging as per Section 66 of PPADA; Conducting supplier vetting before engagement to ensure compliance with Section 55 (Eligibility Criteria) and anti-corruption standards; Undertaking regular internal and external audits in line with Section 83 (Due Diligence) and Section 139 (Inspection and Acceptance) to identify and correct irregularities.

Responsible Supply Chain and Supplier Relations

TKNP's supplier management practices complied with Part IX of PPADA (Procurement Contracts). We ensure ethical sourcing, transparent contracting, open communication, prompt payment, and e-procurement by adhering to the eligibility, evaluation, and qualification criteria of Section 80, using PPRA standard documents as per Section 135, maintaining supplier engagement per Section 47, honouring payment terms in line with Section 147, and implementing digital systems in accordance with Section 7(2)(k) to promote transparency and efficiency.

Responsible Marketing, Advertisement, and Public Engagement

TKNP's marketing and public information activities aligned with PPADA Section 67 (Transparency and Public Participation). We reviewed all marketing and advertisement materials to ensure factual accuracy and compliance with statutory requirements, published tender notices, contract awards, and procurement opportunities on the PPRA Tenders Portal and institutional notice boards, in line with Section 138 (Publication of Contract Awards).

Product Stewardship and Awareness Creation

TKNP safeguarded consumer and stakeholder interests by enforcing strict quality control through comprehensive product inspections, testing, and verification prior to acceptance; appointing Verification and Acceptance Committees in line with PPADA guidelines to ensure adherence to technical specifications and quality standards; organizing consumer education programs to promote the safe and effective use of products and institutional services; and fostering continuous improvement by integrating stakeholder feedback to enhance product quality and overall procurement efficiency.

e) Corporate Social Responsibility / Community Engagements

The Kisumu National Polytechnic (TKNP) is committed to not only delivering world-class technical and vocational training but also to actively contributing to the social and economic well-being of our surrounding communities. During the 2024/25 financial year, TKNP implemented a diverse range of Corporate Social Responsibility (CSR) initiatives that reflected our values of inclusivity, sustainability and community empowerment.

CSR Initiatives Undertaken in 2024/25

i. Scholarship Support for Vulnerable Families

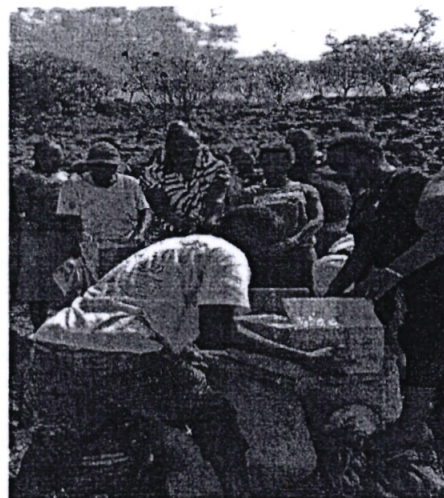
TKNP provided a scholarship program to support a child of a vulnerable staff member, ensuring continuity of education despite economic challenges. The scholarship covered tuition



fees, uniforms, and learning materials, directly benefiting a dependent student with a disability. This initiative has enhanced staff morale and reinforced the institution's commitment to employee welfare and family well-being.

ii. Community Outreach to Vulnerable Populations

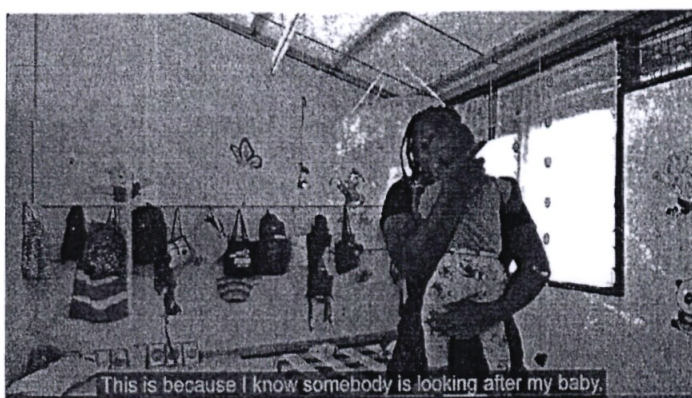
In June 2025, TKNP staff participating in a strategic leadership and development programme at KSG Baringo campus carried out a humanitarian outreach mission to Ol Kokwe Island, a geographically remote and underserved community in Baringo County. They distributed food items, clothing, and basic household supplies to vulnerable families. The mission also provided information on educational opportunities for island youth and raised awareness about vocational training pathways. Additionally, TKNP donated assorted items to inmates at Kibos Maximum Security Prison. The activities were conducted in collaboration with the local administration.



iii. Establishment and Operationalization of Daycare Facility

TKNP launched an on-campus daycare facility in May 2024 to support young mothers, including both staff and trainees, with children under 3 years of age.

- The daycare offers safe, stimulating, and supervised care, enabling mothers to attend classes and work without childcare-related interruptions.
- Service charges are subsidized, operated by trained caregivers, and designed to stimulate early childhood development through structured activities.



- The facility has already supported over 70 mothers and significantly improved attendance and retention rates among trainee mothers.

iv. Community Health and Well-being – Free Medical Screening Camps

The polytechnic Partnered with local health providers to host free medical screening camps on campus and in outreach settings. Screenings included blood pressure checks, Dental clinics, diabetes tests, HIV testing, nutritional assessments, and referrals for further treatment. Over 1000 trainees and over 50 community members benefited, improving early disease detection, health awareness, and preventive care practices.

Funding constraints limiting the scale of outreach and scholarship programs.

Principal activities

The principal activities of TKNP continue to be:

- i) provide directly, or in collaboration with other institutions of higher learning, facilities for technical trainers in technological, professional, and scientific education;
- ii) participate in technological innovation as well as in the discovery, transmission and enhancement of knowledge and to stimulate the intellectual life in the economic, social-cultural, scientific, and technological development;
- iii) contribute to the industrial and technological development of Kenya in collaboration with industry and other organisations through the transfer of technology;
- iv) examine and make proposals for new diploma courses and subjects of study, institutes, departments, resources and research and innovation;
- v) promote and establish a culture of innovation in engineering and technology and technology transfer amongst staff and trainees;
- vi) develop an institution with excellence in teaching, training, scholarship, entrepreneurship, research, consultancy, and community service, among other educational services and products, with emphasis on technology and its development, impact and application within and outside Kenya;
- vii) provide a multi-level system of post-secondary school education and training programmes relevant to the needs of the community covering a wide range of fields and levels with provision for recognition of prior learning and flexibility of transition between programmes;
- viii) Provide high quality educational, research, residential, commercial, cultural, social, recreational, sporting and other facilities;
- ix) Advance knowledge and its practical application by research and other means, the dissemination of outcomes of research by various means, and the commercial exploitation of search results;
- x) Promote critical enquiry within the polytechnic and in the general community;
- xi) Participate in commercial ventures and activities;
- xii) Foster the general welfare of all staff and students;
- xiii) Provide opportunities for development and further training for staff of the National Polytechnic;

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- xiv) Develop and provide educational, cultural, professional technical and vocational services to the community and in particular fostering of corporate social responsibility;
- xv) Provide programmes, products and services in ways that reflect the principles of equity and social justice;
- xvi) Facilitate student mobility between different programmes at different technical training institutions and other National Polytechnics;
- xvii) Conduct examinations for and grant such academic awards as provided under this Order; and
- xviii) Collaborate with recognized universities for the conduct and award of degree programmes in technology.

The mandate of The Kisumu National Polytechnic, captured in its mission and operations, cemented with core values to enable the realisation of its vision, is lucidly set. Consequently, the vision, mission, core values and motto of the polytechnic are:

Results

The results of TKNP for the year ended June 30 are set out on page 1

Council

The members of the Council who served during the year are shown on page vi

Auditors

The Auditor General is responsible for the statutory audit of The Kisumu National Polytechnic in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 to carry out the audit of the Kisumu National Polytechnic for the year ended June 30, 2025

By Order of the Council


.....

Catherine Kelonye

Chief Principal/Council Secretary

Date:

12. Statement of Council's Responsibilities

Section 81 of the Public Finance Management Act, 2012 (*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 that *entity*, which give a true and fair view of the state of affairs of TKNP at the end of the financial year/period and the operating results of TKNP for that year/period. The Council members are also required to ensure that TKNP keeps proper accounting records that disclose with reasonable accuracy the financial position of TKNP. The council members are also responsible for safeguarding the assets of TKNP. The Council members are responsible for the preparation and presentation of TKNP's financial statements, which give a true and fair view of the state of affairs of TKNP for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of TKNP, (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 TKNP, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Council members accept responsibility for TKNP's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and *the State Corporations Act, and the TVET Act*. The council members are of the opinion that TKNP's financial statements give a true and fair view of the state of TKNP's transactions during the financial year ended June 30, 2024, and of TKNP's financial position as at that date. The Council members further confirm the completeness of the accounting records maintained for TKNP, which have been relied upon in the preparation of TKNP's financial statements, as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The *TKNPs* financial statements were approved by the Board on 28/08/ 2025 and signed on its behalf by:



.....
Mr. John Wamae

Chairperson of the Council



.....
Catherine Kelonye

Chief Principal/Council Secretary

REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke
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HEADQUARTERS
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Monrovia Street
P.O Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON THE KISUMU NATIONAL POLYTECHNIC FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

An Unmodified Opinion is issued when the Auditor-General concludes that 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 aim to address the Auditor-General's statutory roles and responsibilities 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

Opinion

I have audited the accompanying financial statements of The Kisumu National Polytechnic set out on pages 1 to 38, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended and a summary of significant

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of The Kisumu National Polytechnic as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act No. 29 of 2013, The Kisumu National Polytechnic Order (L.N. 113 of 2014), and the Public Finance Management Act, 2012.

Basis for Opinion

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual amount on comparable basis of Kshs.696,422,000 and Kshs.799,686,837 respectively, resulting in an over performance of Kshs.103,264,837 or 15% of the budget. The overperformance is attributed to transfers from National Government Ministries of Kshs.183,957,032 that was not budgeted for indicative of unauthorized expenditure. Similarly, the actual revenue and actual expenditure amounted to 799,686,837 and Kshs.552,340,617 respectively resulting to an under-absorption of Kshs.232,579,258 or 29% of the total revenue.

The under expenditure affected implementation of the planned project activities and may impact negatively on delivery of services to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the Polytechnic in 2024/2025 revealed that the following matters remained unresolved.

	Financial Year	Audit Issue
1	2023/2024	Unallocated Funds – Refundable Deposits
2	2023/2024	Long Outstanding Student Debtors
3	2023/2024	Budget Control and Performance
4	2023/2024	Effectiveness in Implementation of Audit Recommendations

Other Information

Management is responsible for the Other Information set out on page v to xviii which comprise of Key Entity Information and Management, Interim Council Members, The Council, Key Management Team, Chairman's Statement, Report of the Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting Statement and the Statement of the Council's 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, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Irregular Award of Tender to Non-eligible Bidder

Review of payment and procurement records provided revealed Management contracted a security firm for the provision of security services during the year under review. However, review of the procurement records revealed that the bidder did not provide a valid NSSF compliance certificate which was a mandatory requirement on the eligibility criteria. This is contrary to Regulation 74(1) of the Public Procurement and Asset Disposal Regulations, 2020, which states that pursuant to Section 80 of the Act and upon opening of tenders, the evaluation committee shall first conduct a preliminary evaluation to determine whether a tenderer complies with all the eligibility requirements provided for under section 55 of the Act.

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

2. Regularity and Integrity of the Registration of Persons Living with Disability and Approval of Tax Exemptions

Review of the staff establishment revealed that the Polytechnic had four (4) persons living with disability as at April 2025. Review of the personal files revealed two officers failed to submit disability registration certificate and recommendations from a medical practitioner for the purpose of registration as a person living with disability. This is contrary to Section 5 ((1) of The Persons with Disabilities (Registration) Regulations, 2009 which requires that a person with a disability may apply to have his or her name and particulars entered in the register of persons with disabilities. The applicant under sub regulation (1) may be required to attend such interview, medical examination and other assessment as the Council may consider necessary.

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

3. Non-Compliance with Staff Ethnic Diversity Provisions

Review of staff payroll bio data for the financial year 2024/2025 indicated that the Polytechnic had three hundred and six (306) employees out of which one hundred and ninety-six (196) or sixty four percent (64%) were from the dominant ethnic community in the region. This was contrary to Section 7(2) of the National Cohesion and Integration Act, 2008 which states that, "all public offices shall seek to represent the diversity of the people of Kenya in employment of staff and that no public institution shall have more than one third of its staff establishment from the same ethnic community".

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

4. Outstanding Student and Staff Debtors

The statement of financial position reflects receivables from exchange transactions balance of Kshs.473,635,672 and as indicated in Note 19 is net of impairment allowances totalling to Kshs.130,534,905 in respect of current and long-term receivables from exchange transactions. Included in the gross students' debtors of Kshs.598,967,218 is an amount of Kshs.68,328,133 that had been outstanding for a

period beyond one year despite being collectable within one financial year. Although Management has made a 100% provision, the lack of recovery is contrary to Paragraph 3.4.4(e) of the Polytechnic Financial Management Policy, 2019 (Revised 2023) which states that a debt that is unrecoverable after a period of five (5) years shall be forwarded to the Governing Council for consideration and recommendation to the Treasury through the Ministry of Education, Science and Technology for write off.

Further, the debtors have been outstanding beyond the prescribed period and Management and the Governing Council is yet to have the debtors written off from the books. Further, no authority has been sought from the National Treasury towards the write off of these long outstanding balances.

In the circumstances, Management is in breach of its policy on debt management.

5. Inconsistency in the Notes to the Financial Statements

Note 19 to the financial statements has been repeated, leading to incorrect numbering of Notes to the financial statements, which has had the effects of misaligning the Notes numbering on the face of the financial statements and the actual Notes.

In the circumstances, the Notes to the financial statements are misaligned which is inconsistent with the requirements of the template provided by the PSASB.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Approved IT Strategic Plan

Review of the governance structures and work plans revealed that the Polytechnic did not have an approved IT policy for governance and management of its ICT resources. Lack of an approved IT policy may result in an unclear direction regarding maintenance of information security across the county and safeguarding of its ICT assets. Further, without a sound and approved framework, users do not have any rules

and procedures to follow in order to minimize risk of errors, fraud and the loss of data confidentiality, integrity and availability.

In the circumstances, existence of effective ICT controls could not be confirmed.

2. An Unallocated Students' Funds

The statement of financial position and Note 23 reflects a balance of Kshs.36,861,848 in respect of refundable deposits from customers/students. Included in this balance is Kshs.524,074 and Kshs.167,848 in respect of TVET scholarship and capitation respectively. However, the liabilities remain unallocated as at 30 June, 2025 contrary to Paragraph 3.4.4 the Polytechnic's Financial Management Policy, 2019 (Revised 2023) on allocation of students' funds which states that all the funds received by sponsor shall be receipted and sponsorship account set up in the system as a liability. The funds shall be allocated in accordance to the list provided by the sponsor.

In the circumstances, effectiveness of internal controls on allocation of fees to respective votes could not be confirmed.

Responsibilities of the Management and Polytechnic's Council

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, SBS
AUDITOR-GENERAL

Nairobi


13 November, 2025

Statement of Financial Performance For The Year Ended 30 June 2025

	Note	2024/2025	2023/2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from Government Entities	6	183,957,032	206,872,233
Grants from donors and development partners	7	0	3,665,900
Total Revenue from non-exchange transactions		183,957,032	210,538,133
Revenue from exchange transactions			
Rendering of Services	8	560,474,895	399,024,543
Other Income	9	55,254,910	51,202,944
Total Revenue from exchange transactions		615,729,805	450,227,487
Total revenue		799,686,837	660,765,620
Expenses			
Use of goods and services	10	209,216,353	202,370,174
Employee costs	11	133,052,055	114,985,336
Council expenses	12	17,143,228	18,979,724
Depreciation and Amortization	13	76,348,527	87,416,320
Repairs and Maintenance	14	32,804,915	34,421,818
Contracted Services	15	28,260,888	22,329,256
Insurance and Medical	16	17,242,133	18,130,374
Administration & General Expenses	17	114,621,046	86,325,945
Provision for doubtful debts	19	43,659,360	30,735,655
Total Expenses		672,348,504	615,694,601
SURPLUS		127,338,333	45,071,019


(The notes set out on pages 8 to 38 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 1 to 7 were signed by:


.....

John Wamae
Chairman of Council

Date 28/8/25


.....

Catherine Kelonye
Chief Principal

Date 28/8/25


.....

CPA Paul Maher
Finance Manager
ICPAK No 19908


Date 28/08/2025

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


Assets	Note	2024/2025	2023/2024
		Kshs	Kshs
Current assets			
Cash and Cash equivalents	18a	168,101,847	93,413,904
Receivables from exchange transactions	19	473,635,672	317,387,463
Total current assets		641,737,519	410,801,367
Non-current assets			
Long term receivables from exchange transactions	19	0	51,159,395
Property, Plant and Equipment	20	2,353,011,990	2,409,838,015
Intangible Assets	21	0	4,755,541
Total non - current assets		2,353,011,990	2,465,752,951
Total assets		2,994,749,509	2,876,554,318
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	22	215,393,179	168,424,111
Refundable deposits from customers	23	36,861,848	116,070,605
Current Provisions	24	5,615,860	15,615,860
Total current liabilities		257,870,888	300,110,576
Non-current liabilities			
Capital and Reserves			
Retained earnings		(126,668,477)	(287,103,356)
Revaluation Reserve		131,972,968	131,972,968
Capital Grants/Fund		2,731,574,130	2,731,574,130
Total Capital Reserve		2,736,878,621	2,576,443,742
Total Liabilities and Capital & Reserves		2,994,749,509	2,876,554,318

The Financial Statements set out on pages 1 to 7 were signed by:




John Wamae
 Chairman of Council

Date 28/8/25



Catherine Kelonye
 Chief Principal

Date 28/8/2025



CPA Paul Maher
 Finance Manager
 ICPAK No 19908
 Date 28.8.2025

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

	Revaluation reserve	Accumulated Fund	Capital/Grants Fund	Total
Balance b/f at July 1,2023	131,972,968	(332,174,375)	2,731,574,130	2,531,372,723
Total comprehensive income		45,071,019		45,071,019
Balance c/d as at June 30,2024	131,972,968	(287,103,356)	2,731,574,130	2,576,443,741
Balance b/f as at July 1, 2024	131,972,968	(287,103,356)	2,731,574,130	2,576,443,741
Total comprehensive income		127,338,333		127,338,333
Write back of opening balances				
Miscellaneous account		19,428,146		19,428,146
Students union		13,668,400		13,668,400
Balance c/d as at June 30,2025	131,972,968	(126,668,477)	2,731,574,130	2,736,878,621

Note:

The balance in the miscellaneous clearance account and students originated from unclassified amounts carried forward during the transition from the previous ERP system (2017/2028) to the Abnounisol system. This was presented to the council and the Parliamentary Investments Committee on Education in April 2025 and was approved for write-back.

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

STATEMENT OF CASHFLOWS	Note	2024/2025	2023/2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants		183,957,032	206,872,233
Rendering of services- Fees from students		397,476,756	330,258,767
Grants and donations		-	3,665,900
Interest Income -Absa		4,581,031	-
Other receipts		50,888,730	49,167,376
Total Receipts		636,903,549	589,964,276
Payments			
Use of goods and services	10	208,190,860	202,370,174
Compensation of employees	11	133,052,055	114,985,336
Council expenses	12	17,143,228	18,979,724
Repairs and Maintenance	14	32,804,915	34,421,818
Contracted Services	15	28,260,888	22,329,256
Insurance and medical	16	17,242,133	18,130,374
General Expenses	17	100,754,566	86,325,945
Staff gratuity transferred to pension fund		10,000,000	8,000,000
Retention paid		-	-
Total Payments		547,448,644	505,542,626
Net cash flows from operating activities		89,454,905	84,421,650
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	20	-	-
		14,766,962	37,288,808
Net cash flows used in investing activities		14,766,962	37,288,808

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Net (decrease) in cash and cash equivalents		74,687,943	47,132,842
Cash and cash equivalents at 1 JULY		93,413,904	46,281,062
Cash and cash equivalents at 30 JUNE		168,101,847	93,413,904

PSASB has prescribed the direct method of cash flow preparation and presentation for all public sector entities reporting under the IPSAS on an Accrual basis of accounting. A reconciliation using the indirect method has been presented in Note 25, Cash generated from operations

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

	Original Annual Budget	Adjustments	Final Budget	Actual cumulative to date		% utilization
Revenue						
Transfers from National Government Ministries	90,000,000	(90,000,000)	0	183,957,032	183,957,032	#DIV/0!
Grants from donors and development partners	0	0	0	0	0	#DIV/0!
Students Fees	410,664,000	191,848,000	602,512,000	560,474,895	(42,037,105)	93%
Other Income	79,037,250	14,872,750	93,910,000	55,254,910	(38,655,090)	59%
Retained Earnings	93,536,590	(93,536,590)	0		0	
Total revenue	673,237,840	23,184,160	696,422,000	799,686,837	103,264,837	115%
Expenses						
Use of Goods and Services	251,825,700	(12,102,649)	239,723,051	209,216,353	30,506,698	87%
Compensation of Employees	154,621,250	33,296,812	187,918,062	133,052,055	54,866,007	71%
Governing Council Expenses	22,960,000	(5,012,000)	17,948,000	17,143,228	804,772	96%
Repairs and Maintenance	31,000,000	17,400,000	48,400,000	32,804,915	15,595,085	68%
Contracted Services	25,408,800	3,591,200	29,000,000	28,260,888	739,112	97%
Insurance and Medical	32,750,000	(14,507,517)	18,242,483	17,242,133	1,000,350	95%
Administration & General Expenses	60,667,100	63,308,404	123,975,504	114,621,046	9,354,458	92%
Total Expenses	579,232,850	85,974,250	665,207,100	552,340,617	112,866,483	83%
Surplus for the year		62,790,090	31,214,900	247,346,220	(216,131,320)	
Capital Expenditures	94,004,990	(62,790,090)	31,214,900	14,766,962	16,447,938	47%

Budget notes

Explanation of the differences between actual and budgeted amounts (10% over/ under), IPSAS 24.14.

- 1. The budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to align with the approved budget*
- 2. The differences between actual and budgeted amounts resulted from accrual accounting. The students were invoiced for full amounts with the expectation that the National Government would disburse capitation in full. During the financial year 2024/2025, the capitation per student was reduced from the initial Kes 30,000 to Kshs 13,000. These changes affected actual collections and expenditure on budgeted operations and are shown in Note 19 - increase in student fees receivables. Student debtors increased due to high enrolment in the May 2025-July 2025 term, which overlaps with another period. The students were invoiced for full fees since the fees are not paid in equal instalments and, therefore, cannot be prorated.*
- 3. The student fees variance is because all students are being invoiced. However, the amount has been reduced by the government capitation received, which is disclosed separately as transfers from the government.*
- 4. The variance in other income is due to the delayed implementation of projected Income Generating Activities, including the installation of the water plant and bakery, which was completed in Quarter 4.*
- 5. The differences between the actual and budgeted capital expenditure were due to projects initiated during the year, which were still work in progress as at the end of the financial year 2024/2025 and pending certificates of completion (the wall fence, ablution block, and garage).*
- 6. The variance between the actual and budgeted Compensation of Employees is caused by delayed staff recruitment. Recruitment has now been finalised.*
- 7. The differences between the actual and budgeted amounts for Administration & General Expenses and the use of goods resulted from austerity measures outlined in the treasury circular, which reduced the budgeted items and introduced financial constraints.*
- 8. Differences between actual and budgeted repair and maintenance costs arose from ongoing repair projects initiated during the year that are awaiting completion certificates, such as the wall fence.*
- 9. If the total actual amounts differ from the financial performance statement totals due to different accounting methods, specifically when the budget uses cash basis and the statement uses accrual, please provide a reconciliation. This section should include differences such as depreciation and amortisation of KES 76,348,527, and a provision for bad debts of KES 43,659,360.*

6. Notes to the Financial Statements

1. General Information

In exercise of the powers conferred by section 26 (2) of the Technical and Vocational Education and Training Act (No. 29 of 2013), the Cabinet Secretary for Education, Science and Technology made the following Order through Legal Notice No. 113 of 22nd August 2014, cited as The Kisumu National Polytechnic Order, 2014. There is established a National Polytechnic known as the Kisumu National Polytechnic; body corporate with perpetual succession and a common seal and in its name, be capable of suing and being sued; taking, purchasing or otherwise acquiring, holding, charging or disposing of both movable and immovable property; borrowing money; charging for services offered, with the approval of the Cabinet Secretary; and entering into contracts.

The Kisumu National Polytechnic is the successor to the Kisumu Polytechnic that existed immediately before the commencement of the Order. All rights, liabilities and assets held by anybody on behalf of the Kisumu Polytechnic existing at the commencement of this order were automatically and fully transferred to the National Polytechnic.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying TKNP's accounting policies. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of TKNP. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act 2012, the State Corporations Act chapter 446 Revised edition of 2012 (2010), 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

There are no new standards in the year ended 30th June 2025

There are no new standards in the year ended 30th June 2025

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

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 Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, 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	<i>Applicable 1st January 2025</i> 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	<i>Applicable 1st January 2025</i> 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.

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	<ul style="list-style-type: none"> 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. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

Early adoption of standards

The Entity did not early-adopt any new or amended standards during the financial year, nor did the entity adopt any standards early (state the standards, reason for early adoption, and impact on the entity's financial statements)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

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Rental income

Rental income arising from the monthly rental charge on The Kisumu National Polytechnic's staff houses and other facilities belonging to the institution is accounted for on an accrual basis and included in revenue.

b) Budget information

The Council approved the original budget for FY 2024/2025 on 3rd May 2024. 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 finalise the budget. Accordingly, the entity recorded additional appropriations on 11th May 2025 for the FY 2024/2025 budget following the Council's approval. The entity's budget is prepared on a different basis from the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on an accrual basis using a classification based on the nature of expenses in the statement of financial performance. In contrast, the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to align with 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 pages 6-7 of these financial statements.

c) Taxes

Current income tax

The Kisumu National Polytechnic is exempt from paying taxes as per the Income Tax Act 2013, amendment of 2016.

Sales tax/ Value Added Tax

Expenses and assets are recognized gross of the amount of VAT

- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- Receivables and payables are stated with the amount of VAT tax included.

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

d) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of the item of property, as defined by the acronyms used in your financial statements, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised 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 recognised in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration, the asset is initially measured at its fair value. The Kisumu National Polytechnic uses the reducing balance method of depreciation as per the Kenya Revenue Authority tax rates and the Finance Policy as;

Buildings 2.5%

Motor vehicle 25% Furniture & Fittings 12.5%

Computers 33.3%

Library books 5%

Plant & Equipment 20%

e) 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. After 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. TKNP intangible assets comprises Abno softwares and are amortised at the rate of 20% straight line or over 5 years.

f) Research and development costs

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

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- 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.

g) 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 entity 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

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

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fair value through surplus or deficit unless it is measured at amortised 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 amortised 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 amortised cost. A gain or loss on an instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised 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 recognised 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 amortised 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 realising 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 recognised 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's end.

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Impairment

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

Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortised cost except for financial liabilities measured through profit or loss.

h) Inventories

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

i) Provisions

Provisions are recognised when a present obligation (legal or constructive) as a result of a past event, an outflow of resources embodying economic benefits or service potential will probably be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where TKNP expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised 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

TKNP does not recognise 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

TKNP does not recognise 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 TKNP 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 recognised in the financial statements of the period in which the change occurs

j) 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 needs of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme while also recognising a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

k) Nature and purpose of reserves

TKNP creates and maintains reserves in terms of Revenue and capital Reserves as reflected in the statement of Net Assets and Equity.

l) Changes in accounting policies and estimates

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

m) Employee benefits

Retirement benefit plans

TKNP 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 triannually on the projected unit credit method basis.

Deficits identified are recovered through lump sum payments or increased future contributions on a proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation. TKNP maintains a defined contribution pension benefit scheme and is managed by the County Pensions Fund.

n) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at

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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 recognised as income or expenses in the period in which they arise.

o) Related parties

TKNP 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 institution, or vice versa. Members of key management are regarded as related parties, including the Council, the CEO/Principal and senior managers.

p) Service concession arrangements

The Kisumu National Polytechnic analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, TKNP recognises that asset when, and only when, it controls or regulates the services. The operator must provide the asset, to whom it must be provided, 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 recognised are measured at their fair value. To the extent that an asset has been recognised, TKNP also recognises a corresponding liability, adjusted by a cash consideration paid or received.

q) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, Bank account balances include amounts held at various commercial banks at the end of the financial year.

r) Comparative figures

Where necessary comparative figures for the previous financial year have been provided to conform to the revised reporting template requirements.

s) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 24.

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.

The provisions that apply to The Kisumu National Polytechnic are provisions for bad and doubtful debts, provision for depreciation, provision for gratuity and other provisions as may be relevant.

Provisions shall be made for bad and doubtful debts at the following rates

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Period Outstanding	Percentage Provision
93-184 Days	25%
95-275 Days	50%
276-366 Days	80%
Over 366 Days	100%

6. Transfers from other National Government entities

Description	Jun-25 Kshs	Jun-24 Kshs
Unconditional Grants		
Capitation Grants	142,436,875	111,324,000
TVET Scholarship	41,520,157	44,055,827
Operational Grant		51,492,406
Total Government grants and subsidies	183,957,032	206,872,233

In the previous financial year, the government launched a TVET scholarship programme to assist students facing financial difficulties. TKNP received Kshs 41,520,157 from this initiative. Additionally, TKNP was allocated Kshs 142,436,875 in capitation.

(a) Transfers from other Government entities (Categorized)

Name of the Entity Sending the Grant	Amount recognized to Statement of Financial Performance	Grant relating to Rarieda TVC	Total Grant Income during the year 2025	Comparative FY 2024
State Department of Vocational and Technical Training	183,957,032.00		183,957,032.00	211,197,453.00
State Department of Vocational and Technical Training		10,000,000.00	10,000,000.00	
Total	183,957,032.00	10,000,000.00	193,957,032.00	211,197,453.00

Kshs. 10,000,000 pertains to amounts transferred to Rarieda TVC for capitation (receipt no. 208806 dated 30th May 2025). This amount was transferred to Rarieda TVC on 30 May 2025 via PV 15236.

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7. Grants from Donors and Development Partners

Description	Jun-25 Kshs	Jun-24 Kshs
CiCan- Applied Research	0	3,665,900
In-Kind Donations	0	0
	0	3,665,900

8. Rendering of Services

Description	Jun-25 Kshs	Jun-24 Kshs
Activity fees	21,882,833	16,924,175
Library fees	15,704,279	12,277,301
Registration fees	5,072,700	3,442,456
Student union	17,875,449	11,299,991
ICT	16,278,706	12,284,892
Industrial Attachment	11,436,730	13,393,321
Contingencies	18,854,025	14,631,014
Repairs and maintenance	8,814,399	6,101,419
EW&C	15,850,694	9,937,068
Student ID	5,890,651	4,622,469
LT&T	15,885,680	9,931,622
Medical	7,726,013	7,236,880
Personal Emoluments	110,475,401	84,362,851
Development	32,862,975	26,350,689
KUCCPS	12,438,614	6,316,500
Tuition fees	217,211,661	136,910,343
TVETA fees	4,116,000	1,984,111
Examination fees	22,098,085	21,017,440
Total Rendering of Services	560,474,895	399,024,543

All students were invoiced the full tuition fees; however, the amount has been reduced by the government capitation received, which is disclosed separately under Note 6. In FY 2024/2025, the government transferred a total of KES 183,957,032 (Capitation Grant and TVET Scholarship), as detailed in Note 6. Examination fees relate to the recognition of internal exam-related charges.

9. Other Income

Other income includes the sale of goods, rental revenue from facilities and equipment, and miscellaneous income. These categories have been disclosed separately to improve the comparability of the generating unit within TKNP.

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9.1 Sale of Goods

Description	Jun-25 Kshs	Jun-24 Kshs
Garment making	15,450	277,137
Production Unit	434,607	460,057
Non-Academic PU	21,176,580	11,618,163
Sale of water	537,975	0
Lactarium income	250,557	0
Bakery income	495,720	0
KCB Pepea	23,970	0
Sub Total Sale of Goods and Other Income	22,934,859	12,355,357

During the financial year, the increase in other income results from the establishment of a substantive Income Generating Unit (IGU). Throughout the year, TKNP conducted Tourism Funds training, which boosted our revenue by approximately £11M and operationalised the water plant, bakery, and lactarium.

9.2 Rental revenue from facilities and equipment

Description	Jun-25 Kshs	Jun-24 Kshs
Contingent rentals	2,425,775	2,082,854
Sub Total Rental Revenue from facilities	2,425,775	2,082,854

Revenue from facilities and equipment pertains to the outsourced catering services, KIPWO SACCO, and staff accommodation.

9.3 Miscellaneous Income

Description	Jun-25 Kshs	Jun-24 Kshs
Boarding Fees	2,295,657	19,291,783
Practicals- Hospitality	7,050	28,220
Research	2,224,000	0
Disposal of assets	206,100	0
Graduation	5,460,200	7,445,000
Driving Lessons	4,827,130	2,096,311
Applied Research Income	3,334,000	0
Assessment fee RPL	1,477,000	0
Insurance claims	82,400	0
Log book	500	0
Application	1,955,505	1,919,580
Write back of VAT payable	168,634	
Interest Income	7,856,099	5,983,839
Sub Total Miscellaneous Income	29,894,276	36,764,733
Grand Total Other Incomes	55,254,910	51,202,944

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During the financial year, RPL courses were introduced.

10. Use of Goods and Services

Description	Jun-25 Kshs	Jun-24 Kshs
Practicals - Examinations	42,946,327	44,456,735
Learning Materials and Training	52,359,453	52,625,947
Cleaning materials and Boarding	2,340,095	1,892,348
Production Unit Academic	1,335,257	1,791,248
Research Expenses	14,296,568	7,751,202
Consumable drugs and a medical clinic	1,197,658	972,241
Identity cards and registration	3,662,038	1,918,755
Registration-related expenses	0	718,500
Activity Expenses- Sports	8,350,504	7,405,452
Student Union	14,774,318	11,350,325
Industrial Attachment and Internship Expenses	7,797,691	8,887,500
ICT Automation Expenses	2,658,744	12,607,109
Subscription and affiliations to professional Bodies	2,908,080	2,401,842
Industry linkages and Benchmarking	179,875	
Training Induction Conference Seminars	4,008,500	6,574,807
Performance Contract Monitoring Activities	6,097,205	10,740,213
Team Building and Workshops	3,360,120	1,311,830
Curriculum development expenses	6,447,099	8,937,091
Hospitality Services and Refreshments	17,503,000	12,785,284
Monitoring and Evaluation	6,825,015	2,088,825
Software expenses	2,478,000	0
PEPEA Expenses	3,788,100	0
E Learning Services		3,105,720
Applied Research Related Activities		
Covid Mitigation	0	260,000
BSF/Fish feeds Infrastructure	650,000	1,126,600
Conference Benchmarking & Training	236,800	660,600
Applied Research Coordination Expenses	1,278,584	0
Project Launching/Stakeholders Meeting	163,800	0
Fish Feed Testing/Formulation	189,000	0
NYAKONGO CAMPUS		
Learning and practical materials	654,359	0
Travelling and Accommodation	579,150	0
Utilities - Water and Electricity	151,014	0
Total use of goods and services	209,216,353	202,370,174

During the year, TKNP organised the Annual International Multi-Disciplinary Conference. Trainers engaged in training exchange programmes. Hospitality and refreshment costs are covered by NYS students' sponsored expenses, including catering, accommodation, and other related costs. There were no significant purchases or repairs of ICT equipment during this period. The rise in student union expenses is attributed to the increasing number of CDACC classes, resulting in more class representatives for Main and Nyakongo Campuses.

11. Employee Costs

Employee Costs		
Description	Jun-25	Jun-24
	Kshs	Kshs
Basic salaries/Salaries & Wages	101,526,013	86,476,601
Travel/commuter allowances	6,729,576	6,093,574
Medical Allowance	0	36,364
Leave allowance	478,000	478,000
Housing benefits and allowances	12,409,942	10,679,127
Service Gratuity	0	61,402
NSSF Employer Contribution	5,040,317	3,359,500
Pension Employer Contribution	4,418,337	3,295,712
Provision for new employment	24,000	398,928
Job Evaluation	0	2,265,156
NITA	190,400	133,300
CBA - Negotiation Expenses	0	153,000
Housing Levy	1,756,670	1,554,672
welfare	478,800	0
Total Employee costs	133,052,055	114,985,336

During the financial year, the increase in employee costs is caused by hiring new staff, the enforcement of the new NSSF Act, which took effect in February 2025, and the introduction of a housing levy. Additionally, human resource-related welfare activities were included in the budget for the period under review, contributing to the overall rise in expenses.

Council Expenses

Description	Jun-25	Jun-24
	Kshs	Kshs
Chairman's Honoraria	760,000	960,000
Transport and subsistence allowances	13,752,128	16,064,074
Council Training Expenses	2,043,100	1,955,650
Medical Cover	588,000	0
Total Council expenses	17,143,228	18,979,724

During the year, there was a transition from a substantive council to an interim council. Council medical expenses are related to the implementation of medical coverage for Council members. The decrease in overall council expenses is because the Council's current term will expire in May 2025.

Detailed analysis of council meetings has been described under the council section and Appendix IV

12. Depreciation and Amortisation expense

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Depreciation and Amortisation Expense		
Description	Jun-25	Jun-24
	Kshs	Kshs
Property, plant and equipment	71,592,986	82,660,779
Intangible assets	4,755,541	4,755,542
Total depreciation and amortisation	76,348,527	87,416,320

The detailed depreciation and amortisation schedule is included in Note 20 and Note 21, respectively.

13. Repairs and Maintenance

Description	Jun-25	Jun-24
	Kshs	Kshs
Repairs and Maintenance - Motor Vehicles	4,824,536	4,818,050
Repairs and Maintenance - Buildings	15,888,287	24,025,583
Repairs and Maintenance - Others	2,489,869	2,698,932
Drainage Maintenance Works	3,473,360	301,536
Repairs and Maintenance - Furniture	2,248,653	301,620
Repairs and maintenance - Computers and office equipment	3,880,210	2,276,096
Total Repairs and Maintenance	32,804,915	34,421,818

During the financial year, TKNP repaired the old sewer line, which had become blocked, resulting in higher costs. Lecture chairs were repaired. This repair has helped reduce the deficit in lecture chairs and lowered the cost of purchasing new ones.

14. Contracted Services

Description	Jun-25	Jun-24
	Kshs	Kshs
Security Services	12,594,714	8,508,866
Cleaning Services	7,521,368	7,086,440
Sanitation Services	471,280	534,600
Internet Connectivity	6,790,260	6,049,350
Legal fees	883,265	150,000
Total Contracted Services	28,260,888	22,329,256

Security Services costs are attributed to the increased deployment of Critical Infrastructure Personnel units and the rising rates in the reviewed contract.

15. Insurance and Medical

Description	Jun-25	Jun-24
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	Kshs	Kshs
Staff Medical Insurance	14,792,976	13,757,695
WIBA	244,169	458,948
Fire and Burglary	1,517,483	2,283,691
Motor vehicle Insurance	687,505	1,630,040
Total Insurance and Medical	17,242,133	18,130,374

The increase in Staff medical insurance is attributable to medical cover for new staff recruits.

16. Administration and General Expenses

Description	Kshs	
	Jun-25	Jun-24
Office Stationery and Printing, Postages	16,866,016	13,126,174
Hospitality Services and Refreshments	8,710,416	14,534,363
Graduation Expenses	9,125,894	8,800,353
Utility Supplies - Water, Sewerage and Electricity	18,623,964	17,409,271
Travelling and Accommodation - Local Travel	6,853,252	18,196,411
Corporate social responsibility	161,290	98,279
Human Resource Activities	1,963,948	0
ISO Certification	162,458	58,000
Bank Charges	3,734,793	2,357,864
Production Unit - Non Academic	18,403,293	2,718,426
Driving Lessons Expenses	503,348	848,950
Advertisement promotion and publicity	3,813,669	2,154,560
Audit fee and financial reporting	1,408,800	2,973,780
Staff uniforms/Curtains	138,360	41,375
TVETA Expenses	1,248,600	139,000
Garment Making expenses	0	2,304,140
Motor vehicle fuel and generator	9,036,464	0
Bad debts write off	13,866,480	565,000
Total	114,621,046	86,325,945

During the financial year, office stationery and printing costs rose due to a high enrolment of CBET students. The increase in non-academic expenses related to production units is a result of a substantial IGU unit, which caused higher production costs at the bakery and water plant. These expenses are offset by their corresponding income in note 9. Motor vehicle fuel and the generator were reclassified from 'use of goods and services' to 'administration and general expenses'.

17. Cash and Cash Equivalents

Description	Jun-25	Jun-24
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	Kshs	Kshs
Current Account	168,101,847	93,413,904
	168,101,847	93,413,904

18 (a). Detailed Analysis of Cash and Cash Equivalents

Financial Institution	Account Number	Jun-25 Kshs	Jun-24 Kshs
KCB Bank -College Fund	1103855980	34,692,010	7,756,184.31
KCB Bank - Main Account	1103855905	840,372	19,466,476.38
KCB Bank IGU Account	1174585730	13,838,623	3,135,919.44
KCB Bank -Service Gratuity Account	1114065498	293,035	214,155.15
Co-operative Bank -0112901204200	112912042200	54,323,485	18,757,533.34
Co-operative Bank -CiCan		36,705	1,003,460.00
COOPERATIVE BANK 02100120422004		0	3,833,894.00
ABSA Bank	2041412413	44,277,279	32,575,113.56
Equity Bank	290280132380	19,800,338	6,671,168.00
Total cash and cash equivalents		168,101,847	93,413,904.18

The balance at ABSA Bank is held in short-term deposits maturing on 27 July 2025. Upon maturity, the Institution earned interest amounting to a total of Kshs 4,581,031 net of withholding taxes.

18. Receivables from Exchange transactions

19 (a) Current Receivables from Exchange transactions

Description	Jun-25 Kshs	Jun-24 Kshs
Student debtors (students' fees)	530,639,085	317,418,463
Sundry Debtors	4,905,337	5,271,184
Sub Total	535,544,422	322,689,647
Impairment allowance	(61,908,750)	(5,302,184)
Total Current Receivables	473,635,672	317,387,463

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19 (b) Long-term Receivables from Exchange transactions

Description	Jun-25 Kshs	Jun-24 Kshs
Student debtors (students fees)	68,328,133	118,550,616
Imprests	0	0
Sundry Debtors	298,022.00	14,182,140
	68,626,155	132,732,756
Impairment allowance	(68,626,155)	(81,573,361)
Total Non-Current Receivables	0	51,159,395
Total Receivables	473,635,672	368,546,858

The Council on 19 May 2025 approved the write-off of sundry debtors of Kshs.13,866,480 which had remained outstanding in the books for a long time, despite sustained recovery efforts. The decision to write off was authorized after Management confirmed that all reasonable collection measures had been exhausted and recovery was no longer feasible.

19 (c) Ageing Analysis of Receivables from Exchange transactions

Description	Jun-25 Kshs		Jun-24 Kshs	
	Current	% of the total	Comparative	% of the total
Less than 92 days	366,769,204.00	69%	278,639,492.71	76%
Between 93- 184 days	116,829,148.48	22%	36,946,130.23	10%
Between 185 – 275 days	18,997,089.94	4.00%	10,297,205.52	2.79%
Between 276 – 366 days	28,043,642.96	5%	12,725,369.44	3%
More than one year	0.00	0%	29,938,660.55	8%
Total	530,639,085	100%	368,546,858.45	100%

19 (d) Reconciliation for impairment Allowance on Receivables from Exchange Transactions

Description	Jun-25 Kshs	Jun-24 Kshs
At the beginning of the year	86,875,545	56,139,890
Provisions during the year	43,659,360	30,735,655
Recovered during the year		
Write offs during the year		0
At the end of the year	130,534,905	86,875,545

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19. Property, Plant and Equipment

Cost	Land	Buildings	Motor Vehicles	Furniture and fittings	Computers	Library Books	Plant and Equipment	Work in progress	Total
At 1st July 2023	1,128,500,000	1,202,690,337	31,727,931	74,978,344	83,780,730	26,479,458	269,852,128	-	2,818,008,928
Additions		416,817	16,900,000	1,618,818	7,148,819	94,660	7,713,940	3,395,754	37,288,808
At 1st July 2024	1,128,500,000	1,203,107,154	48,627,931	76,597,162	90,929,549	26,574,118	277,566,068	3,395,754	2,855,297,736
Additions	0	-	-	2,119,331	1,127,495	22,500	766,500	10,731,136	14,766,962
At 30 June 2025	1,128,500,000	1,203,107,154	48,627,931	78,716,493	92,057,044	26,596,618	278,332,568	14,126,890	2,870,064,698
Depreciation And Impairment									
At 1st July 2023	-	108,916,518	21,689,015	22,847,687	53,480,327	6,526,801	149,338,594	-	362,798,942
Depreciation for the year	-	30,077,679	6,734,729	6,718,684	12,481,826	1,002,366	25,645,495	-	82,660,779
At 1st July 2024	-	138,994,197	28,423,744	29,566,371	65,962,153	7,529,167	174,984,089	-	445,459,721
Depreciation for the year	-	30,077,679	5,051,047	6,143,765	8,697,427	953,373	20,669,696	-	71,592,986
At 30th June 2025	-	169,071,876	33,474,791	35,710,136	74,659,580	8,482,540	195,653,785	-	517,052,707
Net Book Values									
As at 30th June 2024	1,128,500,000	1,064,112,957	20,204,187	47,030,791	24,967,396	19,044,951	102,581,979		2,409,838,015
As at 30th June 2025	1,128,500,000	1,034,035,278	15,153,140	43,006,357	17,397,464	18,114,078	82,678,783	14,126,890	2,353,011,990
Depreciation rates	0%	2.50%	25%	12.50%	33.33%	5%	20%		

20. Intangible Assets

Description	Jun-25 Kshs	Jun-24 Kshs
Cost		
At the beginning of the year	23,777,708	23,777,708
Additions		
At the end of the year	23,777,708	23,777,708
Amortisation and impairment		
At the beginning of the year	19,022,168	14,266,626
Amortization	4,755,541	4,755,542
At the end of the year	23,777,708	19,022,168
NBV	0	4,755,541

Intangible assets are amortised at a rate of 20% using the straight-line method, and it has been fully amortised.

21. Trade and other Payables from Exchange Transactions

Description	Jun-25 Kshs	Jun-24 Kshs
Accounts Payables	9,709,633	131,689
Fees Prepayments	164,720,375	134,169,109
Retention Fees	39,713,146	33,053,236
Staff Welfare	325,020	259,600
VAT	0	168,634
Withholding VAT	855,431	641,844
PPRA Levy	69,575	0
Total trade and other payables	215,393,179	168,424,111

Management identified that VAT payments of Kshs. 168,634 had in prior years been expensed instead of offset against the VAT liability. Although the VAT had been duly remitted, the liability remained on the books. The anomaly has been corrected in the current year's financial statements, supported by VAT e-slips, with the adjustment recognized through the statement of financial performance in line with IPSAS 3.49. The correction is immaterial and does not affect comparability.

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22. Refundable deposits from customers/students

Description	Jun-25 Kshs	Jun-24 Kshs
Bursary	156,872	5,155,186
Miscellaneous	0	19,428,146
HELB Loan/Bursary	4,212,452	8,103,040
Examination fees	11,423,135	64,709,770
Students Union	0	13,668,400
Caution Money	4,967,714	4,004,449
TVET scholarship	524,074	134,378
Capitation	167,848	167,848
Tuition -Customers	658,697	699,389
Customer prepayments	61,200	0
Intertech Ltd	14,689,856	0
Total Refundable deposits from customers/students	36,861,848	116,070,605

The balances in the miscellaneous account and the Students' Union were approved for write-back by the council following recommendations by the Parliamentary Investments Committee. These have been included in the statement of Net Assets.

Balances relating to Intertech Limited concern equipment purchased by TKNP that is awaiting installation and training. The installation and training are in progress and will be completed in the first quarter of the financial year 2025/2026.

23. Current Provisions

Description	Jun-25 Kshs	Jun-24 Kshs
quarter of the	5,615,860	15,615,860
Total Current Provisions	5,615,860	15,615,860
24(a) Employee Benefit Obligations		
Balance at the beginning of the year	15,615,860	23,615,860
Additional Provisions	0	0
Payments during the year	(10,000,000)	(8,000,000)
Total provisions at the end of the period	5,615,860	15,615,860

During the financial year, TKNP paid service Gratuity of Kshs 10,000,000 to the Pension fund, with the remaining balance budgeted for the financial year 2025-2026

24. Cash generated from operations.

Description	Jun-25 Kshs	Jun-24 Kshs
Surplus for the year before tax	127,338,333	45,071,019
Adjusted for		
Depreciation	76,348,527	87,416,320
Miscellaneous income	19,428,146	-
Students union	13,668,400	-
Working Capital Adjustments		
(Increase) /decrease in Current Receivables	(156,248,209)	(59,008,409)
Increase/decrease in Long term receivables	51,159,395	(11,314,480)
Increase in Payables	46,969,068	52,802,552
(Decrease)/Increase in refundable deposits	(79,208,756)	(22,495,322)
(Decrease)/Increase in amounts held for third parties	0	(50,031)
(Decrease)/Increase in provisions	(10,000,000)	(8,000,000)
Net Cash Flow from Operating Activities	89,454,904	84,421,649
Cash flows from investing activities		
Purchase of property, plant, equipment and intangible assets	(14,766,962)	(37,288,807)
Net cash flows used in investing activities	(14,766,962)	(37,288,807)
Cash flows from financing activities		
Repayment of Borrowings	0	0
Net cash flows used in financing activities	0	0
Net Increase/(Decrease) in Cash and Cash equivalents	74,687,942	47,132,842
Cash and Cash equivalents at 1 JULY	93,413,904	46,281,062
Cash and Cash equivalents at 30 JUNE	168,101,847	93,413,904

The total of Net Cash flows from Operating Activities aligns with the cash flow section on net cash flows from or used in operations.

25. Financial Risk Management

The entity's activities expose it to various financial risks, including credit and liquidity risks and the effects of changes in foreign currency. The entity's overall risk management programme focuses on the unpredictability of changes in the business environment. It 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 policies to ensure that credit is only extended to customers with an established credit history.

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

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(i) Credit risk

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

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

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

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

(ii) Liquidity risk management

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

(iii) Market risk

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

Market risk is the risk stemming from fluctuations in market prices, such as interest rates, equity prices, and foreign exchange rates, which can impact TKNP's income or the value of its financial instrument holdings. Market risk management aims to control and manage market risk exposures within acceptable limits, while maximising returns. Overall responsibility for overseeing market risk lies with the Audit and Risk Management Committee.

The Risk Management Department is responsible for developing detailed risk management policies, which are subject to review and approval by the Audit and Risk Management Committee, and for implementing these policies on a daily basis.

The procurement department conducts a market survey every financial year to mitigate the exposure.

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

a) Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are made 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 entity manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting expected sales proceeds and matching them with anticipated payments.

b) Interest rate risk

Interest rate risk is the potential that the entity's financial position could be negatively impacted by changes in interest rate levels. The company's interest rate risk stems from bank deposits, which expose it to cash flow interest rate risk. This risk primarily arises from fluctuations in interest rates affecting the company's deposits.

iv) Capital Risk Management

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

Description	25-Jun	24-Jun
	Kshs	Kshs
Revaluation Reserve	131,972,968	131,972,968
Retained Earnings	(126,668,477)	-287,188,251
Capital Reserve	2,731,574,130	2,731,574,130
Total Funds	2,736,878,621	2,576,358,847
Total Borrowings	0	0
Less: Cash and Bank Balances	168,101,847	93,413,904
Net Debt/(Excess Cash and Cash Equivalents)	168,101,847	93,413,904
Gearing	0%	0%

26. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

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

27. Events After The Reporting Period

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

28. Ultimate And Holding Entity

The entity is a semi-autonomous government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

29. Currency

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

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7. 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 the Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	The statement of financial position as at 30 th June 2024 reflects a balance of Ksh.116,070,605 for refundable deposits from customers/students, as disclosed in Note 23 to the financial statements. The amounts includes funds held in miscellaneous clearance account of Ksh.19,428,146 which has remained unchanged for two (2) financial years. There was no evidence of management's efforts to clear this amount.	The balances in the Miscellaneous account was approved for write-back by the council following recommendations by the Parliamentary Investments Committee. These have been included in the statement of Net Assets.	Resolved	FY2024/2025
2	The statement of financial position and as disclosed in Note 19 to the financial statements reflects current receivables from exchange transactions and long-term receivables from exchange transactions balance of kshs.317,418,463 and 51,159,395 respectively. However, review of aging analysis revealed a balance of Ksh 29,938,661 relating to students which had been outstanding for more than (1) year	The management has made 100% provisions for bad and doubtful debts over one year	Resolved	FY2024/2025

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Reference No. on the external audit Report	Issue / Observations from the Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
3	<p>The statement comparing the budget and actual amounts shows an approved revenue budget of Ksh.680,684,950 and an actual amount realized of Ksh.660,765,620, resulting in an under-collection of 19,919,330 or 3% of the budget. Similarly, the polytechnic spent Ksh.497,542,626 out of the approved budget of Ksh.637,689,275, leading to an under-expenditure of Ksh.159,777,670 or 22% of the approved budget.</p> <p>The Under-funding and Under-expenditure may have impacted negatively on delivery of services to the public</p>	<p>This matter was discussed by the Parliamentary Investments Committee on education, and it was referred for further discussion by the CS National Treasury regarding delayed remittances related to capitation.</p>	Resolved	FY2024/2025



Name: Catherine Kelonye
Chief Principal/Council Secretary

Date 28/6/2025

Appendix II: Projects Implemented by TKNP

Status of Project Completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Furniture and Fittings	5,480,000	2,119,331.00	39 %	5,480,000	2,119,331.00	A in A
2	Computers and Accessories	10,984,400	1,127,495.00	10%	10,984,400	1,127,495.00	A in A
3	Equipment and Machinery	6,638,500	766,500	12%	6,638,500	766,500	A in A
4	ICT Automation(ERP)	4,848,100	00.00	0%	4,848,100	00.00	A in A

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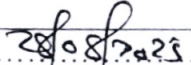
Appendix III- Inter-Entity Confirmation Letter

The Kisumu National Polytechnic

The MINISTRY OF EDUCATION wishes to confirm the amounts disbursed to you as of 30th June 2025, as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate column E in the table below. Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by The Kisumu National Polytechnic as at 30th June 2025							
Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30th June 2025						Amount Received by [beneficiary Entity]	
						(Kshs) as at 30 th June 2025	
						(E)	Differences (Kshs)
							(F)=(D-E)
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total((D)=(A+B+C)		
181352	30/9/2024	11,267,020.30			11,267,020.30		NIL
181355	30/9/2024	17,737,321.00			17,737,321.00		NIL
181357	30/9/2024	1,517,868.40			1,517,868.40		NIL
181359	30/9/2024	100,611.00			100,611.00		NIL
181361	30/9/2024	24,378,025.00			24,378,025.00		NIL
181362	30/9/2024	10,857,167.40			10,857,167.40		NIL
181364	30/9/2024	27,371,425.00			27,371,425.00		NIL
181365	30/9/2024	40,140.00			40,140.00		NIL
196158	17/2/2025	90,687,425.00			90,687,425.00		NIL
208806-RARIEDA	30/5/2025	10,000,000.00			10,000,000.00		NIL

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

TTI							
Total		<u>193,957,003.1</u>	==	==	<u>193,957,003.1</u>	<u>193,957,003.1</u>	NIL
Confirm that the amounts shown above are correct as of the date indicated.							
Head of the Accountants Department of the beneficiary Entity:							
Name CPA Paul Maher	Sign		Date				

Appendix IV- Schedule of Council Meetings for The Year Ended 30th June 2025

FULL COUNCIL MEETING

DATE OF MEETING	Meshack Kidenda	Alex Kazongo	Rajeev Arora	Lilian Mainye	Roseline Odede	Geoffrey Kibanda	Bernadette Sabuni	Joyce Mwale	Dorice Orure
25/7/2024	✓	✓	✓	✓	✓	✓	✓	✓	x
16/9/2024	✓	✓	✓	✓	✓	✓	✓	✓	✓
24/10/2024	✓	✓	✓	✓	✓	✓	✓	✓	x
30/1/2025	✓	✓	✓	✓	x	✓	✓	✓	x
18/4/2025	✓	✓	✓	✓	✓	✓	✓	✓	x
14/5/2025	✓	✓	✓	✓	x	✓	✓	✓	x
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

EVALUATION SCAC AND LEADERSHIP MEETINGS

DATE OF MEETING	Meshack Kidenda	Alex Kazongo	Rajeev Arora	Lilian Mainye	Roseline Odede	Geoffrey Kibanda	Bernadette Sabuni	Joyce Mwale	Dorice Orure
3/9/2024	✓	✓	✓	✓	✓	✓	✓	✓	✓
24/10/2024	✓	✓	✓	✓	✓	✓	✓	✓	x
16/12/2024	✓	✓	✓	✓	x	✓	✓	✓	x
22/4/2025	✓	✓	✓	✓	x	✓	✓	✓	x

SHORTLISTING, INTERVIEWS AND DISCIPLINARY

DATE OF MEETING	Meshack Kidenda	Alex Kazongo	Rajeev Arora	Lilian Mainye	Roseline Odede	Geoffrey Kibanda	Bernadette Sabuni	Joyce Mwale	Dorice Orure
19/7/2024	x	✓	✓	✓	x	x	x	✓	x
13/8/2024	x	✓	✓	✓	x	x	x	✓	x
27/8/2024	x	✓	✓	✓	x	x	x	✓	✓
3/9/2024	✓	✓	✓	✓	✓	✓	✓	✓	✓
4/9/2024	✓	✓	✓	x	x	✓	✓	✓	✓
17/10/2024	x	✓	✓	✓	x	x	x	✓	x
03/4/2025	x	✓	✓	✓	x	x	x	x	x
4/4/2025	x	✓	✓	✓	x	x	x	x	x
13/5/2025	✓	✓	✓	✓	x	✓	✓	✓	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

HUMAN RESOURCE

DATE OF MEETING	Alex Kazongo	Lilian Mainye	Joyce Mwale	Rajeev Arora
11/7/2024	✓	✓	✓	✓
09/10/2024	✓	✓	✓	✓
09/1/2025	✓	✓	✓	✓
10/4/2025	✓	✓	✓	✓

FINANCE AND INFRASTRUCURE

DATE OF MEETING	Alex Kazongo	Geoffrey Kibanda	Rajeev Arora	Joyce Mwale	Dorice Orure
12/7/2024	✓	✓	✓	✓	x
27/8/024	✓	✓	✓	✓	✓
9/10/2024	✓	✓	✓	✓	x
10/1/2025	✓	✓	✓	✓	x
11/4/2025	✓	✓	✓	✓	x

EDUCATION RESEARCH AND TRAINING COMMITTEE

DATE OF MEETING	Roseline Odede	Lilian Mainye	Bernadette Sabuni	Geoffrey Kibanda
10/7/2024	✓	✓	✓	✓
08/10/2024	✓	✓	✓	✓
08/1/2025	x	✓	✓	✓
08/4/2025	x	✓	✓	✓

AUDIT RISK & COMPLIANCE

DATE OF MEETING	Bernadette Sabuni	Roseline Odede	Geoffrey Kibanda	Joyce Mwale
9/7/2024	✓	✓	✓	✓
11/9/2024	✓	✓	✓	x
8/10/2024	✓	✓	✓	✓
7/1/2025	✓	x	✓	✓
8/4/2025	✓	x	✓	✓

SPECIAL COUNCIL MEETINGS

DATE OF MEETING	Meshack Kidenda	Alex Kazongo	Rajeev Arora	Lilian Mainye	Roseline Odede	Geoffrey Kibanda	Bernadette Sabuni	Joyce Mwale
19/7/2024	x	✓	✓	x	x	✓	x	✓
9/8/2024	✓	✓	✓	✓	✓	✓	✓	✓
9/1/2025	✓	✓	✓	✓	x	✓	✓	✓
16/1/2025	x	✓	✓	x	x	✓	x	✓
28/2/2025	✓	✓	✓	✓	x	✓	✓	✓
18/4/2025	✓	✓	✓	✓	x	✓	✓	✓
15/5/2025	x	✓	✓	x	x	✓	x	✓
16/5/2025	✓	✓	✓	✓	x	✓	✓	✓

REQUESTED ACTION

The Council is requested to **approve** TKNP Annual Report and Financial Statements for the FY 2024/2025.

