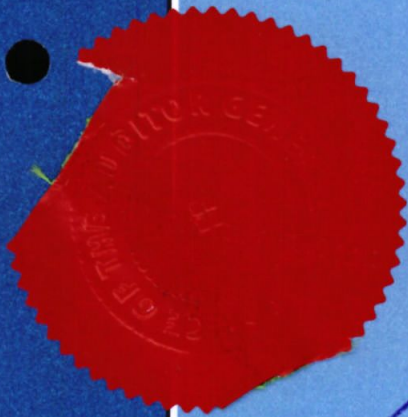


REPUBLIC OF KENYA



Enhancing Accountability



THE NATIONAL ASSEMBLY
PAPERS LAID

REPORT

DATE: 30 APR 2025

DAY.

30.4.25

TABLED
BY:

header of majority
Party

CLERK-AT
TABLE:
OF

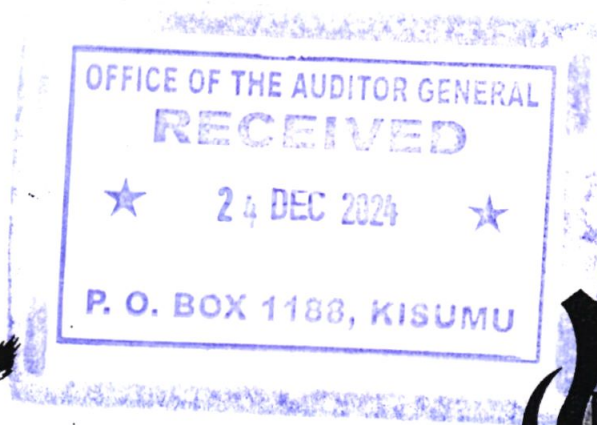
m. modo

THE AUDITOR-GENERAL

ON

KISUMU NATIONAL POLYTECHNIC

**FOR THE YEAR ENDED
30 JUNE, 2024**



THE KISUMU NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30TH JUNE 2024

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



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

Table of Contents

1.	Acronyms & Glossary of Terms.....	ii
2.	Key Entity Information and Management.....	iii
3.	The Council.....	ix
4.	Key Management Team	xiii
5.	Chairman's Statement	xv
6.	Report of the Principal	xviii
7.	Statement of Performance against Predetermined Objectives	xxii
8.	Corporate Governance Statement.....	xxix
9.	Management Discussion and Analysis	xxxii
10.	Environmental And Sustainability Reporting Statement.....	xxxv
11.	Report of the Council	xl
12.	Statement of Council's Responsibilities	xlii
13.	Report of the Office of The Auditor General.....	xliv
14.	Statement of Financial Performance for The Year Ended 30 June 2024.....	1
15.	Statement of Changes in Net Assets For The Year Ended 30 June 2024.....	3
16.	Statement of Cash Flows For The Year Ended 30 June 2024.....	4
17.	Statement of Comparison of Budget &Actual amounts For Year Ended 30 June 2024	5
18.	Notes to the Financial Statements	7
19.	Appendices	37
	Appendix 1: Implementation Status of Auditor-General Recommendations.....	37
	Appendix II: Projects Implemented by TKNP.....	39
	Appendix III- Inter-Entity Confirmation Letter.....	40
	Appendix IV- Schedule of Council Meetings for The Year Ended 30th June 2024	42

**The Kisumu National Polytechnic
Annual Report and Financial Statements for the year ended 30th June 2024**

1. Acronyms & Glossary of Terms

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
TKNP	The Kisumu National Polytechnic
KSG	Kenya School of Government
TVET	Technical Vocational Education and Training
TVETA	Technical Vocational Education and Training Authority

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 were admitted at Sigalagala Technical and Trade School awaiting the completion of Kisumu Technical Secondary School and 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 resource, 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 rising industrial demand of technical skills. 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, and established “The Kisumu National Polytechnic” after repeal of Legal Notice No 85 of May 30th 2001 that recognized 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 on the basis of their knowledge and experience in either-leadership and management, financial management, industry, engineering, information communication technology or law. The Principal of TKNP is the secretary to the Council.

(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, 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;

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

- iii) contribute to industrial and technological development of Kenya in collaboration with industry and other organisations through transfer of technology;
- iv) examine and make proposals for new diploma courses and subjects of study, institutes, departments, resource 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, 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;
- 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 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

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

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

(c) Key Management

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

- The Council
- The Principal
- The Academic Board
- The Management Board
- Heads of Department

(d) Fiduciary Management

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

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 Manager	Wyllis Okindo
6.	Human Resource Manager	Amos Odhiambo
7.	Senior Finance Officer	CPA Paul Maher
8.	Senior Supply Chain Management Officer	Milton Omollo
9.	Internal Auditor	CPA Barrack Oluoch

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

SN	Designation	Name
10.	IGU Manager	Fredrick Gwara
11.	Monitoring and Evaluation Coordinator	Luciana Okwiri
12.	Performance Contract Coordinator	Harriet Khajeha

(e) Fiduciary Oversight Arrangements

Council Committees	Members	Position
Full Council	1. Eng. Meshack Kidenda	Chairperson
	2. Geoffrey Kibanda	Member
	3. Joyce Mwanika Mwale	Member
	4. CPA. Alex Kazongo	Member
	5. Prof. Eng. Bernadette Waswa Sabuni	Member
	6. Rajeev Arora	Member
	7. Roseline Odede	Member
	8. Lillian Mainye	Member
Finance, Infrastructure and Procurement (FIP) Committee	9. Catherine K. Kelonye	Member
	1. Alex Kazongo	Committee Chair
	2. Prof. Eng. Bernadette Waswa Sabuni	Member
	3. Geoffrey Kibanda	Member
Audit, Risk and Compliance (ARC) Committee	4. Joyce Mwanika Mwale	Member
	1. Rajeev Arora	Committee Chair
	2. Roseline Odede	Member
	3. Geoffrey Kibanda	Member
Education, Research, and Training Committee (ERT)	4. Joyce Mwanika Mwale	Member
	1. Prof. Eng. Bernadette Waswa Sabuni	Committee Chair
	2. Geoffrey Kibanda	Member
	3. Lillian Mainye	Member
	4. Alex Kazongo	Member

**The Kisumu National Polytechnic
Annual Report and Financial Statements for the year ended 30th June 2024**

Human Resources, ICT, and Resource Mobilization(HIRM)	1. Lillian Mainye	Committee Chair
	2. Joyce Mwanika Mwale	Member
	3 Roseline Odede	Member
	4. Rajeev Arora	Member

(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

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

(j) Principal Legal Adviser

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

3. The Council

No. Member Details



Eng. Meshack Kidenda,
CE, FIEK, MBS, HSC-
CHAIRMAN
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 Advance Institute of Science and Technology (KAIST)

Geoffrey Kibanda
MEMBER
Date of Birth:1967

2.

Mr. Geoffrey Kibanda serves at the National Treasury, 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 Masters in Business Administration from the Eastern and Southern Africa Management Institute (ESAMI) and 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 Director of Administration

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

in the State Department. Prior to the appointment, she served in 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 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, Ministry of education twice, the Ministry of Defence and Ministry of Labor 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.



Lilian Mainye,
MEMBER
Date of birth: February, 1974

Ms. Lilian Mainye is a seasoned HR professional with a Bachelor of Arts in Geography & Sociology (University of Nairobi), a Higher National Diploma In HRM, a Diploma HRM and she is an active Member of IHRM. She is HR professional with over 15 years' 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 cumulative 20 years.

Alex holds 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 Board Chairman of Mawego Technical Training Institute.





Rajeer Arora,
MEMBER
Date of Birth: October, 1951

6.

Mr. Rajeev Arora is a Specialist in 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 African Cotton & Textile Industries Federation (ACTIF). Mr. Arora has over 36 years of experience in managing 100 per cent 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.

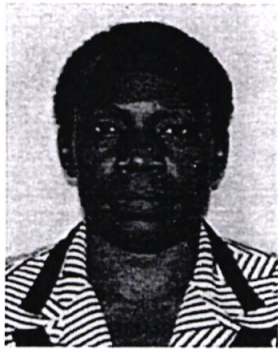
Roseline Odede
MCIARB, MIACP, LL.M., LLB.
MEMBER
Date of birth: March, 1967



7.

Ms. Roseline Odede is 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 currently practices as a Certified Professional Mediator and an Independent Legal Consultant. Ms. Roseline is a member of the African Union Commission Panel of Experts, has been a Council member of Law Society of Kenya, East Africa Law Society and Commonwealth Lawyers Association. She has also served on the Council of Legal Education, as Vice Chairperson of the Judges and Magistrates Vetting Board Kenya, and is currently a Council Member of FIDA(K). She is also the Honorary Legal Counsel for the Kenya Medical Association Eldoret. Ms Odede holds a Master's degree in Law, from Witwatersrand University, South Africa, and a LLB degree from the University of Nairobi. She is a Member of the Chartered Institute of Arbitrators, and a certified mediator. She is currently the chairperson KNCHR.

8.



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

Prof. Eng. Bernadette Waswa Sabuni holds a PhD in Disaster Preparedness and Engineering Management specializing in engineering disaster mitigation in terms of use of alternative and appropriate building materials and technologies, PhD and BSc in Civil Engineering. She is a Civil engineer by profession, Registered by Engineers Board of Kenya and a member of Institution of Engineers of Kenya. She is a member of Association of Disaster Management and Conflict Resolution of Kenya and member of 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, School of Engineering and the built environment. Prof. Sabuni has also served as Chairperson of 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 Trustee member of the MMUST Staff Retirement Benefit Scheme.

9.



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

Mrs. Catherine K. Kelonye is the Secretary to the Council and the Chief Principal of The Kisumu National Polytechnic. She holds a Masters in Education - Curriculum and Instruction and Bachelor of Education Science (Applied Science & Mathematics). She is an educationist with more than thirty 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 KENET board of trustees.

4. 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 Manager



Amos Odhiambo
Human Resource Manager

**The Kisumu National Polytechnic
Annual Report and Financial Statements for the year ended 30th June 2024**



**CPA. Paul Maher
Finance Manager**



**Milton Obote Omollo
Senior Supply Chain
Management Officer**



**CPA. Barrack Oluoch
Internal Auditor**



**Fredrick Gwara
IGU Manager**



**Luciana Okwiri
M&E Coordinator**



**Harriet Khajeha
PC Coordinator**

**The Kisumu National Polytechnic
Annual Report and Financial Statements for the year ended 30th June 2024**

5. Chairman's Statement

It is my pleasure to present to you The Kisumu National Polytechnic Annual Report and Financial Statements for the year ended 30th June 2024. I am thrilled to brief you on how our Institution performed despite domestic and global challenges. The Kisumu National Polytechnic pursues her vision of a world class polytechnic nurturing entrepreneurs, innovators and industry leaders through quality training, research and innovation for sustainable development. The polytechnic strives to partner with the National Government, the County Government, Private Sector, the international community and other stakeholders with a view to ensuring efficient execution of her mandate.

PC Performance

The Council signed Performance Contract with the Government. It is my pleasure to report that there was an improvement in performance index from 2.9% in 2021/22 FY to 2.8% 2022/23 FY. The improvement was attributed to the Council's skilful effort in providing oversight and guidance to the Management. However, financial constraint due to low fees payment and inconsistent disbursement of funds by the government slowed the processes.

Financial Performance

We are pleased to report that: total revenue from non-exchange transactions increased by 39.54% due to transfers from government entities; revenue from exchange transactions declined by 0.96% due to fall in revenue derived from rendering services; and overall increase in revenue during the period was 9.13%. Expenses increased by 16.14% majorly due to rise in expenditure on goods and services, insurance and medical, administrative & general expenses, and provision for doubtful debts. However, depreciation and amortization dipped marginally thus slowing increase in expenses.

Financial Position

There was increase in net assets which indicated growth in overall institution's net worth by 2.39%. The growth was attributed to increased total current assets by 34.84% as cash and cash equivalent nearly doubled. The increase in current assets suggested improved liquidity and operations of the polytechnic.

Human Resource

Human resource functions were enhanced by recruiting interns, hiring Council trainers and setting employees annual performance targets. Productivity mainstreaming framework was developed and high base productivity index was achieved. Senior Management staff and Council members were trained on operations management and sustainability. However, there was high staff turnover, particularly Council employees as they search for greener pastures.



Senior Management & Council members training at ESAMI

Donor Funded Projects



Proposed RFTITT construction on-course

The polytechnic was involved in donor funded projects- Colleges and Institutes Canada (CICan), Skills Initiative For Africa (SIFA) and EASTRIP during the period. CICan project constitutes funding amounting to KES 9,000,000

inclusive of value of assortment of equipment. For SIFA project financing agreement was signed between African Union Development Agency- New Partnership for Africa's Development (AUDA-NEPAD) and The Kisumu National Polytechnic. SIFA contributions agreed amounted to EURO 3,000,000.00 while Counterpart's contributions amounted to EURO 482,428.00. EASTRIP project construction was 88% complete by end of the financial year.

Way Forward

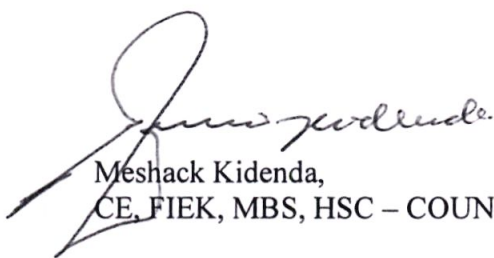
The Council plans to: organize structured funding dialogues with The National Government, and The County Governments to secure more funds; develop a database of all alumni for networking

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

and participation in development issues; forge strategic relationships with development partners to support delivery of long-term programmes for sustainable results; and expand income generating activities for financial stability of the institution.

Appreciation

I would consequently like to thank the Council for diligent work displayed in providing effective oversight and guidance to the management. The Council's hybrid skill, wisdom and experience paid significantly towards the overall achievement of the institution during the period.



Meshack Kidenda,
CE, FIEK, MBS, HSC – COUNCIL CHAIRMAN

6. Report of the Principal

I am pleased to present our Annual Report and Financial Statements for the fiscal year 2023/24. In pursuit of her vision of a world class polytechnic nurturing entrepreneurs, innovators and industry leaders the polytechnic produces globally competitive graduates through quality training, research and innovation for sustainable development.

Curriculum and Assessment

It is my delight to report that the polytechnic: reviewed her academic policy to incorporate CBET programmes and dual training; trained ten IQA champions; developed 41 CBET programs; attached 5000 trainees to the industry; admitted 4,155 students to CBET programs; improved performance in external exams by 0.66%; and graduated 4,203 trainees during the 10th graduation ceremony.



KATTI Principals at CBET consultative meeting

Human Resource

I am pleased to affirm that the polytechnic: recruited eight youth interns; hired 154 Council trainers; linked 58 youth to industries; set and filed individual employee's annual performance targets; developed and implemented productivity mainstreaming framework. A productivity index of 2.897 which was high on a scale of 0 to 5 inclusive was recorded; eleven senior management staff and eight Council members were trained on operations management and sustainability at ESAMI-Arusha.

Research, Innovation and Outreach



Education Cabinet Secretary inspects TKNP Innovations

We take pride that the polytechnic: developed TVET Journal; sponsored 15 innovations for exhibitions and trophies and certificates won; presented five academic papers at conferences; and engaged academic departments in innovations and incubation competition with a view to improving commercialization of research outputs.

Blended Learning

We are proud to report that the polytechnic had embarked on enhancing blended learning. The purpose was to enhance flexibility in training. Recognition of Prior Learning policy was consequently domesticated

Infrastructure & development

The polytechnic: operationalized medical clinic to offer basic treatment; renovated 25% of drainages, drive-ways and walk ways; renovated 20% of tuition rooms, labs and workshops; procured 20 desk top computers; and renovated, equipped a lecture hall which was converted into lactorium. Also, two vehicles, one for management and one for the driving school were procured.



Launch of TKNP Lactorium by the Director TVET

Financial Performance

We are pleased to report that: total revenue from non-exchange transactions increased by 39.54% majorly due to transfers from government entities; revenue from exchange transactions declined by 0.96% due to fall in revenues derived from rendering services; and overall revenue increase was 9.13%. Expenses increased by 16.14% majorly due to rise in expenses of goods and services,

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

insurance and medical, administrative & general expenses, and provision for doubtful debts. However, depreciation and amortization dipped marginally thus slowing increase in expenses.

Council Performance

During the period: the strategic plan 2023-2027 was revised to conform to the requirements of BETA model; reward policy was developed and approved by the Council; Standard Operation Procedures (SOP) for internal quality assurance was revised and approved by the Council; and Business Continuity Management System (BCMS) was developed and pre certification was completed.

Corporate Image and Visibility

We as a polytechnic: displayed 3'x4' charter and sensitized staff; prioritized and re-engineered five services- students' applications, students' fee payments, clearance of students', transactions of Council businesses and applications for employment. Moreover, data security and protection measures: antivirus updates; data back up; and Secure Socket Security Layer (SSL) were developed. Off-site backups maintained by KENET were established, road curbs were painted and sign writing was done at strategic points to enhance visibility. Three hundred and twenty perimeter wall was constructed to enhance security. All public complaints received were resolved; and online sites and public offices were strengthened to enhance access to information.

Trainees' Welfare Services

I am pleased that the polytechnic: sponsored 20 student leaders for training. Themes were- gender mainstreaming and workplace policy, disability mainstreaming, prevention of alcohol and drug abuse, leadership and integrity, national cohesion and principles and financial management. Likewise, five students were empowered on HELB financial model, KASNEB Courses and Maritime Education and Training Scheme. TB awareness and screening was conducted by a team from National Tuberculosis, Leprosy and Lung Disease program where 1078 persons were screened.

Environmental Management

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

The polytechnic: welded and installed 20 liter-bins; organized five tree planting events- KEFRI, County Commissioners' office, Community Empowerment Network Initiative, and Students Environmental Club. A total of 16,800 trees were planted.

Appreciation

I sincerely thank the Council for their constructive contribution to the implementation of our strategy. I also thank the Management and Performance Contracting team for implementing activities and ensuring correct data for improvement was availed.

Thank you!



Catherine K. Kelonye

CHIEF PRINCIPAL/COUNCIL SECRETARY.

**The Kisumu National Polytechnic
Annual Report and Financial Statements for the year ended 30th June 2024**

**7. Statement of Performance against Predetermined Objectives
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 resource; 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 2023/24 period for the ten Key Results Areas is shown in the following matrix.

Key Results Area	Objective	Key Performance Indicators	Activities	Achievements
Curriculum and Assessment	To align curriculum and assessment with the industry needs	<ol style="list-style-type: none"> 1) Availability of Academic Policy 2) Number of trained IQA champions/auditors 3) No of CBET program developed 4) Number of trainees admitted to CBET programs 5) Number of trainees attached to the industry 6) Number building blocks made during practical 7) Number of course books purchased 8) % change in performance of external exams 9) Number of graduands 10) Number of trainees counselled 11) Number of career information delivery channels created 	<ol style="list-style-type: none"> 1) Review Academic Policy 2) Train IQA champions/auditors 3) Develop CBET programs 4) Admit trainees to CBET programs 5) Attach trainees to industry 6) Make building blocks during practical 7) Purchase course books 8) Improve performance in external exams 9) Conduct the 10th graduation ceremony 10) Offer career counselling services to trainees 11) Create career information delivery channels 	<ol style="list-style-type: none"> 1) Academic policy reviewed to incorporate CBET programmes and dual training 2) Ten IQA champions/auditors trained 3) 41 CBET programs developed. 4) 4155 students admitted to CBET programs 5) 5000 trainees attached to the industry 6) 14560 building blocks made during practical training 7) 32 course books purchased to enhance training 8) Performance in external exams was above the set target by 0.66% 9) 4203 trainees graduated during the

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

				<p>10th graduation ceremony</p> <p>10) 54 trainees were counselled. This exceeded the annual set target of 10 by 44</p> <p>11) Four career information delivery channels- website; brochures; OCS staff; and strategic plan developed</p>
Human Resource	To strengthen human resource function	<ol style="list-style-type: none"> 1) Number of youth interns hired 2) Number of trainers hired 3) Number of youth linked to industrial attachment opportunities 4) Availability of target setting reports 5) Availability of productivity mainstreaming framework 6) Number of productivity champions trained on data collection, analysis and reporting 7) Number of HODs and coordinators capacity built on financial management and accountability 8) Availability of staff performance appraisal report for the FY 2022/2023 9) Number of staff sensitized 	<ol style="list-style-type: none"> 1) Hire youth interns 2) Hire trainers 3) Link youth to industrial attachment opportunities 4) Set individual employees annual performance targets 5) Develop productivity mainstreaming framework 6) Train productivity champions on data collection, analysis and reporting 7) Capacity develop HODs and coordinators on financial management and accountability 8) Prepare staff performance appraisal report for the FY 2022/23 9) Sensitize staff on article 10 of the constitution 10) Train senior staff and council on 	<ol style="list-style-type: none"> 1) Eight youth interns hired 2) 154 trainers hired 3) 58 youth linked to industrial attachment opportunities. This surpassed the set target of 42. 4) Individual employee's annual performance targets were set and filed. 5) Productivity mainstreaming framework developed and is being used 6) Seven productivity champions trained on data collection, analysis and reporting 7) 30 HODs and coordinators capacity built on financial management and accountability 8) Staff are appraised annually 9) All staff sensitized on article 10 of the constitution

The Kisumu National Polytechnic

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

		<p>10) Number of senior staff and council trained on operations management and sustainability</p> <p>11) Number of RPL practitioners trained</p>	<p>operations management and sustainability</p> <p>11) Train RPL practitioners</p>	<p>10) Eleven senior management staff and eight council members were trained on operations management and sustainability at ESAMI</p> <p>11) 67 RPL practitioners trained and are initiating implementation of RPL program</p>
Research, Innovation and Outreach	To enhance institutional research, innovation and outreach capacity	<p>1) Availability of formulated fish feeds</p>	<p>1) Formulate fish feeds</p>	<p>1) Sample fish feed was formulated</p>
	To expand dissemination of research and innovation outputs	<p>1) Availability of TVET journal</p> <p>2) Number of innovations sponsored for exhibitions</p> <p>3) Number papers presented at conference</p>	<p>1) Develop TVET journal</p> <p>2) Sponsor innovations for exhibitions</p> <p>3) Present papers at conference</p>	<p>1) TVET journal was developed</p> <p>2) 15 innovations were sponsored. This was more than set target by 10. Trophies and certificates were won.</p> <p>3) Five papers were presented at conference</p>
	To expand outreach portfolio	<p>1) Availability of operationalization documents</p>	<p>1) Operationalize STI</p>	<p>1) STI work plan developed and implemented. Quarterly reports submitted online to NACOSTI</p>
	To incubate and commercialize research and innovation outputs	<p>1) Availability of competition reports</p>	<p>1) Engage departments on incubation and commercialization of research outputs</p>	<p>1) Academic departments were engaged in innovation and incubation competition with a view to enhancing commercialization of research outputs</p>

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

Infrastructure & development	To provide adequate infrastructure	<ol style="list-style-type: none"> 1) Availability of operating medical clinic 2) Percent of drainage, drive ways and walk ways renovated 3) Percent of tuition rooms, labs and workshops renovated 4) Number desk top computers purchased 5) Availability of new vehicle for the principal 6) Availability of new vehicle for the driving school 7) Availability of operationalized lactorium 	<ol style="list-style-type: none"> 1) Develop and operationalize medical clinic 2) Renovate drainage, drive ways and walk ways 3) Renovate tuition rooms, labs and workshops 4) Purchase desk top computers 5) Purchase a new vehicle for the principal 6) Purchase new vehicle for the driving school 7) Operationalize lactorium 	<ol style="list-style-type: none"> 1) Medical clinic operationalized and basic treatment is offered 2) 25% of drainage, drive-ways and walk ways renovated as planned. Drainage clearance conducted, road markings and curb painting conducted 3) 20% of tuition rooms, labs and workshops renovated as was planned 4) 20 desk top computers purchased 5) ISUZU KDK 790P purchased and delivered 6) ASHOK LEYLAND TRUCK KDK 921P purchased and delivered 7) Lecture hall renovated, equipped and is serving as lactorium
Blended Learning	To enhance blended learning	<ol style="list-style-type: none"> 1) Availability of domesticated RPL Policy 	<ol style="list-style-type: none"> 1) Domesticate RPL policy 	<ol style="list-style-type: none"> 1) RPL policy domesticated. Implementation is being initiated to enhance flexible training
Financial Management and Accountability	To generate diverse revenue streams for growth	<ol style="list-style-type: none"> 1) Fees collected from students 2) Funds collected from hired facilities 3) Funds collected from production and services 	<ol style="list-style-type: none"> 1) Collect fees from students 2) Collect funds from hired facilities 3) Collect funds from production and services 	<ol style="list-style-type: none"> 1) KES 399,024,543 collected from students 2) KES 2,082,854 collected from hired facilities

The Kisumu National Polytechnic

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

				3) KES 12,354,357 collected from production and services
	To optimally utilize diverse revenue streams for growth	<ol style="list-style-type: none"> 1) Percent of pending bills 2) Amount of approved Dev't budget utilized 3) Amount of approved recurrent budget utilized 	<ol style="list-style-type: none"> 1) Reduce pending bills of the approved budget 2) Utilize approved Dev't budget 3) Utilize approved recurrent budget 	<ol style="list-style-type: none"> 1) 0.2% which is <1% the set target 2) Approved development budget of KES75,204,990 utilized 3) Approved recurrent budget of KES 615,779,495 utilized
Council Performance	To improve the Council's performance	<ol style="list-style-type: none"> 1) Availability of revised strategic plan 2) Availability of staff reward policy 3) Availability of Revised Standard Operation Procedures (SOP) for internal quality assurance 4) Availability of complete BCMS steps 	<ol style="list-style-type: none"> 1) Revise the strategic plan 2023-2027 2) Develop staff reward policy 3) Revise Standard Operation Procedures (SOP) for internal quality assurance 4) Complete BCMS steps: Training of internal auditors; Guided audit; and Pre certification 	<ol style="list-style-type: none"> 1) Strategic plan 2023-2027 revised and is due for implementation during 2024/2025 FY 2) Reward policy developed and approved 3) Standard Operation Procedures (SOP) for internal quality assurance revised and is being implemented 4) BCMS steps-training of internal auditors; guided audit; and pre certification was completed
Corporate Image and Visibility	To enhance corporate image and visibility	<ol style="list-style-type: none"> 1) Availability of 3'x4' charter 2) Number of services prioritized and re-engineered 3) Number of cyber security and data protection measures developed 4) Availability of off-site backups 5) Availability of painted road curbs evaluation report 	<ol style="list-style-type: none"> 1) Display 3'x4' charter 2) Prioritize and re-engineer services to promote visibility 3) Develop cyber security and data protection measures 4) Establish off-site back up services for ERP, CCTV 	<ol style="list-style-type: none"> 1) 3'x4' charter was displayed and staff sensitized 2) Five services-students' application; students' fee payment; clearance of students'; transaction of council business; and application for employment have been prioritized and re-engineered

**The Kisumu National Polytechnic
Annual Report and Financial Statements for the year ended 30th June 2024**

		<ul style="list-style-type: none"> 6) Availability of sign writing evaluation report 7) Length of perimeter wall completed 8) Number of public complaints resolved 9) Availability of information sites 	<ul style="list-style-type: none"> and E- Learning programs 5) Paint road curbs 6) Sign write at strategic points 7) Complete perimeter wall of the college 8) Resolve public complaints 9) Strengthen access to information 	<ul style="list-style-type: none"> 3) Thee data security and protection measures: antivirus updates; data back up; and Secure Socket Security Layer (SSL) have been developed and are being used 4) Off-site backups have been established and are being maintained by KENET 5) Road curbs were painted to enhance visibility 6) Sign writing was done at strategic points to enhance visibility 7) 320 meters perimeter wall constructed to enhance security 8) All public complaints received were resolved 9) On line sites and public offices were strengthened to enhance access to information.
<p>Trainees' Welfare Services</p>	<p>To strengthen trainees' welfare services</p>	<ul style="list-style-type: none"> 1) Number of new KINAPOSA leaders trained 2) Number of student executive leaders empowered through workshops 3) Number of persons screened 	<ul style="list-style-type: none"> 1) Train new KINAPOSA leaders 2) Empower student executive leaders through workshops 3) Conduct health screening on staff and students 	<ul style="list-style-type: none"> 1) Twenty student leaders were trained on: gender mainstreaming and workplace policy; disability mainstreaming; prevention of alcohol and drug abuse; leadership and integrity; national cohesion and principles; and financial management

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

				<ul style="list-style-type: none"> 2) Five students were empowered on: HELB financial model; nature of KASNEB COURSES; and Maritime Education and Training Scheme 3) TB awareness and screening was conducted by a team from National Tuberculosis, Leprosy and Lung Disease program. 1078 persons were screened.
Environmental Management	To mainstream environmental management	<ul style="list-style-type: none"> 1) Number of liter-bins installed 2) Number of tree planting event organized 	<ul style="list-style-type: none"> 1) Install liter bins 2) Organize tree planting events 	<ul style="list-style-type: none"> 1) Twenty liter-bins welded and installed 2) Five tree planting events organized- KEFRI, County Commissioners' office, Community Empowerment Network Initiative, and Students Environmental Club. 16,800 trees were planted. The number exceeded the set target by 4,800

8. Corporate Governance Statement

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 is a key focus area 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 Governments big four Agenda. (Legal notice 113 of 2014)

The council embraces and recognizes the benefits of diversity in skills and experience in its compositions and the effective discharge of the Council's strategic oversight function. (TVET Act 2013)

Composition of the Council

The council is made of nine (9) members, comprising the Chairman, the Principal Secretary of 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

Council Meetings

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

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

Induction and Continuous Professional Development

During the year under review new council member 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 2021/2022 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, Corporate Governance Training by Centre for Corporate Governance and Government Agencies.

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.

Governance Audit

During the year under review the Governing council of The Kisumu National Polytechnic was the following governance audit.

Council operations and control

Rights of shareholders

Stakeholder relations

Ethics and social responsibility

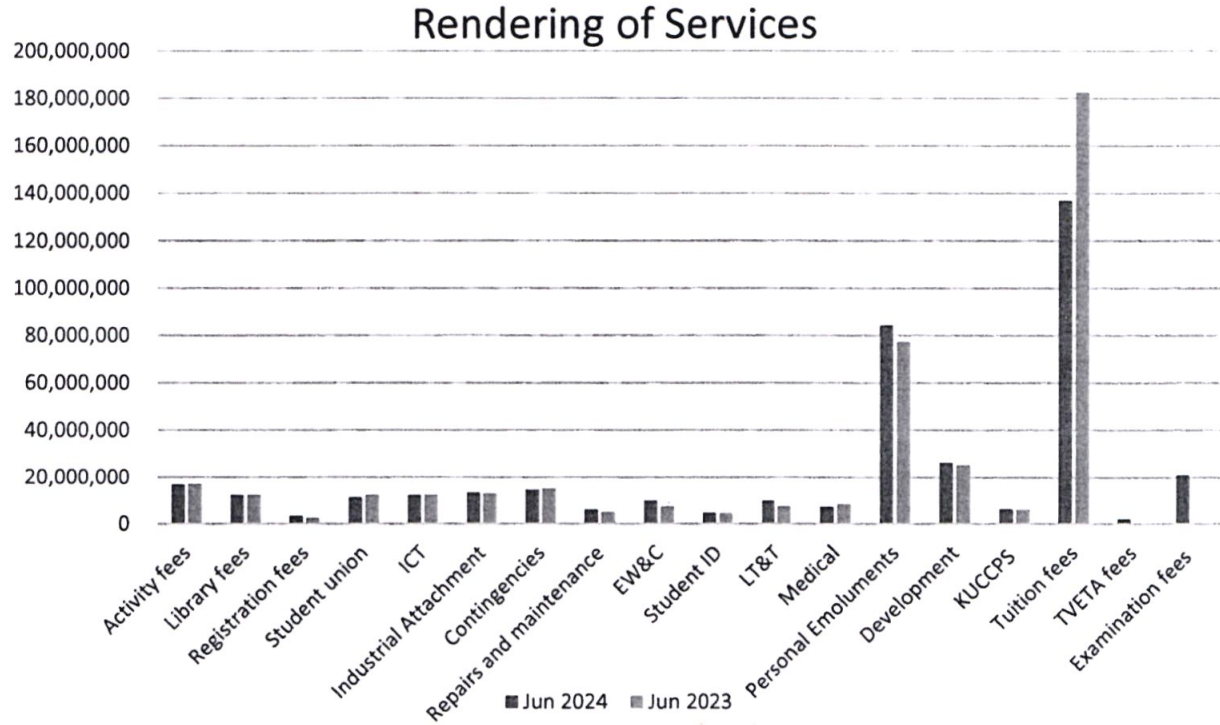
Accountability, risk management and internal control

Remuneration

The Kisumu National Polytechnic Council is paid sitting allowance, subsistence and transport as per Salaries and Remuneration Commissions rates, which is done through a circular by head of Public Service.

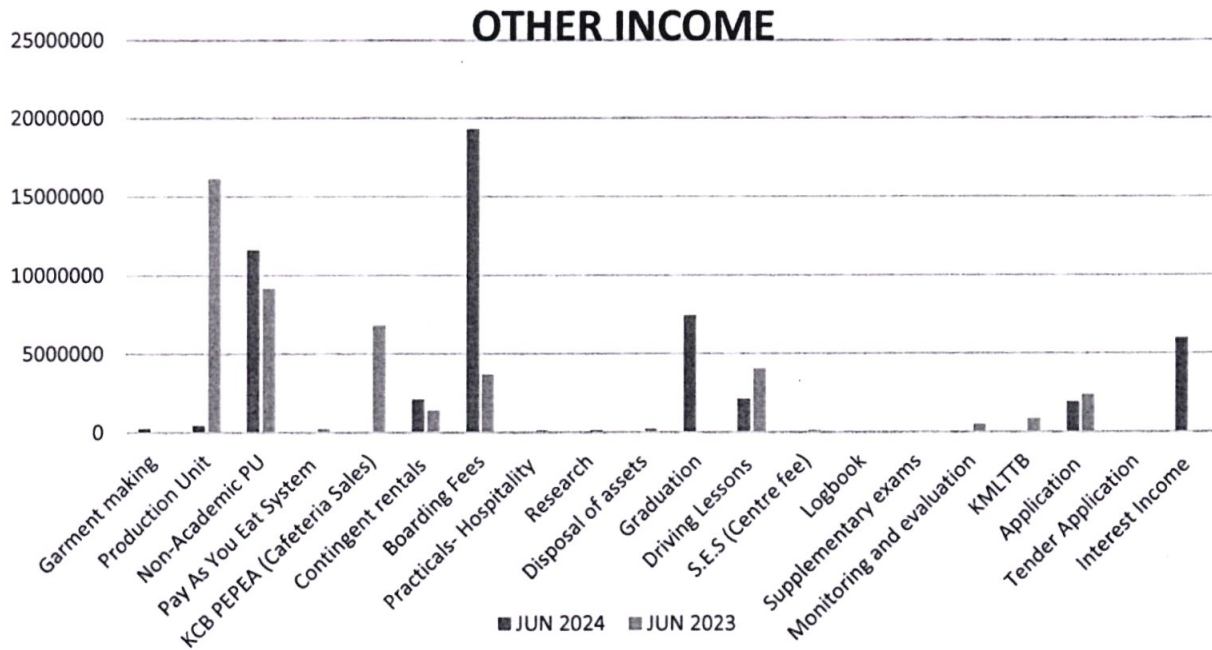
9. Management Discussion and Analysis

Revenue



The Total Rendering of Services for the period stands at Kshs 399,024,543, compared to the previous year’s Kshs 408,744,196. This indicates a slight downward trend in revenue streams and low student enrolment.

Other Income



In the fiscal year ending in June 2024, the institution demonstrated its adaptability by generating income from various sources apart from its regular earnings, showing changes in revenue generation compared to the previous year. The total other income for the year was Kshs 51,202,944, an increase from the prior year's Kshs 45,865,818. This increase resulted from the institution's successful adaptation of its financial strategies to a changing environment, leading to significant shifts in traditional and emerging revenue streams.

Expenses

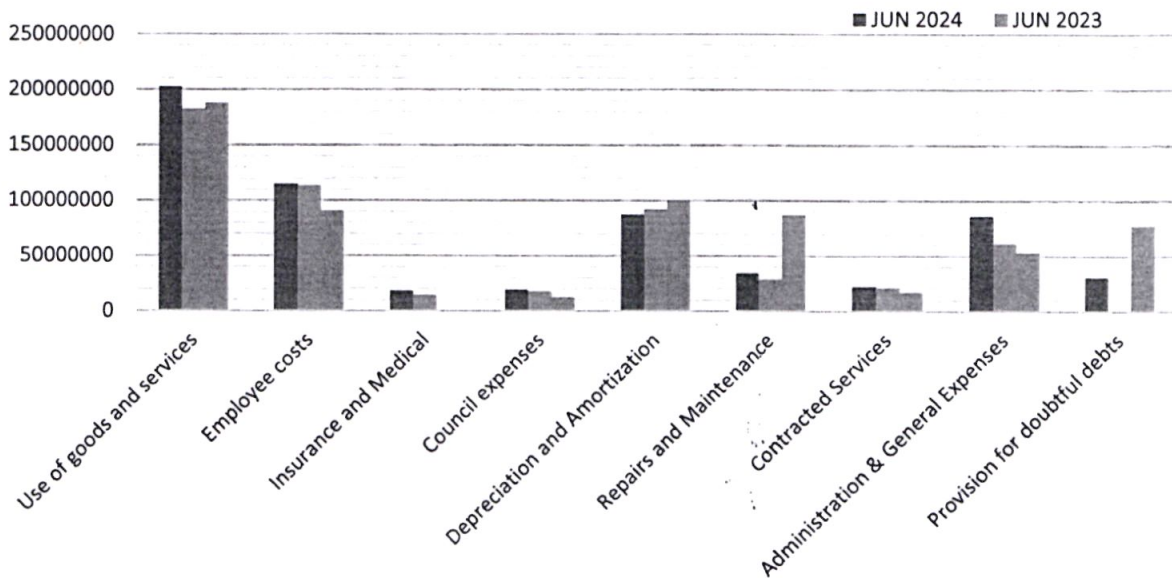
The 2022, 2023, and 2024 financial analysis show trends in the organization's spending patterns, highlighting strategic shifts and adjustments in various expense categories. The analysis from 2022 to 2024 underscores the organization's strategic financial management in response to operational realities, investment in human capital, and a cautious and prudent approach to risk management. This reflects the institution's adaptability and proactive financial planning, providing a sense of security to the stakeholders.

In 2024, total expenses amounted to Kshs 615,779,495, marking a significant increase from the previous year's total of Kshs 530,197,975 but slightly below the expenses in 2022, which were

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

Kshs 626,233,201. This variation highlights management's dynamic response to operational needs and strategic priorities.

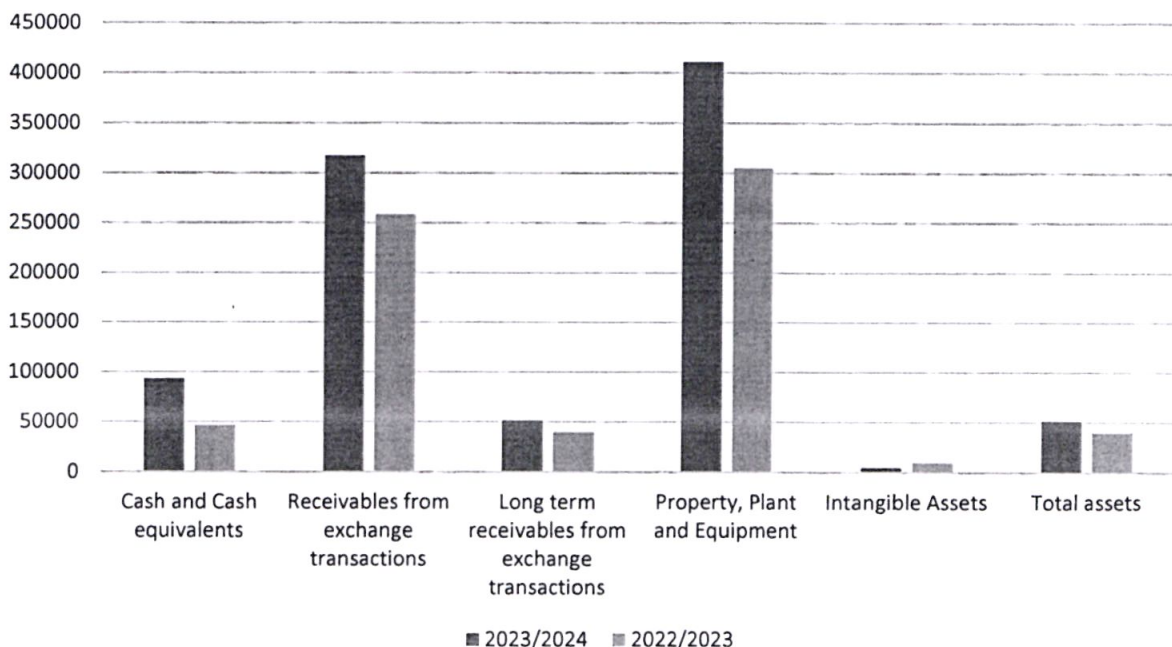
EXPENSES



The increase in current assets by Kshs 106,141,251 suggests improved liquidity and operational efficiency.

On the other hand, non-current assets experienced a slight decrease of about Kshs 38,897,928, driven by a reduction in the values of property, plant, equipment and intangible assets. This indicates a depreciation and disposal of some long-term assets over the period.

Total Assets (000)



10. Environmental And Sustainability Reporting Statement

Sustainability Strategy and Profile

TKNP's sustainability commitment is unique, focusing on environmental stewardship, social responsibility, and economic viability. This encompasses waste management programs, integration of green technology, community engagement, inclusive education policies, and income-generating projects for students to improve financial sustainability and gain practical experience. The political environment, macroeconomic factors, and technological advancements significantly influence the organization's sustainability priorities. Government policies promoting sustainability in education have driven TKNP to integrate sustainability principles into curricula and campus operations. Economic challenges have led to the development of innovative approaches to resource use and waste reduction. Technological advancements have facilitated the deployment of renewable energy solutions and digital platforms to enhance learning and operational efficiency. TKNP is dedicated to using international standards and frameworks to shape its sustainability strategy, aligning initiatives with specific United Nations Sustainable Development Goals (SDGs), such as Quality Education, Clean Water and Sanitation, and Affordable and Clean Energy. The organization is also working towards adopting Global Reporting Initiative (GRI) Standards for sustainability reporting to enhance transparency and accountability.

Key Achievements:

Green Initiatives: The Kisumu National Polytechnic has significantly impacted environmental sustainability by launching a large-scale tree-planting project. With the combined efforts of students, trainers, and support from Kibos Prison, TKNP has successfully planted 16,800 trees. This initiative contributes to the fight against climate change and fosters a sense of environmental responsibility within the polytechnic community.

Community Social Responsibility (CSR) Activities: TKNP's involvement in CSR activities with the local community demonstrates its dedication to social responsibility. The Polytechnic has substantially supported Kibos Prison, including donations of mattresses and blankets, which address immediate needs and promote community support. In addition, TKNP has trained boda

boda riders in driving and safety measures, improving road safety and contributing to the well-being of the broader community.

These accomplishments showcase TKNP's holistic approach to sustainability, encompassing environmental initiatives and meaningful community engagement efforts.

Areas for Improvement:

Stakeholder Participation: While TKNP has engaged various stakeholders in its sustainability journey, enhancing involvement from the wider community and industry partners remains challenging.

Comprehensive Sustainability Reporting: As we adopt GRI standards, developing a more systematic approach to sustainability reporting is crucial to monitor and communicate our progress accurately.

Environmental Performance



TKNP Staff and Community Engagement in Tree Planting activity

TKNP is committed to environmental stewardship, as detailed in our comprehensive environmental policy. This policy underscores our dedication to minimizing environmental impact through sustainable practices across all operations, fostering biodiversity, effective waste management, and reducing our products' ecological footprint.

Our environmental policy is implemented through several key initiatives. Sustainable operations involve adopting renewable energy sources and energy-efficient technologies to reduce carbon emissions significantly. Biodiversity management includes engaging in conservation projects such as habitat restoration and tree planting campaigns. We have already planted over 16,800 trees in collaboration with

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

partners like Kibos Prison. Waste management focuses on reducing, reusing, and recycling materials through a robust waste management system. We have also introduced composting programs and eliminated single-use plastics on campus. Product environmental impact is addressed through R&D initiatives focused on developing eco-friendly products and adjusting existing ones to be more sustainable. This includes using recycled materials and redesigning packaging to minimize waste.

We have demonstrated strong community engagement through our CSR activities, promoting environmental awareness beyond our immediate operations, and have showcased leadership in environmental responsibility within our industry by introducing sustainable product innovations; however, we have



TKNP Chief Principal plants a tree during the National tree planting day

faced challenges in fully integrating ecological policies into some supply chains due to varying sustainability commitments of our external partners, and accurately measuring the environmental impact of our initiatives and products continues to be complex, impacting the optimization of our strategies.

Employee Welfare

The institution is dedicated to ensuring the well-being of its employees by providing a positive work environment. We have implemented various programs aimed at promoting health and safety, employee wellness, gender and disability inclusion, HIV/AIDS and non-communicable disease prevention, as well as environmental sustainability. Throughout the year, the institution conducted screenings for non-communicable diseases (such as cancer, blood pressure, blood sugar, and BMI) and HIV for staff and their family members to develop strategies for improving employee well-being. Additionally, a new contract was established with AAR Health Insurance Limited to provide medical cover to staff. Furthermore, we provided training programs in management skills development, technical capacity building, organizational development, career/professional

development, and performance contracting obligations to enhance staff competency and improve service delivery.

Marketplace practices

a) Responsible competition practices;

During the period, TKNP ensured adherence to a Code of Conduct and Ethics that explicitly prohibits corruption, bribery, and unethical behaviour. They developed a Whistle-blower Policy allowing employees to report instances of corruption or unethical behaviour anonymously. Clear procedures for investigating and addressing reported issues were established, with complaint boxes strategically placed within the institution. Additionally, Due Diligence is conducted on business partners, suppliers, and third parties to ensure they adhere to anti-corruption standards before engagement. The institution is regularly monitored and audited for financial transactions, procurement processes, and other areas vulnerable to corruption. Internal and external audits are conducted to identify and rectify any irregularities.

b) Responsible supply chain and supplier relations

TKNP has implemented a clear and comprehensive ethical sourcing policy. Potential suppliers are evaluated based on their adherence to ethical standards, financial stability, and track record of fulfilling contracts. We have established fair and transparent contractual agreements with clear, well-defined terms and conditions. We maintain a clear communication channel throughout the contract duration and honour payment terms. Additionally, we have implemented an efficient electronic payment system to streamline and expedite the payment process.

c) Responsible marketing and advertising practices

TKNP acknowledged the importance of maintaining ethical marketing practices in building trust with consumers, protecting their brand reputation, and adhering to legal and societal standards. This was achieved by subjecting all marketing and advertising materials to content verification.

d) Product stewardship

TKNP instituted several measures to safeguard consumer rights and interests such as stringent quality control, product testing and consumer education by verification and acceptance committees

Corporate Social Responsibility / Community Engagements



In the fiscal year 2023-2024, The Kisumu National Polytechnic demonstrated a remarkable commitment to uplifting communities through its corporate social responsibility (CSR) initiatives. The Polytechnic sponsored a needy pupil's education at Joyland Special School, reflecting its inclusivity and community support values. The initiative aimed to address educational inequality and support special needs

education. The project involved collaboration with local leaders and education stakeholders to identify a candidate, which has already inspired other institutions. The Polytechnic plans to expand the initiative to support more students at Joyland Special School and similar institutions.



TKNP Staff distributing food and blankets to Kisumu Medium Prison Community

11. Report of the Council

The Council members submit their report together with the audited financial statements for the year ended June 30, 2024, which show the state of TKNP 's affairs.

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, 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 industrial and technological development of Kenya in collaboration with industry and other organisations through transfer of technology;
- iv) examine and make proposals for new diploma courses and subjects of study, institutes, departments, resource 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, 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;

**The Kisumu National Polytechnic
Annual Report and Financial Statements for the year ended 30th June 2024**

- 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 her 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, 2024

By Order of the Council



.....
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, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of 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.

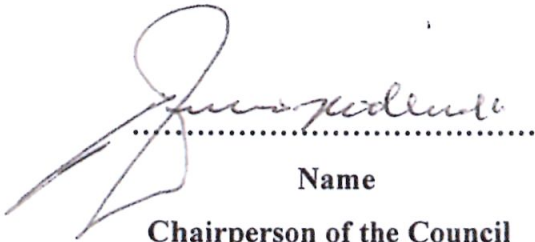
The Council members accept responsibility for TKNP's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required 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.

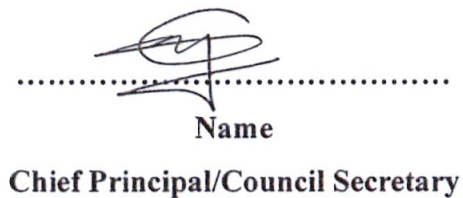
**The Kisumu National Polytechnic
Annual Report and Financial Statements for the year ended 30th June 2024**

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 25/11/2024 2024 and signed on its behalf by:


.....
Name
Chairperson of the Council


.....
Name
Chief Principal/Council Secretary

REPUBLIC OF KENYA



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

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

Enhancing Accountability

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

PREAMBLE

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

- A. Report on 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.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of set out on pages 1 to 38, which comprise of the statement of financial position as at 30 June, 2024 and the statement of

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Kisumu National Polytechnic as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Technical and Vocational Education and Training Act, 2013.

Basis for Qualified Opinion

1. Unallocated Funds - Refundable Deposits

The statement of financial position as at 30 June, 2024 reflects a balance of Kshs.116,070,605 for refundable deposits from customers/students, as disclosed in Note 23 to the financial statements. The amount includes funds held in miscellaneous clearance account of Kshs.19,428,146, which has remained unchanged for two (2) financial years. There was no evidence of management's efforts to clear this amount.

In the circumstances, the accuracy and completeness of Kshs.116,070,605 as refundable deposits from customers/students as at 30 June, 2024 could not be confirmed.

2. Long Outstanding Student Debtors

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 balances of Kshs.317,418,463 and Kshs.51,159,395 respectively. However, review of aging analysis revealed a balance of Kshs.29,938,661 relating to student debtors which had been outstanding for more than one (1) year.

In the circumstances, the completeness and recoverability of student debtors balance of Kshs.29,938,661 could not be confirmed.

The audit was conducted in accordance with International Standards for 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 qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison between the budget and actual amounts reflects approved revenue budget of Kshs.680,684,950 and actual amounts realized of Kshs.660,765,620, resulting to an under-collection of Kshs.19,919,330 or 3% of the budget. Similarly, the Polytechnic spent Kshs.497,542,626 out of the approved budget of Kshs.637,689,275, resulting to an under expenditure of Kshs.159,777,670 or 22% of the approved budget.

The under-funding and under-expenditure may have impacted 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. Except for the matter(s) described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, issues were raised under the Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal controls, Risk management and governance. However, the Management had not resolved the issues as at 30 June, 2024.

Other Information

Conclusion

Management is responsible for the Other Information set out on page iii to xliii which comprise of Project Information and Overall Performance, Statement of Performance Against Project's Predetermined Objectives, Environmental and Sustainability Reporting and Statement of Project Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

Basis for Conclusion

In connection with my audit on the Project'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.

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 matter 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

Effectiveness in Implementation of Audit Recommendations

Review of how Kisumu National Polytechnic's implementation of the previous year's audit recommendations revealed that Management Letter recommendations had been implemented except for long-outstanding student debtors. However, there is no report from Kisumu National Polytechnic on how it has addressed the recommendations of the Legislative Oversight Committees on the previous year's audit contrary to Section 31(1) (a) of the Public Audit Act, 2015 which provides that within three months after Parliament or the County Assembly has debated and considered the final report of the Auditor-General and made recommendations, a State Organ or a public entity that had been audited shall, as a preliminary step, submit a report on how it has addressed the recommendations and findings of the previous year's audit.

In the circumstances, failure to submit report from the oversight bodies is in breach of the law.

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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

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

Responsibilities of the Management and 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, the 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 the Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

31 December, 2024

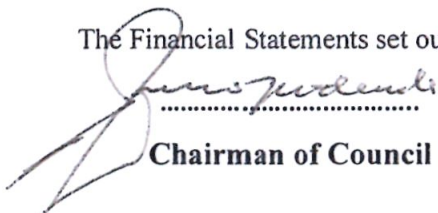
The Kisumu National Polytechnic
Annual Report and Financial Statements for the year ended 30th June 2024

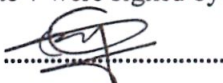
14. Statement of Financial Performance for The Year Ended 30 June 2024

	Note	2023/2024 Kshs	2022/2023 Kshs
Revenue from non-exchange transactions			
Transfers from Government Entities	6	206,872,233	138,279,000
Grants from donors and development partners	7	3,665,900	12,600,000
Total Revenue from non-exchange transactions		210,538,133	150,879,000
Revenue from exchange transactions			
Rendering of Services	8	399,024,543	408,744,196
Other Income	9	51,202,944	45,865,818
Total Revenue from exchange transactions		450,227,487	454,610,014
Total revenue		660,765,620	605,489,014
Expenses			
Use of goods and services	10	202,370,174	182,125,035
Employee costs	11	114,985,336	113,274,538
Council expenses	12	18,979,724	17,492,900
Depreciation and Amortization	13	87,416,320	91,942,795
Repairs and Maintenance	14	34,421,818	28,616,416
Contracted Services	15	22,329,256	21,256,891
Insurance and Medical	16	18,130,374	14,181,366
Administration & General Expenses	17	86,325,945	61,308,034
Provision for doubtful debts	19	30,735,655	0
Total Expenses		615,694,601	530,197,975
SURPLUS		45,071,019	75,291,039

(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:


.....
Chairman of Council


.....
Chief Principal/Council
Secretary


.....
Finance Manager

ICPAK No 19908

Date 28/11/2024

Date 25/11/2024

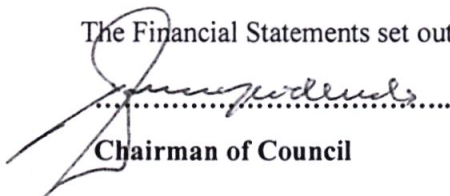
Date 29/11/2024

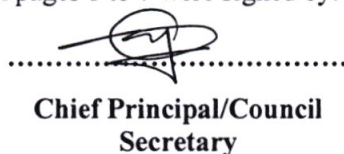
The Kisumu National Polytechnic
Annual Report and Financial Statements for the year ended 30th June 2024

Statement of Financial Position As At 30th June 2024

Assets	Note	2023/2024	2022/2023
		Kshs	Kshs
Current assets			
Cash and Cash equivalents	18a	93,413,904	46,281,062
Receivables from exchange transactions	19	317,387,463	258,379,054
Total current assets		410,801,367	304,660,116
Non-current assets			
Long-term receivables from exchange transactions	19	51,159,395	39,844,915
Property, Plant and Equipment	20	2,409,838,015	2,455,209,987
Intangible Assets	21	4,755,541	9,511,083
Total non-current assets		2,465,752,951	2,504,565,985
Total assets		2,876,554,318	2,809,226,100
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	22	168,424,111	115,621,559
Refundable deposits from customers	23	116,070,605	138,565,927
Amounts Held For Third Parties	25	0	50,031
Current Provisions	24	15,615,860	23,615,860
Total current liabilities		300,110,576	277,853,377
Non-current liabilities			
Capital and Reserves			
Retained Earnings		(287,103,356)	(332,174,375)
Revaluation Reserve		131,972,968	131,972,968
Capital Fund		2,731,574,130	2,731,574,130
Total Capital Reserve		2,576,443,741	2,531,372,723
Total Liabilities and Capital & Reserves		2,876,554,318	2,809,226,100

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


 Chairman of Council


 Chief Principal/Council Secretary


 Finance Manager

ICPAK No 19908

Date 28/11/2024

Date 25/11/2024

Date 29/11/2024

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

15. Statement of Changes in Net Assets For The Year Ended 30 June 2024

Description	Revaluation reserve	Retained earnings	Capital Fund	Total
Balance b/f at July 1,2022	131,972,968	(407,465,414)	2,731,574,130	2,456,081,684
Total comprehensive income		75,291,039		75,291,039
Balance c/d as at June 30,2022	131,972,968	(332,174,375)	2,731,574,130	2,531,372,723
Balance b/f as at July 1, 2022	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 30,2023	131,972,968	(287,103,356)	2,731,574,130	2,576,358,847

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

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

Description	Note	2023/2024	2022/2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants		206,872,233	138,279,000
Rendering of services- Fees from students		330,258,767	256,121,064
Grants and donations		3,665,900	
Other receipts		49,167,376	1,058,494
Total Receipts		589,964,276	395,458,558
Payments			
Use of goods and services	10	202,370,174	182,125,035
Compensation of employees	11	114,985,336	113,274,538
Council expenses	12	18,979,724	17,492,900
Repairs and Maintenance	14	34,421,818	28,616,416
Contracted Services	15	22,329,256	21,256,891
Insurance and medical	16	18,130,374	14,181,366
General Expenses	17	86,325,945	61,308,034
Staff gratuity transferred to the pension fund.		8,000,000	10,000,000
Retention paid		-	8,427,557
Total Payments		505,542,626	456,682,737
Net cash flows from operating activities		84,421,650	(61,224,179)
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	20	(37,288,807)	(24,830,611)
Net cash flows used in investing activities		(37,288,807)	(24,830,611)
Net (decrease) in cash and cash equivalents		47,132,842	(86,054,790)
Cash and cash equivalents at 1 JULY		46,281,062	132,335,852
Cash and cash equivalents at 30 JUNE		93,413,904	46,281,062

N/B - A reconciliation of Net cash flows from operating activities has been disclosed under Note 26 as prescribed in IPSAS 2 using the Indirect Method

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

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

Description	Original Annual Budget	Adjustments	Final Budget	Actual cumulative to date		% utilization
Revenue						
Transfers from National Government Ministries	400,000,000	(264,223,050)	135,776,950	206,872,233	74,761,183	155%
Grants from donors and development partners	0	0	0	3,665,900	0	0%
Students Fees	426,640,000	0	426,640,000	399,024,543	(27,615,457)	94%
Other Income	118,268,000	0	118,268,000	51,202,944	(67,065,056)	43%
Retained Earnings	0	0			0	0%
Total revenue	944,908,000	(264,223,050)	680,684,950	660,765,620	(19,919,330)	97%
Expenses						0%
Use of Goods and Services	365,127,650	(104,845,475)	260,282,175	202,370,174	57,912,001	78%
Compensation of Employees	172,499,950	(13,349,750)	159,150,200	114,985,336	44,164,864	72%
Governing Council Expenses	21,960,000	0	21,960,000	18,979,724	2,980,276	86%
Repairs and Maintenance	32,890,000	13,650,000	46,540,000	34,421,818	12,118,183	74%
Contracted Services	29,469,640	(1,200,000)	28,269,640	22,329,256	5,940,384	79%
Insurance and Medical	21,200,000	0	21,200,000	18,130,374	3,069,626	86%
Administration & General Expenses	126,527,260	(26,240,000)	100,287,260	86,325,945	13,961,315	86%
Total Expenses	769,674,500	(131,985,225)	637,689,275	497,542,626	140,146,648	78%
Surplus for the year	175,233,500	132,237,825	42,995,675	163,222,994	(120,227,318)	
Capital Expenditures	175,233,500	(132,237,825)	42,995,675	37,288,807	5,801,528	87%

(Budget notes)

1. Explain differences between actual and budgeted amounts (10% over/ under) IPSAS 24.14. Major differences between actual and budgeted amounts were a result of accrual accounting. Students were invoiced full amounts with the expectation that the National government would disburse capitation in full. During the financial year 2023/2024, the capitation per student was reduced from the

initial Kes 30,000 per student to kes13,000. These changes affected actual collections and expenditure on budgeted operations and have been shown in Note 19 -increase in student fees receivables

2. Provide an explanation of changes between the original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29). *The changes between the original budget and the final budget were a result of reallocations of the development budget to operations as per the circular that reduced the development budget to zero*

3. Where the total actual on a comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis (budget is cash basis, statement of financial performance is accrual) provide a reconciliation. *The difference under this section includes depreciation and amortization of kes 87,501,214 and provision for bad debts of 30,735,655.*

18. 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 existing 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 judgement 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.

**The Kisumu National Polytechnic
Annual Report and Financial Statements for the year ended 30th June 2024**

Notes to the Financial Statements (Continued)

3. Relevant new standards and amendments to published standards effective for the year ended 30 June 2024.

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and 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:

**The Kisumu National Polytechnic
Annual Report and Financial Statements for the year ended 30th June 2024**

	<ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <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>

ii. Early adoption of standards

TKNP did not early-adopt any new or amended standards in year 2023/2024

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

b) Budget information

The original budget for FY 2023/2024 was approved by the Council or Council on 09th September 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity recorded additional appropriations of 03th May 2024 on the FY 2023/2024 budget following the Council's approval. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of 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 Income Tax Act 2013 amendment of 2016.

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, in which case, the VAT is recognized 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.

Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)

d) Property, plant and equipment

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

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

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

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

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

h) Inventories

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

i) Provisions

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

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

Contingent liabilities

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

Contingent assets

TKNP does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the *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 recognized 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 need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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 tri-annually on the projected unit credit method basis.

Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation. TKNP maintains a define contribution pension benefit scheme and managed by 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 the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

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 as Council, the CEO/Principal and senior managers.

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

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 recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, TKNP also recognizes 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 subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2024.

Notes to the Financial Statements (Continued)

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 are applicable 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

Period Outstanding	Percentage Provision
241-360 days (8-12 months)	25 %
Over 1 years	50%
Over 2 years	80%
Over 3 years	100%

**The Kisumu National Polytechnic
Annual Report and Financial Statements for the year ended 30th June 2024**

Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

Description	Jun-24 Kshs	Jun-23 Kshs
Unconditional Grants		
Capitation Grants	111,324,000	138,279,000
TVET Scholarship	44,055,827	0
Operational Grant	51,492,406	0
Total Government grants and subsidies	206,872,233	138,279,000

During the financial year the government introduced TVET scholarship programme inspired by the need to support students with financial constraints. TKNP received KSH.44,055,827 from the program during the financial year. Additionally, TKNP also received 51,492,406 and 111,324,000 as operational grant and capitation respectively.

(a) Transfers from other Government entities

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial Performance *	Grant relating to Rarieda TTI	Total Grant Income during the year	Comparative FY 2023
State Department of Vocational and Technical Training	206,872,233	4,325,220	211,197,453	138,279,000
Total	206,872,233	4,325,220	211,197,453	138,279,000

The details of the reconciliation have been included under appendix III

7. Grants from Donors and Development Partners

Description	Jun-24 Kshs	Jun-23 Kshs
CiCan- Applied Research	3,665,900	0
In Kind Donations	0	12,600,000
	3,665,900	12,600,000

During the financial year TKNP received 3,665,900 for a new project from Cican. The research related activities were expensed under learning materials research.

**The Kisumu National Polytechnic
Annual Report and Financial Statements for the year ended 30th June 2024**

8. Rendering of Services

Description	Jun-24 Kshs	Jun-23 Kshs
Activity fees	16,924,175	16,992,326
Library fees	12,277,301	12,376,338
Registration fees	3,442,456	2,556,600
Student union	11,299,991	12,379,869
ICT	12,284,892	12,356,481
Industrial Attachment	13,393,321	13,078,679
Contingencies	14,631,014	14,990,166
Repairs and maintenance	6,101,419	4,937,969
EW&C	9,937,068	7,414,058
Student ID	4,622,469	4,525,340
LT&T	9,931,622	7,443,259
Medical	7,236,880	8,471,980
Personal Emoluments	84,362,851	77,368,541
Development	26,350,689	25,352,742
KUCCPS	6,316,500	6,034,861
Tuition fees	136,910,343	182,464,987
TVETA fees	1,984,111	0
Examination fees	21,017,440	0
Total Rendering of Services	399,024,543	408,744,196

During the year, TVETA reviewed the fee structure for CBET from 56,420 to 72,089. Programmes, however, tuition fees, student union and medical have declined due to a reduction in the student population. All students have invoiced tuition fees in full; however, the amount has been reduced by government capitation received and disclosed separately under Note 6. In FY 2023/2024, the government transferred a total of KES 155,379,827(Capitation Grant and TVET Scholarship), as shown in Note 6. Examination fees relate to the recognition of internal exam-related charges.

9.0 Other Income

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

9.1 Sale of Goods

Description	Jun-24 Kshs	Jun-23 Kshs
Garment making	277,137	58,600
Production Unit	460,057	16,146,167
Non-Academic PU	11,618,163	9,166,271
Pay As You Eat System	0	223,595
KCB PEPEA (Cafeteria Sales)	0	6,827,222
Sub Total Sale of Goods and Other Income	12,355,357	32,421,855

The Kisumu National Polytechnic
Annual Report and Financial-Statements for the year ended 30th June 2024

Non-academic production unit relates to activities within TKNP aimed at raising additional revenue. KCB PEPEA (Cafeteria sales) and Pay as you eat system was re-classified and charged to boarding for NYS students under Miscellaneous Income.

9.2 Rental revenue from facilities and equipment

Description	Jun-24 Kshs	Jun-23 Kshs
Contingent rentals	2,082,854	1,391,600
Sub Total Rental Revenue from facilities	2,082,854	1,391,600

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

9.3 Miscellaneous Income

Description	Jun-24 Kshs	Jun-23 Kshs
Boarding Fees	19,291,783	3,668,978
Practicals- Hospitality	28,220	125,704
Research	0	135,000
Disposal of assets	0	226,631
Graduation	7,445,000	2,000
Driving Lessons	2,096,311	4,057,840
S.E.S (Centre fee)	0	119,760
Logbook	0	1,450
Supplementary exams	0	6,550
Monitoring and evaluation	0	500,000
KMLTTB	0	840,000
Application	1,919,580	2,367,450
Tender Application	0	1,000
Interest Income	5,983,839	
Sub Total Miscellaneous Income	36,764,733	12,052,363

TKNP conducts graduation once every two years, and the graduation fee is charged to students during that year. The interest income is related to the short term deposit receipt (FDR) with cooperative bank as collateral for the letter of credit for the supply of equipment under EASTRIP project

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

Notes to the Financial Statements (Continued)

10. Use of Goods and Services

Description	Jun-24 Kshs	Jun-23 Kshs
Practicals - Examination	44,456,735	42,568,528
Learning Materials and Training	52,625,947	46,664,834
Cleaning materials and Boarding	1,892,348	3,194,969
Production Unit Academic	1,791,248	1,335,297
Research Expenses	7,751,202	5,974,350
Consumable drugs and medical clinic	972,241	1,396,658
Identity cards and registration	1,918,755	612,500
Registration related expenses	718,500	2,063,300
Activity Expenses- Sports	7,405,452	8,758,431
Student Union	11,350,325	11,381,766
Industrial Attachment and Internship Expenses	8,887,500	7,242,480
ICT Automation Expenses	12,607,109	11,582,156
Subscription and affiliations to professional Bodies	2,401,842	1,003,865
Training Induction Conference Seminars	6,574,807	4,029,700
Performance Contract Monitoring Activities	10,740,213	10,252,500
Team Building and workshops	1,311,830	2,183,915
Curriculum development expenses	8,937,091	4,995,775
Hospitality Services and Refreshments	12,785,284	13,467,631
Monitoring and Evaluation	2,088,825	2,128,300
PEPEA Expenses	0	1,288,080
E Learning Services	3,105,720	0
Covid Mitigation	260,000	0
BSF/Fish feeds Infrastructure	1,126,600	0
Conference Benchmarking & Training	660,600	0
Total use of goods and services	202,370,174	182,125,035

The administration and learning materials for the TKNP practical exam increased because of the KNEC March 2024 exams and the introduction of the CBET program, which is more practical-based. Curriculum development expenses are related to the new curriculum development for the CBET program. To reach more students, TKNP introduced E-learning services during the year. The fish feed infrastructure expenses are due to the implementation of the Cican project. The increase in research expenses, conference benchmarking, and training costs is due to the international research conference held during the year.

The Kisumu National Polytechnic
Annual Report and Financial Statements for the year ended 30th June 2024
Notes to the Financial Statements (Continued)

11. Employee Costs

Description	Jun-24 Kshs	Jun-23 Kshs
Basic salaries/Salaries & Wages	86,476,601	77,256,529
Travel/commuter allowances	6,093,574	5,759,270
Responsibility Allowance	0	2,442,116
Medical Allowance	36,364	368,743
Leave allowance	478,000	380,000
Extraneous Allowance	0	72,000
Housing benefits and allowances	10,679,127	9,702,200
Service Gratuity	61,402	885,125
NSSF Employer Contribution	3,359,500	2,946,539
Pension Employer Contribution	3,295,712	3,331,476
Provision for new employment	398,928	4,434,198
Job Evaluation	2,265,156	4,377,742
Human Resource Activities	0	1,318,600
NITA	133,300	0
CBA - Negotiation Expenses	153,000	0
Housing Levy	1,554,672	0
Total Employee costs	114,985,336	113,274,538

The new housing levy has affected the employment costs budget this financial year, and the recruitment of new staff has also led to an increase in employment costs. Both responsibility allowance and extraneous allowance were discontinued in the previous financial year.

12. Council Expenses

Description	Jun-24 Kshs	Jun-23 Kshs
Chairman's Honoraria	960,000	960,000
Transport and subsistence allowances	16,064,074	10,838,900
Council Training Expenses	1,955,650	5,694,000
Total director emoluments	18,979,724	17,492,900

Detailed analysis of council meetings have been described under the council section and appendix IV

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

13. Depreciation and Amortisation expense

Description	Jun-24 Kshs	Jun-23 Kshs
Property, plant and equipment	82,660,779	87,187,253
Intangible assets	4,755,542	4,755,542
Total depreciation and amortization	87,416,320	91,942,795

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

14. Repairs and Maintenance

Description	Jun-24 Kshs	Jun-23 Kshs
Repairs and Maintenance - Motor Vehicles	4,818,050	3,485,081
Repairs and Maintenance - Buildings	24,025,583	21,014,655
Repairs and Maintenance - Others	2,698,932	0
Development expenses		0
Drainage Maintenance Works	301,536	2,213,432
Repairs and Maintenance - Furniture	301,620	765,000
Repairs and maintenance - Computers and office equipment	2,276,096	1,138,248
Total Repairs and Maintenance	34,421,818	28,616,416

TKNP renovated the medical clinic, laboratory, and applied science complex. These activities were intended to improve the institution and are part of the performance contract for FY2023/2024.

15. Contracted Services

Description	Jun-24 Kshs	Jun-23 Kshs
Security Services	8,508,866	7,476,000
Cleaning Services	7,086,440	5,678,513
Sanitation Services	534,600	624,600
Internet Connectivity	6,049,350	7,477,778
Legal fees	150,000	0
Total Contracted Services	22,329,256	21,256,891

Critical Infrastructure Protection Unit (CIPU) was contracted in January 2024, resulting in an increase in security services expenditure. Legal fees relate to the payment of a pending lawsuit that was closed during the financial year.

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

16. Insurance and Medical

Description	Jun-24 Kshs	Jun-23 Kshs
Staff Medical Insurance	13,757,695	10,829,697
WIBA	458,948	419,860
Fire and Burglary	2,283,691	1,883,478
Motor vehicle Insurance	1,630,040	1,048,331
Total Insurance and Medical	18,130,374	14,181,366

Including contract staff in the scheme increased staff medical insurance costs. TKNP also purchased extra vehicles, leading to higher motor vehicle insurance expenses.

17. Administration and General Expenses

Description	Jun-24 Kshs	Jun-23 Kshs
Office stationery and printing, postage	13,126,174	10,770,156
Hospitality Services and Refreshments	14,534,363	6,539,457
Graduation Expenses	8,800,353	0
Utility Supplies - Water, Sewerage and Electricity	17,409,271	12,907,879
Asset Disposal Expenses	0	34,000
Travelling and Accommodation - Local Travel	18,196,411	13,574,358
Corporate social responsibility	98,279	172,500
ISO Certification	58,000	200,800
Bank Charges	2,357,864	2,372,265
Production Unit - Non-Academic	2,718,426	2,623,367
Driving Lessons Expenses	848,950	832,945
Advertisement promotion and publicity	2,154,560	1,752,515
Audit fee and financial reporting	2,973,780	2,973,500
Staff uniforms/Curtains	41,375	1,016,792
TVETA Expenses	139,000	5,537,500
Garment Making expenses	2,304,140	0
Bad debts write off	565,000	0
Total	86,325,945	61,308,034

The council reviewed the budget for administrative and general expenses to account for costs related to graduation that took place during the financial year. The revisions included adjustments for local travel and accommodation, utility expenses, hospitality and refreshments, as well as office stationery to reflect the increased costs of utilities throughout the year.

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

Notes to the Financial Statements (Continued)

18. Cash and Cash Equivalents

Description	Jun-24 Kshs	Jun-23 Kshs
Current Account	93,413,904	46,281,062
	93,413,904	46,281,062

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

Description		Jun-24	Jun-23
		Kshs	Kshs
			Restated
KCB Bank -College Fund	1103855980	7,756,184.31	3,995,651.01
KCB Bank - Main Account	1103855905	19,466,476.38	5,298,118.93
KCB Bank IGU Account	1174585730	3,135,919	2,767,703
KCB Bank -Service Gratuity Account	1114065498	214,155	303,063
Co-operative Bank	01129012042200	18,757,533	5,040,488
Co-operative Bank -CiCan	01139012042200	1,003,460	0
Co-operative Bank	02100120422004	3,833,894	0
ABSA Bank	2041412413	32,575,114	27,065,880
Equity Bank	0290280132380	6,671,168	1,810,159
Total cash and cash equivalents		93,413,904	46,281,062

The balance of KCB College Fund account number 1103833980 in the prior year ended June 2023 has been restated to 3,995,651.01 to correct a typing error of 3,975,651.01 in the signed financial statements. The totals however remain the same and does not affect the statement of financial position.

19. Receivables from Exchange transactions

19(a) Current Receivables from Exchange transactions

Description	Jun-24 Kshs	Jun-23 Kshs
Student debtors (student fees)	317,418,463	274,610,406
Salary Advances	0	0
Sundry Debtors	5,271,184	17,417,756
Imprests	0	0
Sub Total	322,689,647	292,028,162
Impairment allowance	(5,302,184)	(33,649,108)
Total Current Receivables	317,387,463	258,379,054

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

19(b) Long- term Receivables from Exchange transactions

Description	Jun-24	Jun-23
	Kshs	Kshs
Student debtors (student fees)	118,550,616	62,049,697
Imprests	0	286,000
Sundry Debtors	14,182,140	
	132,732,756	62,335,697
Impairment allowance	(81,573,361)	(22,490,782)
Total Non-Current Receivables	51,159,395	39,844,915
Total Receivables	368,546,858	298,223,968

19(c) Ageing Analysis of Receivables from Exchange Transactions

Description	Jun-24		Jun-23	
	Current	% of the total	Comparative	% of the total
Less than 90 days	278,639,492.71	76%	222,892,425.63	66%
Between 91- 180 days	36,946,130.23	10%	45,785,985.50	14%
Between 180 – 275 days	10,297,205.52	2.79%	1,280,552.93	0.38%
Between 276 – 366 days	12,725,369.44	3%	2,833,199.01	1%
More than one year	29,938,660.55	8%	62,563,531.80	19%
Total	368,546,858.45	100%	164,934,937	100%

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

Description	2023-2024	2022-2023
	Kshs	Kshs
At the beginning of the year	56,139,890	20,559,224
Provisions during the year	30,735,655	35,580,666
Recovered during the year		
Write offs during the year		0
At the end of the year	86,875,545	56,139,890

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

Notes to the Financial Statements (Continued)

20. Property, Plant, and Equipment

Cost	Land	Buildings	Motor Vehicles	Furniture and fittings	Computers	Library/Books	Plant and Equipment	Work-in Progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1st July 2022	1,128,500,000	1,190,815,473	31,727,931	69,936,550	70,077,202	24,262,998	265,258,163	-	2,780,578,317
Additions		11,874,864	-	5,041,794	1,103,528	2,216,460	4,593,965		24,830,611
Grants from donors and development partners			-		12,600,000	-	-		12,600,000
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
Grants from donors and development partners		-	-	-	-	-	-		-
Additions		416,817	16,900,000	1,618,818	7,148,818.8	94,660	7,713,940	3,395,754	37,288,807
At 30 June 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	2,855,297,735
Depreciation And Impairment									
At 1st July 2022	-	78,849,260	18,342,710	15,400,450	38,332,398	5,476,661	119,210,210	-	275,611,689
Depreciation for the year	-	30,067,258	3,346,305	7,447,237	15,147,929	1,050,140	30,128,384	-	87,187,253
At 1st July 2023	-	108,916,518	21,689,015	22,847,687	53,480,327	6,526,801	149,338,594	-	362,798,941
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 30th June 2024	-	138,994,197	28,423,744	29,566,371	65,962,153	7,529,167	174,984,089	-	445,459,721
Net Book Values									
As at 30th June 2023	1,128,500,000	1,093,773,819	10,038,916	52,130,657	30,300,403	19,952,657	120,513,534	-	2,455,209,987

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

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	3,395,754	2,409,838,015
Depreciation rates	0%	2.50%	25%	12.50%	33.33%	5%	20%		

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

Notes to the Financial Statements (Continued)

21. Intangible Assets

Description	Jun-24 Kshs	Jun-23 Kshs
Cost		
At the beginning of year	23,777,708	23,777,708
Additions		
At end of the year	23,777,708	23,777,708
Amortization and impairment		
At beginning of the year	14,266,626	9,511,084
Amortization	4,755,542	4,755,542
At end of the year	19,022,167	14,266,626
NBV	4,755,541	9,511,083

Intangible assets are amortized at the rate of 20% straight-line basis

22. Trade and Other Payables

Description	2023-2024	2022-2023
	Kshs	Kshs
Accounts Payables	131,689	97,234
Fees Prepayments	134,169,109	86,748,376.20
Retention Fees	33,053,236	27,668,278
Net Pay	0	0
PAYE	0	82,434
Staff HELB Loan		3,149
Staff Welfare	259,600	150,850
VAT	168,634	168,634
KND Registration		0
Withholding VAT	641,844	702,604
Total trade and other payables	168,424,111	115,621,559

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

23. Refundable Deposits from Customers/Students

Description	2023-2024	2022-2023
	Kshs	Kshs
Bursary	5,155,186	5,945,635
Miscellaneous	19,428,146	19,428,146
HELB Loan/Bursary	8,103,040	7,721,666
Examination fees	64,709,770	91,803,580
Students Union	13,668,400	13,666,900
Caution Money	4,004,449	0
TVET scholarship	134,378	0
Capitation	167,848	0
Tuition -Customers	699,389	0
Total Refundable deposits from customers/students	116,070,605	138,565,927

24. Current Provisions

Description	2023-2024	2022-2023
	Kshs	Kshs
General Provisions	15,615,860	23,615,860
Total Current Provisions	15,615,860	23,615,860

24(a) Employee Benefit Obligations

Description	2023-2024	2022-2023
	Kshs	Kshs
Balance at the beginning of the year	23,615,860	33,615,860
Additional Provisions	0	
Payments during the year	(8,000,000)	(10,000,000)
Total provisions at end of the period	15,615,860	23,615,860

24(b) Other Provisions

Description	2023-2024	2022-2023
	Kshs	Kshs
Balance at the beginning of the year	0	8,427,557
Retention -Vaghjiyani Enterprises	0	0

**The Kisumu National Polytechnic
Annual Report and Financial Statements for the year ended 30th June 2024**

Payments during the year	0	(8,427,557)
	0	0

25. Amounts Held For Third Parties

Description	2023-2024	2022-2023
	Kshs	Kshs
Recurrent Grants (Rarieda TVC)	0	50,031
Total Amounts Held For Third Parties	0	50,031

26. Cash generated from operations.

Description	Jun-24	Jun-23
	Kshs	Kshs
Surplus for the year before tax	45,071,019	75,291,039
Adjusted for		
Depreciation	87,416,320	91,942,795
Contributed assets	0	(12,600,000)
Working Capital Adjustments		
(Increase) /decrease in Current Receivables	(59,008,409)	(174,235,731)
Increase/decrease in Long term receivables	(11,314,480)	(7,940,338)
Increase in Payables	52,802,552	26,124,897
(Decrease)/Increase in refundable deposits	(22,495,322)	(23,425,828)
(Decrease)/Increase in amounts held for third parties	(50,031)	(17,953,457)
(Decrease)/Increase in provisions	(7,999,998)	(18,427,556)
Net Cash Flow from Operating Activities	84,421,650	(61,224,179)
Cash flows from investing activities		
Purchase of property, plant, equipment and intangible assets	(37,288,807)	(24,830,611)
Net cash flows used in investing activities	(37,288,807)	(24,830,611)
Cash flows from financing activities		
Proceeds From Borrowing	0	0
Repayment of Borrowings	0	0
Net cash flows used in financing activities	0	0
Net Increase/(Decrease) in Cash and Cash equivalents	47,132,842	(86,054,790)
Cash and Cash equivalents at 1 JULY	46,281,062	132,335,852
Cash and Cash equivalents at 30 JUNE	93,413,904	46,281,062

Notes to the Financial Statements (Continued)

27. 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 company'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:

(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 their 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.

(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, evaluate and test the design and effectiveness of its internal accounting and operational controls.

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

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

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

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

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 of the following funds:

Description	June-24	June-23
	Kshs	Kshs
Revaluation Reserve	131,972,968	131,972,968
Retained Earnings	(287,188,251)	(332,174,375)
Capital Reserve	2,731,574,130	2,731,574,130
Total Funds	2,576,358,847	2,531,372,723
Total Borrowings	0	0
Less: Cash and Bank Balances	93,413,904	46,281,062
Net Debt/(Excess Cash and Cash Equivalents)	(93,413,904)	(46,281,062)
Gearing	0%	0%

28. Related Party Balances

Nature of related party relationships

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

- iii) The National Government;
- iv) The Parent Ministry;
- v) Key management;
- vi) Council;

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

Notes to the Financial Statements (Continued)

29. Events After The Reporting Period

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

30. 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.

31. Currency

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

19. 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	In Note 18 of the financial statement, the cash and cash equivalent balance is Ksh. 46,281,061. However, we found unidentified transactions totaling Ksh 213,043 in the Kenya Commercial Bank Main account and the co-operative bank account that were not recorded in the cash book. The nature of these transactions and the reasons for not posting them in the cash book were not provided during the audit.	All the bank statements have been reconciled and updated	Resolved	FY2023/2024
2	The financial statement notes indicate current receivables from exchange transactions amounting to Ksh. 258,379,059 and long-term receivables from exchange transactions of Ksh. 39,844,915. However, an aging analysis revealed a Ksh. 54,271,688 balance related to student debtors outstanding for more than one year.	Adequate provisions have been provided in the financial year 2023/2024.	Resolved	FY2023/2024
3	Upon review, the polytechnic spent Ksh 6,539,457 on catering, with Ksh 1,123,840 for food supply and delivery. The procurement process used the request for quotation method, but only one firm's bid was evaluated and awarded the contract.	The procurement document for the supply and delivery of food staff were provided.	Resolved	FY2023/2024

**The Kisumu National Polytechnic
Annual Report and Financial Statements for the year ended 30th June 2024**

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)
4	The financial position statement shows Ksh. 39,844,915 in long-term receivables, including an outstanding imprest balance of Ksh 286,000. This imprest, dating back to 2019, was overdue as of June 30, 2020.	The council approved the write-off of long outstanding imprest and advances during the financial year 2023-2024.	Resolved	FY2023/2024
5	The polytechnic recruited 12 new staff without council approval of the annual recruitment plan. There were no provided minutes from the relevant committee to confirm the regularity of the process.	The approved annual recruitment plan and committee minutes were shared with the auditors and updated in the FY 2023-2024.	Resolved	FY2023/2024

.....
Name



Chief Principal/Council Secretary

Date 25/11/2024

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

Appendix II: Projects Implemented by TKNP

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Principals-Motor Vehicles	12,000,000	12,000,000.00	100 %	12,000,000.00	12,000,000.00	A in A
	Driving School-Motor Vehicles	4,900,000	4,900,000.00		5,000,000	4,900,000.00	
2	Buildings -Wall Fence	10,000,000	3,812,570.60	40%	10,000,000.00	3,812,570.60	
3	Lactarium	1,200,000	1,200,000	100%	1,000,000.00	1,200,000	
4	Water bottling plant	800,000	4,390,000	100%	4,000,000.00	4,390,000	A in A
5	Garage Construction	4,000,000	800,000	30%	4,000,000.00		A in A

**The Kisumu National Polytechnic
Annual Report and Financial Statements for the year ended 30th June 2024**

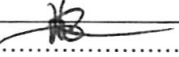
Appendix III- Inter-Entity Confirmation Letter

The Kisumu National Polytechnic

The MINISTRY OF EDUCATION wishes to confirm the amounts disbursed to you as at 30th June 2024 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the 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 30 th June 2024							
Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30th June 2024						Amount Received by [beneficiary Entity]	
						(Kshs) as at 30 th June 2024	
						(E)	Differences (Kshs)
							(F)=(D-E)
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total((D)=(A+B+C)		
135904-RARIEDA TTI	21/07/2023	1,441,740			1,441,740		
145811	04/10/2023	42,661,500			42,661,500		NIL
151379	19/01/2024	32,042,500			32,042,500		NIL
153114	08/02/2024	36,620,000			36,620,000		NIL
154090	04/03/2024	43,921,449.30			43,921,449.30		NIL
154575	11/03/2024	134,378			134,378		NIL
155047 RARIEDA	14/03/2024	2,883,480			2,883,480		NIL
170068	12/06/2024	51,492,406			51,492,406		NIL

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

Total		<u>211,197,453.30</u>	<u> </u> = <u> </u>	<u>211,197,453.30</u>	<u>211,197,453.30</u>	NIL
In confirm that the amounts shown above are correct as of the date indicated.						
Head of Accountants department of beneficiary Entity:						
Name CPA Paul Maher Sign  Date <u>29/11/2024</u>						

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

Appendix IV- Schedule of Council Meetings for The Year Ended 30th June 2024

FULL COUNCIL MEETINGS

DATE OF MEETING	Meshack Kidenda	Alex Kazongo	Rajeev Arora	Lilian Mainye	Roseline Odede	Geoffrey Kibanda	Bernadette Sabuni	Joyce Mwale
17/07/2023	✓	✓	✓	✓	✓	✓	✓	✓
03/08/2023	✓	✓	✓	✓	✓	✓	✓	✓
16/10/2023	✓	✓	✓	✓	x	✓	✓	✓
26/10/2023	✓	✓	✓	✓	✓	✓	✓	✓
29/12/2023	✓	✓	✓	✓	✓	✓	✓	✓
03/05/2024	✓	✓	✓	✓	✓	✓	✓	✓

EVALUATION SCAC AND LEADERSHIP MEETINGS								
DATE OF MEETING	Meshack Kidenda	Alex Kazongo	Rajeev Arora	Lilian Mainye	Roseline Odede	Geoffrey Kibanda	Bernadette Sabuni	Joyce Mwale
20/09/2023	✓	✓	✓	x	x	✓	✓	x
12/12/2023	✓	✓	✓	✓	✓	✓	✓	✓
25/01/2024	✓	✓	✓	✓	✓	x	✓	✓

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

SHORTLISTING AND INTERVIEWS

DATE OF MEETING	Meshack Kidenda	Alex Kazongo	Rajeev Arora	Lilian Mainye	Roseline Odede	Geoffrey Kibanda	Bernadette Sabuni	Joyce Mwale
11/07/2023	x	x	x	x	✓	x	x	x
17/7/2023	✓	x	x	x	x	x	x	x
05/09/2023	x	x	x	x	✓	x	x	x
21/09/2023	x	✓	x	✓	x	✓	✓	x
08/12/2023	x	x	x	✓	x	x	x	x
12/01/2024	✓	✓	✓	✓	✓	✓	✓	✓
06/02/2024	✓	✓	✓	✓	✓	✓	✓	x
29/04/2024	x	x	x	✓	x	x	x	x
13/05/2024	✓	x	x	x	x	x	x	x
14/06/2024	✓	✓	x	x	x	✓	✓	x
19/06/2024	x	✓	x	x	x	x	x	x

HUMAN RESOURCE COMMITTEE MEETINGS

DATE OF MEETING	Alex Kazongo	Lilian Mainye	Roseline Odede	Joyce Mwale	Rajeev Arora
13/07/2023	✓	✓	✓	x	x
11/10/2023	x	✓	✓	✓	✓
09/01/2024	x	✓	✓	✓	✓
09/04/2024	x	✓	✓	✓	✓

**The Kisumu National Polytechnic
Annual Report and Financial Statements for the year ended 30th June 2024**

--	--	--	--	--	--

**FINANCE INFRASTRUCTURE AND PROCUREMENT
COMMITTEE MEETINGS**

DATE OF MEETING	Alex Kazongo	Geoffrey Kibanda	Bernadette Sabuni	Joyce Mwale
13/07/2023	✓	✓	✓	✓
27/09/2023	✓	✓	✓	✓
13/10/2023	✓	✓	✓	✓
11/01/2024	✓	✓	✓	✓
11/04/2024	✓	✓	✓	✓

EDUCATION RESEARCH AND TRAINING COMMITTEE MEETINGS

DATE OF MEETING	Rajeev Arora	Lilian Mainye	Bernadette Sabuni	Alex Kazong o	Geoffrey Kibanda
11/07/2023	✓	✓	✓	x	x
12/10/2023	x	✓	✓	✓	✓
08/01/2024	x	✓	✓	✓	✓
28/03/2024	x	✓	✓	✓	✓
08/04/2024	x	✓	✓	✓	✓

AUDIT RISK & COMPLIANCE COMMITTEE MEETINGS

DATE OF MEETING	Rajeev Arora	Roseline Odede	Geoffrey Kibanda	Joyce Mwale
10/07/2023	✓	x	✓	✓
12/10/2023	✓	✓	✓	✓
10/01/2024	✓	✓	✓	✓
12/04/2024	✓	✓	✓	✓

SPECIAL COUNCIL MEETINGS

DATE OF MEETING	Meshack Kidenda	Alex Kazongo	Rajeev Arora	Lilian Mainye	Roseline Odede	Geoffrey Kibanda	Bernadette Sabuni	Joyce Mwale
05/07/2023	x	✓	✓	✓	x	✓	✓	✓
14/07/2023	x	✓	✓	✓	x	✓	✓	✓
26/07/2023	x	✓	✓	✓	x	✓	✓	✓
28/09/2023	✓	✓	✓	✓	✓	✓	✓	✓
20/03/2024	✓	✓	✓	✓	✓	✓	✓	✓
23/05/2024	✓	✓	✓	✓	✓	✓	✓	✓