

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 29 JUL 2025	DAY: Tuesday
TABLED BY: Hon Owen Bayo, MP Deputy Leader of Majority Party	
CLERK-AT-THE-TABLE: Ar Shibuske	

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REPORT

OF

THE AUDITOR-GENERAL

ON

BARINGO NATIONAL POLYTECHNIC

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



MINISTRY OF EDUCATION
STATE DEPARTMENT FOR VOCATIONAL AND
TECHNICAL TRAINING

BARINGO 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)

Baringo National Polytechnic
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1. Acronyms and Definition of Key Terms

A. Acronyms

CEO	Chief Executive Officer
DG	Director General
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MD	Managing Director
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
WB	World Bank
BOG	Board of Governors
TVET	Technical, Vocational, Education and Training
MOE	Ministry of education
TVETA	Technical, Vocational, Education and Training Authority
ICPSK	Institute of Certified Public Secretaries of Kenya
IHRM	Institute of Human Resource Management
IIAK	Institute of Internal Auditors of Kenya
KIM	Kenya Institute of Management
KISM	Kenya Institute of Supplies Management
CHRPK	Certified Human Resource Practitioners Kenya
BNP	Baringo National Polytechnic
CICan	Colleges and Institutes Canada

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B. Definition of Key Terms

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

Comparative Year: Means the prior period.

Accounting officer: Shall refer to the officer responsible for proper management of the BNP finances as defined by the PFM Act of 2012

Assets: Is an economic resource. Anything tangible or intangible that is owned or controlled to produce positive economic value.

Budget: An estimation of revenue and expenses over a specified future period of time and is usually compiled and re-evaluated on a periodic basis.

Depreciation: The systematic allocation of the depreciable amount of a non-current asset over its useful life.

Equity: The residual interest in the assets of the enterprise after deducting all its liabilities.

Expenditure: Costs incurred by the polytechnic in the course of doing business.

Financial statements: Are structured financial representation of the financial information and transactions undertaken by an entity.

Imprest: A form of cash advance or a float which the principal may authorize to be issued to officers who in the course of their duty are required to incur official costs, which cannot conveniently be charged to the budget before they are incurred.

Liability: Is a present obligation of BNP arising from past events, the settlement of which is expected to result in an outflow from the enterprise of resources of economic value.

Long term liabilities: These are financial liabilities resulting from previous events that fall due after one year.

Recurrent Expenditure: An ongoing expenditure of an organization, such as salaries and traveling expenses

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2. Key Entity Information and Management
(a) Background information

Baringo National Polytechnic (BNP) was established under the Technical and Vocational Education Training (Baringo National Polytechnic) Legal Order No. 17 of 2024, originally founded as Baringo Technical College (BTC) in the year 2012. Located on a 7.2-hectare site off the Kabarnet-Tenges Road, 6 km from Kabarnet Town in Baringo Central Subcounty, Baringo County, the institution operates under the Ministry of Education, State Department for TVET, and the TVET Act of 2013.

The construction of BNP's initial facilities was funded through community efforts, including contributions from civil servants, teachers, farmers, and others. The project was managed by the provincial administration in the absence of a formal board or committee. The land, part of the Kabereke/Kamgoin Forest, was managed by local clan elders who acted as trustees. In 1982, local leaders and community elders, with the support of President Daniel Toroitich Arap Moi, expanded the college's land through a compensation plan. Construction began in 1985 but faced intermittent delays due to funding issues, and the college officially opened in September 2012, admitting its first batch of students in January 2013.

BNP operates in alignment with government policies and procedures, adhering to national and international legal and policy guidelines such as the Constitution of Kenya 2010, Sustainable Development Goals (SDGs), Kenya Vision 2030, and various national industrialization policies. With a mission to provide quality vocational and technical training for the global market, BNP has produced competitive graduates since its inception. The institution offers 140 courses across seven departments, targeting graduates of the Kenya Certificate of Primary Education (KCPE) and Kenya Certificate of Secondary Education (KCSE). Courses are examined by TVET CDACC, KNEC, KASNEB, and NITA.

(b) Principal Activities

The Principal activity of the institution is found in Its Mission, Vision and Core Objectives as highlighted below:

Mission

To Provide Quality Human Resource Through Technical Vocational Training for The Global Market

Vision

A Global Leader in Skill-Oriented Training and Innovation in Technology, Engineering, And Entrepreneurship

Core objectives

Baringo National Polytechnic derives its mandate from the Legal Notice No. 17 of 2024. The polytechnic is mandated to carry out the following functions:

(a) Provide, directly or in collaboration with other institutions of higher learning, facilities for technical, technological, professional, scientific education and training

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- (b) Participate in technological innovation as well as in the discovery, transmission, and enhancement of knowledge for economic, social cultural, scientific and technological development
- (c) Contribute to industrial and technological development of Kenya, in collaboration with industry and other organizations, through transfer of technology
- (d) Promote and establish a culture of innovation in engineering and technology, and technology transfer amongst staff and students
- (e) 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
- (f) 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
- (g) Provide high quality educational, research, residential, commercial, cultural, social, recreational, sporting and other facilities
- (h) Advance knowledge and its practical application by research and other means, the dissemination of outcomes of research by various means, and the commercial exploitation of research results
- (i) Promote research within the National Polytechnic and in the general community
- (j) Participate in commercial ventures and activities
- (k) Foster the general welfare of all staff and students
- (l) Provide opportunities for development and further training for staff of the National Polytechnic
- (m) Develop and provide educational, cultural, professional technical and vocational services to the community and in particular, foster corporate social responsibility
- (n) Provide programmes, products and services in ways that reflect the principles of equity and social justice
- (o) Facilitate student mobility between different programmes at different technical training institutions and other national polytechnics
- (p) Conduct examinations for and grant such academic awards as maybe provided under this Order; and
- (q) Collaborate with recognized universities for the conduct and award of degree programmes in technology.

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(c) Key Management

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

- The Board of Governors
- Chief Principal
- Management team

(d) Fiduciary Management

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

SNo.	Designation	Name
1.	Chief Principal	Josphat Kipkemboi
2.	Deputy Principal Administration	Robert Chesire
3.	Deputy Principal Academics	Dr. Sheila Kandie
4.	Registrar	Mercy Kemboi
5.	Dean of Students	Rufus Muriuki
6.	Head of Finance	CPA Rebecca Chelanga
7.	Head of Procurement	Robert Kiprop Chirchir
8.	Internal Auditor	CPA Elijah Koech
9.	Human Resource Officer	CHRP Fridah Yator

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Key Entity Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

The Board has the overall mandate of ensuring the sound management of the College. This includes; approving budget and procurement plan, approving policies, strategic plan, reviewing management implementation of strategies, policies and plans, risk assessment and management and recruitment of staff. The effective operation of the Board of Governors is enhanced through clearly mandated Board committees, accompanied by monitoring and reporting systems. Each standing Board of Governors committee has specific roles and responsibilities as set out below;

i) Audit and Risk Management committee.

Their roles include:

- i). To provide strong and effective oversight of the college internal audit function
- ii). Examine internal and external audit reports and recommendations.
- iii). Asses the performance of internal audit function

The committee is composed of the following members.

Sno	Name	Post Held
1	CPA Sally Lawatt	Chairperson
2	Josiah Omosa	Member
3	Luka Kipyegen	Member
4	Frankline Mukuna	Member

ii) Academic, Human Resource and welfare committee

Their roles include:

- i). Receive reports from the Principal, and management on implementation of curriculum in the college and handles any issues and challenges hindering curriculum implementation.
- ii). Authorizes expenditure on acquisition of training materials and resources for Smooth curriculum implementation.
- iii). Reports to the main board on all issues discussed and steps taken by the committee.

The committee is composed of the following members.

Sno	Name	Post Held
1	Eng. Kipruto Cherogony	Chairperson
2	Josiah Omosa	Member
3	Moulid Daudi Abdi	Member
4	Frankline Mukuna	Member
5	Josphat Kipkemboi	Secretary

iii) Finance and Infrastructure Committee

Their roles include.

- i). Receive reports from the Principal, and management on implementation of capital projects.
- ii). Authorizes expenditure on acquisition of training materials and resources.
- iii). Scrutinize annual budget prior to presentation to the full Board.

The committee is composed of the following members.

Sno	Name	Post Held
1	Karoli Ooko	Chairperson
2	Dennis Kiprono	Member
3	Kipruto Cherogony	Member
4	Frankline Mukuna	Member
5	Josphat Kipkemboi	Secretary

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(f) Entity Headquarters

Baringo National Polytechnic
P.O. Box 299-30400
Kabarnet, Kenya

(g) Entity Contacts

Telephone: 0702191409
E-mail: baringotechnical@yahoo.com
Website: www.baringotechnical.ac.ke

(h) Entity Bankers

Kenya Commercial Bank
Kabarnet Branch
P.O Box 175-30400
Kabarnet
Bank Account Numbers.
1137331836 -Operation Account
1175704199 -Fees Collection Account
1167847253 -Development Account
1322147841-Young African Works (donor fund)

(i) Independent Auditors



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

(j) Principal Legal Adviser



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

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3.The Board of Governors

SN	Member's Name	Brief Description
1.	 <p>Designation: Chairperson Name: Dr. Marycent Yator Profession: Lecturer</p>	<p>Dr. Marycent Yator was born on December 28,1969. She holds a Ph.D. in Project Planning and Management from the University of Sunderland, M.Sc. in Human Resource Management from the same university, and a B.Sc. in Education Arts from Moi University. She is an active member of IHRM, KIM and a Certified Consultant. She is a highly accomplished professional with a diverse background in academia, research, and leadership roles.She is currently serving as a Lecturer at Moi University, School of Business and Economics since 2007, also has been a part-time lecturer at Moi University, Former Lecturer at Eldoret Polytechnic and a Teacher at Moi High School Kabarak.</p> <p>Dr. Yator is a prolific researcher with publications on topics such as the economic effects of trading blocks, the role of Human Resource Management in Kenya's Vision 2030, staff appraisal, economic effects of floods, and interclan conflicts among the Kalenjin community. She holds leadership positions in various educational institutions and organizations, including being a Board member, Director, and Executive member in Entities such as BACO Empowerment Initiative, International Consulting House, Kabarnet Municipal Board, Baringo Rift Valley Aspiring UNESCO Geoparks.</p>
2.	 <p>Designation: Member Name: Josiah Omosa Profession: Lawyer</p>	<p>Josiah Omosa was born on December 25th, 1973. He is an alumni of the University of Nairobi having earned a Masters of Law Degree in 2013, a Diploma in Legal Practice from the Kenya School of Law in 1998 and a Bachelor of Law Degree (2nd Class Honours, Upper Division) from the University of Nairobi in 1997.</p> <p>He is a registered member of ICPSK, Member No.R/CPSB/2214 and the Law Society of Kenya (LSK) and an Advocate of the High Court of Kenya, a Commissioner for Oaths and a Notary Public.</p> <p>He has 25years practice as an advocate of the High Court (15 of which he has been offering corporate secretarial services) and good at driving the corporate governance agenda in organizations where he provides guidance and support to Boards.</p> <p>Further, he has considerable experience in Commercial and Public Procurement Law having represented Parties before the Public</p>



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		Procurement Board, Constitutional and Judicial Review Divisions of the High Court.
3	 <p>Designation: Member</p> <p>Name: Moulid Daudi Abdi</p> <p>Profession: Administrator</p>	<p>Moulid Daudi Abdi, born on July 1, 1978, He holds a Bachelor of Arts in Islamic Studies, Bachelor of Arts in Islamic Sheria from Sudan International University of Africa and St. Paul's University in Nairobi, Kenya respectively. Additionally, he holds a Diploma in Business Administration from Friends Center Ofafa in Nairobi.</p> <p>He is a continuing master's degree student in Islamic Studies at The Islamic University of Uganda. He also possesses an Executive Diploma in Islamic Banking and Finance from the Al-Huda Centre of Islamic Banking and Economics and a Post Graduate Diploma in Education (PGDE) from the Islamic University of Uganda.</p> <p>Moulid Daudi Abdi has an extensive professional background, having served in various capacities. He has worked as a Director of Administration in the Department of Special Programs, focusing on Disaster Management, Humanitarian Coordination, Peace, and Security. He has also been the Head of Programs in the Social Departments at the World Assembly of Muslim Youth (WAMY) and served as a Relief Coordinator for WAMY-Kenya in Nairobi.</p> <p>Further, he is an active member of the Kenyan Alumni of the Islamic University of Uganda and holds positions on several boards, including WAYAN International Organization, Al-Fowz Charity Organization, and Atlantic Group of Schools in Nairobi. He is also a member of the Parent-Teacher Association at Musab Education Centre in Nairobi and serves as a Shari'ah Supervisory Committee member at AMANA SACCO.</p>
3.	 <p>Designation: Member</p> <p>Name: Dennis Kiprono</p> <p>Profession: Civil Engineer</p>	<p>Denis Kiprono Komen born on May 5, 1994. Currently a member of the Board of Governors of Baringo Technical College. He holds a Bachelor of Science in Civil Engineering from The University of Nairobi and is a registered graduate engineer with the Engineers Board of Kenya. He is currently part of the project staff for Eldoret Bypass supervision.</p>


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4.	 <p>Designation: Member Name: Karoli Ooko (EBS) Profession: Administrator</p>	<p>Karoli Ooko, born on April 24, 1956, is a highly accomplished individual with a Master of Arts (MA) in Political Science and Public Administration from the University of Nairobi. He has attended numerous administration courses at the Kenya School of Government and abroad covering various essential subjects, including strategic leadership, policy formulation and implementation, conflict resolution, resource mobilization, and strategic planning.</p> <p>In recognition of his outstanding contributions to the nation, Mr. Ooko was awarded the Moran Order of the Burning Spear (MBS) by third late Hon. President Mwai Kibaki. His extensive experience in the civil service of the Government of Kenya spans both provincial administration (field services) and Central Government (Ministry Headquarters). Starting as a District Officer in 1982, he steadily climbed the ranks to reach the esteemed position of Director of Administration.</p> <p>Currently, Mr. Karoli Ooko is engaged in consultancy services, focusing on public administration, public policy, and community activities. His wealth of experience and expertise make him a valuable asset in contributing to the development and implementation of effective governance strategies.</p>
5.	 <p>Designation: Member Name: Kipruto Cherogony Profession: Engineer</p>	<p>Eng. Kipruto R. K. Cherogony was born January 28, 1968. He holds a Master of Science Degree in Soil & Water Engineering, and BSc Agricultural Engineering from University of Nairobi.</p> <p>He is currently the Technical Advisor of Eor Ekule Dairy Ltd and supporting community, organizations and institutions in developing, implementing and evaluating green fields projects.</p> <p>He also has over 30 years of solid international experience in research, capacity building, development of food security masterplans, design of soil, water and farm infrastructure, irrigation and rainwater harvesting; with special interest in Agroecology and land reclamation especially in the arid and semi-arid lands.</p>

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<p>6.</p>	 <p>Designation: Member Name: CPA Sally Lawatt Profession: Accountant</p>	<p>CPA Sally Lawatt was born on March 28, 1978. She is a highly skilled and analytical financial analyst with over 15 years of experience. She holds a Bachelor of Commerce in Finance and is a Certified Public Accountant (CPA-K) finalist. Sally has expertise in gathering and analyzing business requirements, identifying opportunities for process improvement, and developing innovative solutions to support business growth. She is well-versed in information technology concepts and project management.</p> <p>She has taken on leadership roles such as Chair of the Finance Committee at Penwai Girls and serves as a Director at Limucon Ltd. Additionally, she holds the position of Chief Finance Officer at Dittman Construction Co. Ltd. Her extensive experience and diverse skill set make her a valuable asset in the financial and business sectors.</p>
<p>7.</p>	 <p>Designation: Member Name: Franklin N. Mukuna Profession: Educationist</p>	<p>Franklin N. Mukuna was born on 15 June 1970. He is currently representing the Principal Secretary State Department for Technical, Vocational, Education and Training (TVET). He Holds a master's degree in religion from Maseno University, a bachelor's degree in education (Arts) from Moi University and is currently a PhD student in Religion Maseno University and another at Mount Kenya University in Education (Qualifications sector). He is currently serving as the Deputy Director – TVET deployed to the Kenya National Qualifications Authority (KNQA) where he is serving as acting Deputy Director in charge of Registration, Accreditation and Documentation (RAD). Previously he had served the Directorate of Quality Assurance and Standards in the Ministry of Education as the Principal Quality Assurance and Standards Officer (PQASO). Before this, he had ably served the Teachers Service Commission (TSC) as a graduate Teacher in various capacities.</p>

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<p>8.</p>	 <p>Designation: Member Name: Luka Kipyegen Profession: Administrator</p>	<p>Luka Kipyegen was born on 24 November 1965 He holds MBA in strategic Management from Kenya Methodist University, Postgraduate Diploma in Project Planning and Management from Catholic University of Eastern Africa and Bachelor of Arts in Business Administration from Baraton university. He serves currently as Deputy Director Administration (Baringo County Government), previously served as Sub County Administrator (County Government of Nakuru), Assistant Registrar Administration, Resource Mobilization Officer, Senior Administrative Assistant and Part time Lecturer (Kabarak University), He previously worked with Kerio Valley Development Authority (KVDA) as a Liaison Officer, Nairobi office as an Administrative Officer at KVDA Headquarters, Eldoret. He is a member of Kenya Institute of Management He has attended various management courses in Strategic Leadership Development Programme (SLDP), Senior Management Course (SMC)ISO 9001- and 2008 Quality Management Standards</p>
<p>9.</p>	 <p>Designation: Chief Principal Josphat Kipkemboi</p>	<p>Chief Principal Personal Number 1990177430 Josphat Kipkemboi holds master’s degree in Agricultural Economics and Resource Management from Moi University and Bachelor of Arts Degree in Education (Business & Economics) from Kenyatta University. He has 32years’ experience in Technical, Vocational Education and Training (TVET) sector.</p>

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4. Key Management Team

Member	Brief Description
 <p>Designation: Chief Principal Name: Josphat Kipkemboi</p>	<p>Chief Principal Personal number 1990177430</p> <p>Josphat Kipkemboi holds Master's degree in Agricultural Economics and Resource Management from Moi University and Bachelor of Arts Degree in Education (Business & Economics) from Kenyatta University. He has 33years' experience in Technical, Vocational Education and Training (TVET) sector.</p>
 <p>Designation: Deputy Principal Administration Name: Robert Chesire</p>	<p>Deputy Principal (Administration) Personal Number 2002078071</p> <p>Robert Chesire holds Bachelor of Arts Degree in Education (Accounting & Mathematics) from UON and Dip in HRM from Kenya Institute of Management. He has over 21 years of teaching experience.</p>
 <p>Designation: Deputy Principal Academics Name: Dr. Sheila Kandie</p>	<p>Deputy Principal (Academics) Personal Number 2003065738</p> <p>Dr. Sheila Kandie holds A Doctorate degree in Philosophy Education Management and administration, Master of Education Management and Administration and Bachelor of education in English and literature. She has 21years of experience in teaching.</p>

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 <p>Designation: Registrar Name: Mercy Jebet Kemboi</p>	<p>Registrar Personal Number 2008909748</p> <p>Mercy Jebet Kemboi holds a Bachelor of Education Science in Computer and Business Studies from Catholic University of Eastern Africa. She is the Registrar in appointment on acting capacity. She has an experience of 18 years of Technical, Vocational, Education and Training (TVET) Sector</p>
 <p>Designation: Dean of students Name: Rufus Muriuki</p>	<p>Dean of Students Personal Number 1998045873</p> <p>Rufus Muriuki holds Diploma in Technical Education accounting option. He is the Dean of Students in appointment on acting capacity. He holds a He has 16 years' experience in Technical, Vocational Education and Training (TVET) sector</p>
 <p>Designation: Finance Officer Name: CPA Rebecca Chelanga</p>	<p>Finance Officer Personal Number: BTC2013004</p> <p>CPA Rebecca Chelanga holds a Bachelor of Commerce Degree (Finance Option) from Egerton University, CPA (K) holder and a member of ICPAK, Institute of Internal Auditors of Kenya (IIAK) and the Association of Women Accountants of Kenya (AWAK). Currently pursuing an MBA degree programme at Kabarak University. She has over 19years' experience in Accounting and Finance field.</p>
 <p>Designation: Senior Supply Chain Officer Name: Robert Kiprop Chirchir</p>	<p>Senior Supply Chain Officer Personal Number: BTC2015007</p> <p>Robert Kiprop Chirchir holds a Bachelor of Business Management (Procurement Option). He is a member of KISM; has 9years' experience in procurement practice.</p>

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 <p>CPA Elijah Koech Internal Auditor</p>	<p>Internal Auditor Personal Number: BTC2021044</p> <p>CPA Elijah Koech holds a Bachelor of Business Administration (Finance Option) from Jomo Kenyatta University of science and Technology, CPAK and Certified Credit Professional (CCP IV). He is a member of Institute of Internal Auditors (IIAK) and a member of ICPAK. He is also a He has 12 years' experience in accounting and audit practice.</p>
 <p>CHRP Fridah Jemutai Yator Senior Human Resource Officer</p>	<p>Senior Human Resource Officer Personal Number: BTC2021045</p> <p>CHRP Fridah Jemutai Yator holds a Bachelor of Commerce (Human Resource Management option) from University of Eldoret. She is a Certified Human Resource Practitioner (CHRPK), Higher National Diploma in Human Resource Management and Diploma in Technical Teacher Education in Human Resource Management, CPA part 1 and ATC Finalist. She is a member of Institute of Human Resource Management (IHRM) with a vast experience in Training, Administration and Human Resource functions with over 13 years' experience.</p>

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5. Chairman's Statement

On behalf of the Board of Governors, Baringo National Polytechnic, I am glad to present the institution's Annual Financial Statements and Report for the year ended 30 June 2024. The polytechnic recorded an impressive performance characterized by remarkable improvements in financial and operational performance and expansion of facilities and infrastructure.

In the financial year 2023-2024, the institution had an additional enrolment of 1109 trainees which was an improvement of 9% from the previous Financial Year. This was attributed to the government's financial support, the centralized admission through Kenya Universities and Colleges Central Placement Service (KUCCPS), the NGCDF Baringo Central, the contribution of the local community and marketing outreach team.

We are proud to report that during the Financial Year 2023-2024, The College was elevated to a National Polytechnic and was registered as Baringo National Polytechnic under the Technical and Vocational Education Training (Baringo National Polytechnic) through a Legal Order No. 17 of 2024.

Infrastructure projects included the grading of the playing field and the construction of a modern gate, with additional support from partners like the Master Card Foundation and Colleges Institutes Canada (CICAN), who provided advanced training equipment. Notably, a magnificent, modern gate construction is taking place funded by Internal sources of funds in collaboration with Kenya Commercial Bank Kabarnet Branch.

There is a serious need for infrastructural establishments in the institution. Currently, the polytechnic has only one-storey tuition block and temporary structures utilized as tuition rooms due to inadequate classroom space. The polytechnic is in need of a modern tuition block, an administration block and additional training equipment for all the academic departments in order to facilitate effective training and expansion of academic programs.

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Future outlook of the polytechnic

The Polytechnic has a promising future in terms of infrastructural development and increased enrolment with a projected total of 10,000 students in the near future. The institution has massive plans to construct additional tuition and administration blocks, fix the campus pavement, and enhance project completion rates. Notably, the construction of a modern gate for the institution is already underway.

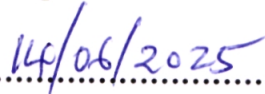
To achieve these goals, the institution seeks government assistance to fund these projects, acquiring equipment, and refurbishing of workshops. Additionally, the Polytechnic will actively explore partnerships and collaborations to further its development.

I wish to extend my sincere gratitude to the Board of Governors, the Chief Principal, the Management team, teaching and non-teaching staff, and students for their unwavering support and contributions to the Polytechnic's success during the Financial Year 2023-2024.



.....
Dr. Marycent Yator

Chairperson of the Board



6. Report of the Chief Principal



It is with immense pride and great joy that I welcome you all to this momentous occasion as we celebrate our institution's elevation to National Polytechnic status. This significant achievement marks a new chapter in our journey and stands as a testament to our unwavering commitment to excellence in Technical and Vocational Education and Training.

Acknowledgements

First and foremost, I would like to extend my heartfelt gratitude to the Ministry of Education State Department for TVET and all regulatory bodies for recognizing our efforts and bestowing upon us this prestigious status. Your support and guidance have been instrumental in helping us reach this milestone.

I would also like to acknowledge and thank our dedicated Board of Governors, Management and staff whose hard work, dedication, and innovative spirit have played a crucial role in our success. Your commitment to providing high-quality education and training has laid a solid foundation for our growth and development.

To our industry partners and community stakeholders, we express our sincere appreciation for your continuous support and collaboration. Your contributions have enriched our programs and provided invaluable opportunities for our students.

Significance of the Upgrade

Becoming a National Polytechnic is not just a change in name or status; it is a reflection of our enhanced capacity to deliver advanced Technical and Vocational Education. It signifies our readiness to offer a broader range of programs, foster cutting-edge research, and contribute significantly to the development of skilled professionals who will drive our nation's growth and innovation. It positions us to develop curricula relevant to societal and country wide emerging challenges.

Commitment to Excellence

With this new status, we are more committed than ever to upholding the highest standards of education and training. We will continue to focus on:

- **Expanding our Curriculum:** Introducing new, industry-relevant programs that align with the needs of the job market.
- **Enhancing Training and Development:** Providing our trainers with the resources and opportunities to further their expertise and deliver the best possible training.
- **Strengthening Industry Linkages:** Building robust partnerships with businesses and industries to ensure our students gain practical experience and are well-prepared for the ever-dynamic workforce.

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- **Promoting Research and Innovation:** Encouraging research initiatives that address real-world challenges and contribute to technological advancements.

Future Aspirations

As we embark on this new journey as a National Polytechnic, we have set ambitious goals for ourselves. We aim to:

- Establish state-of-the-art facilities that provide our students with the best learning environment.
- Foster a culture of continuous improvement and innovation.
- Expand our outreach and impact, both nationally and internationally.

Looking to the future, there is need to invest heavily in infrastructure to enable us to manage the planned increase in the number of trainees reporting for training. Lecture hall rooms, workshops and laboratories is our immediate focus in the coming financial year as elucidated in Our Strategic Plan 2023-2027.

The Institution has continued to partner in various fields with Colleges and Institutes Canada (CICan), Mastercard foundation and Young African Works. It is a center of excellence in Hospitality and a proposed Centre of excellence in Plumbing, Food Production and Housekeeping by Colleges and Institutes Canada (CICan), Master Card Foundation and Young African Works and KCB foundation, AFDB under disengaged program

The report also details the College's financial performance during the year, which shows a financial state of good health. The good performance of the College is attributed to the commitment and dedication of staff who worked tirelessly to support management in achieving College objectives. Within the year a lot of support was received from the government, sponsors, and other stakeholders.

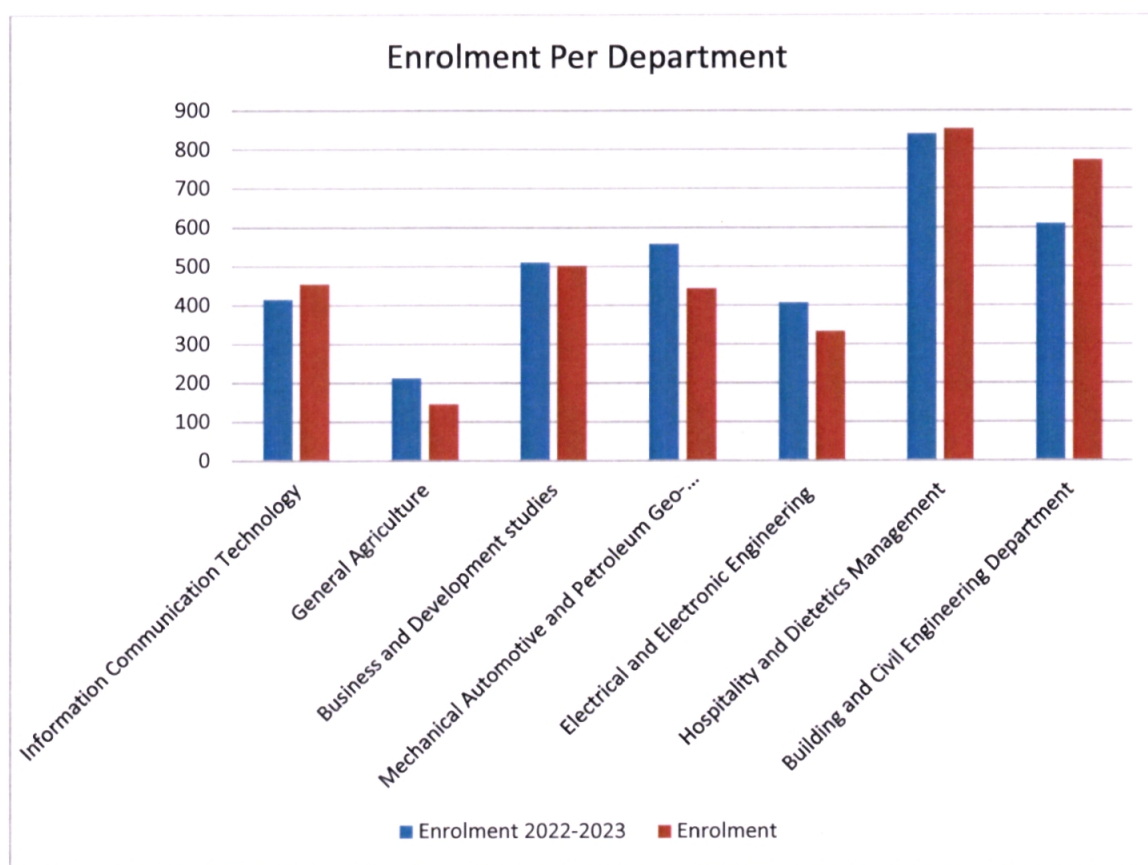
As we move into the financial year 2024-2025, we strive to better our performance. Below is a description of our activities in the financial year 2023-2024:

I. Administration

The College in the financial year ended 30 June 2024 had seven Academic departments with a total enrolment of **3505** students. The key functions of the department(s) can broadly be described as creating a conducive environment in which learners in the College can have their concerns addressed in a timely, effective, and efficient manner and in the fulfilment of our core mandate. The College enrolment dropped to 3505 in the current financial year as compared to 3549 in the previous year. This translates to 1.24% drop which is attributed to harsh economic times currently experienced across the country. The table below shows the breakdown of enrolment data per department.

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Serial Number	Department	Enrolment 2022-2023	Enrolment 2023-2024
1	Information Communication Technology	414	455
2	General Agriculture	213	147
3	Business and Development studies	510	501
4	Mechanical Automotive and Petroleum Geo-science	557	443
5	Electrical and Electronic Engineering	406	333
6	Hospitality and Dietetics Management	840	853
7	Building and Civil Engineering Department	609	773
	Total	3549	3505

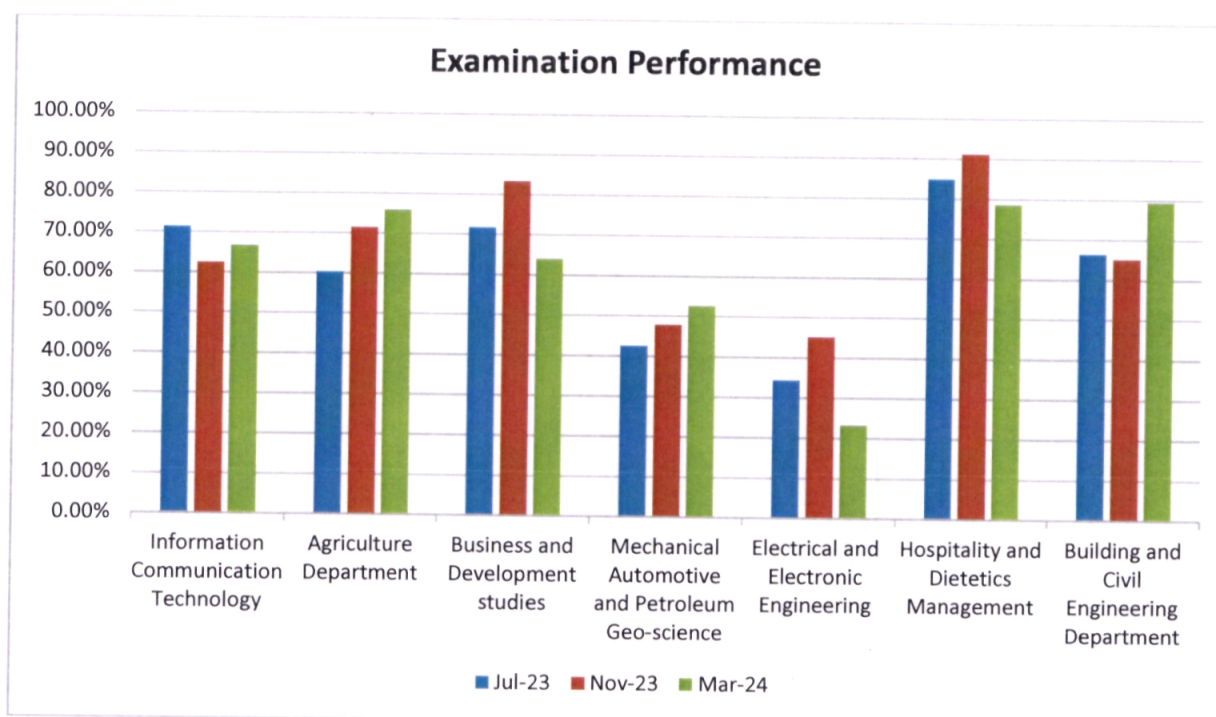


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II. Examination Performance

The data below shows that on overall, the performance of the institution in Kenya National Examinations Council (KNEC) in the financial year 2023-2024 on percentage pass rate stood at 63.21% in July 2023 series 70.30% in November 2023 and dropped to 64.17% in March 2024 series. On average, our examination performance for the year stood at 65.89%.

Serial Number	Departments	July 2023	November 2023	March 2024
1	Information Communication Technology	71.3%	62.50%	66.67%
2	Agriculture Department	60.27%	71.43%	75.86%
3	Business and Development studies	71.67%	83.33%	64.00%
4	Mechanical Automotive and Petroleum Geo-science	42.5%	47.83%	52.63%
5	Electrical and Electronic Engineering	34.34%	45.16%	23.26%
6	Hospitality and Dietetics Management	84.92%	91.22%	78.67%
7	Building and Civil Engineering Department	66.33%	65.22%	79.41%
	Overall performance	63.21%	70.30%	64.17%



III. Staff Establishment

In adherence to the college Human Resource Manual, the college in the financial year under review was able to offer three (3) sponsorship positions to her BOG staff to undertake a bachelor's degree program and Diploma course at the University of Eldoret and at our college

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respectively by paying tuition fee to a maximum of Kshs 100, 000 and Kshs 26,420 annually, respectively.

Currently the College has a staff establishment of 164 of which 68 are trainers employed by the Public Service Commission, while 42 are trainers and 54 essential staff employed by the Board of Governors as tabulated below.

Serial Number	Classification of the staff	Total Number of staff
1	Public Service Commission staff	68
2	Board of Governors trainers	42
3	Board of Governors Essential staff	54
	Total	164

IV. College career day

The College was able to successfully host its career day in the month of June 2024 which attracted 6 Secondary Schools, 3 Colleges and other stakeholders which included 2 banking Institutions, KALRO and Airtel companies within the County.

V. TVET Torch 2024

In line with presidential directive, the College in collaboration with other TVET stakeholders launched the TVET flame in ushering in the TVET Centenary Nationwide celebrations. These celebrations dubbed TVET @100 brought on board all public and private TVET Institutions in the Country and non-State Partners involved in TVET issues.

The aim of the celebrations was to reflect on 100 years of TVET in Kenya which was to take stock of the milestones, explore concrete approaches that will position and respond to the labour market and societal needs specifically the national economic agenda-the Bottom-Up Economic Transformation Agenda (BETA) for enhanced employability, decent work, entrepreneurship and lifelong learning.

Our collections across our budget lines were as follows:

VI. Revenue Collection

During the financial year 2023-2024, the college had targeted to collect Kshs 286,370,674. We managed to collect actual Kshs 157,600,393. These amounts to a shortfall of Kshs 128,773,281.

VII. Our collections across our budget lines were as follows:

. This is attributed to unremitted capitation

VIII. Expenditure Analysis.

In the financial year 2023-2024, the college did not meet all its objectives owing to insufficient funding. The highest expenditure being use of goods which comprise of training materials for students.

IX. Development Projects

During the financial year under review the College in partnership with County Government of Baringo was able to grade the college field and facilitate procurement of fingerlings for our fishpond. This will create an enabling environment for sporting activity within and without the College as well as promote sustainable agriculture through Aquaculture.

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X. Exhibitions/Marketing of Courses

We carried out marketing of our courses in towns and Centres around our location and in other counties across the county to be able to recruit new trainees for various courses with many more anticipated to enrol in the coming admissions.

XII. Office of the Dean of Students

The Office of the Dean of Students is concerned with student affairs to help address the holistic growth, development and well-being of students in support of the Polytechnic Vision and Mission.

In the just ended financial year, the Office encouraged students' positive involvement in internal and external events and partnered with students in programmes planning and facilitation, in order to enhance professional and personal well-being and nurture the right values, strong social responsibility and responsible citizenship.

In this effort, the Office facilitated ongoing programmes that developed student leadership skills, gave students an awareness on topical issues on areas such as sports participation, HIV/AIDS, Career Guidance and Counselling and often supporting student participation in projects that encouraged innovativeness, creativity, a positive interaction with other institutions, the community and the environment.

The Office also addressed issues pertaining to students with special needs and disseminated up-to-date information to the concerned Institution offices and officers.

- **Student Activities**

The Office related well with the Student Leadership, facilitating them with leadership training to enhance their leadership skills.

The students' association carried out activities with some students showing more integrity and maturity than others. The college performed well in co-curricular activities at Regional and National levels.

- **Student Medication**

Treatment and sickness emergencies for students have been well facilitated on daily basis including first aids services.

- **Counselling Services**

We continued to offer counselling services through the office of the Guidance and Counselling Officer and office of Career Services.

- **College Prayer days**

The Institution through office of the Dean of Students organized termly prayer days on opening and end of every term. This is geared to enhance spiritual matters amongst the College fraternity. Special gratitude goes to our religious organizations who have always been there to offer spiritual nourishment.

- **Placement Services**

The Registrar's office has been working strongly with KUCCPS to reach out to prospective students all year round. The Industrial Liaison office continually assists students to get attachments and internships in various organizations.

- **Helb Services**

Students have been assisted to apply for Helb funding and also encouraged to apply for other alternatives including bursaries.

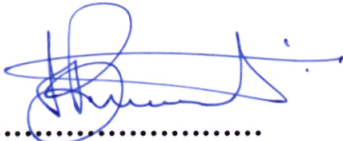
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Looking Ahead

As we look to the future, we are committed to building on our successes and addressing the challenges that lie ahead. Our strategic priorities include further enhancing academic quality, expanding our research capabilities, and fostering a more inclusive and supportive campus environment. We will continue to seek innovative solutions and collaborations to achieve these goals.

In conclusion, I would like to express my heartfelt gratitude to our dedicated Board of Governors, The Management Team, staff, students, and all stakeholders. Your hard work, commitment and support are the driving forces behind our achievements. Together, we will continue to strive for excellence and make our institution a place of learning, growth, and innovation.

I look forward to your continued support in the new financial year and the subsequent periods ahead.



for
Josphat Kipkemboi
Chief Principal/Secretary to the Board

.....
14/06/2025
.....

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7. Statement of Performance against Predetermined Objectives

Baringo National Polytechnic has five strategic pillars /issue's/ themes and objectives within current Strategic Plan for the 2023-2027. These strategic pillars are as follows:

- (1) Quality and Relevant TVET Programs
- (2) Research and Innovation
- (3) Infrastructural development
- (4) Resource mobilization
- (5) Environmental management

Baringo National Polytechnic develops its annual work plans based on the above five pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Baringo National Polytechnic achieved its performance targets set for the FY 2023-2024 period for its three (3) strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Strategy Issue 1 Quality and relevant TVET programs	SO1:1 Ensure curricula is dynamic and responsive to industries needs SO1:3 Increase trainee enrolments SO1:2:1 strengthening partnership with industries	CBET courses implemented Increase in enrolment Partnerships established	Implementation of CBET courses Strengthening marketing outreach Negotiating and establishing partnerships	86 CBET courses Implemented Increased enrolment to 1109 Three MOUs for partnership signed
Strategy Issue 2 Institutionalization of research and innovation	SO2:1 To institutionalize effective research and innovation	Participation in research and innovation	No. of innovations showcased	
Strategy Issue 3 Infrastructural development	SO3:1 Modernize and equip institution facilities SO3:2 To create recreational facility	Construct modern gate Installation of CCTV Tilling of the Lecture rooms Build playfield	Construct a modern gate NO. of CCTVs installed Tilling of lecture rooms Levelling and Grading of the playfield	Design and tendering for a modern gate 40 CCTVs installed 22 lecture rooms tiled Levelling and grading done to 80%

8. Corporate Governance Statement

The current Board of Governors was appointed into office on November 7, 2023, and upon appointment immediately took charge of their mandate to steer the college forward through application of best governance practices and standards.

The Board of Governors have been forging a united front in confronting challenges facing the institution since inception in 2013 and then grew consistently.

One of the core values is effective corporate governance. There are benefits of a properly implemented effective corporate governance system as it enhances stakeholder confidence.

The College has built its operations on very strong corporate governance principles based on the application of high and consistent ethical standards in her relationships with all customers, employees, and other stakeholders. This is consistent with the institutions core values of effective corporate governance that has led to a strong commitment to conduct business in accordance with best business practices based on principles of transparency, accountability, and responsibility, monitoring compliance with relevant laws and regulations, risk management, appropriate checks and balances and the delivery to commitments to all stakeholders.

Ethical leadership and integrity, socio-environmental responsibility and determination of group strategy are the key principles that are considered while setting governance standards for the group. The College has kept abreast with international developments in corporate governance for the promotion of enhanced transparency, integrity, and rule of law.

The Board of Governors is the representative of the stakeholders and has the duty of validating financial results and the review of college performance, protecting assets, counselling the chief executive officer on strategy, and nurturing the next generation of leaders. The board is responsible for ensuring proper and sound corporate governance within the College. Good corporate governance is therefore a fundamental part of the culture and the business practice of the College.

THE BOARD CHARTER

1. Purpose

This charter sets out the key values and principles of the Board of Governors of the Baringo National Polytechnic.

It provides a concise overview of:

1. The role and responsibilities of the Board of Governors.
2. Powers of the board and board committees.
3. Separation of roles between the Board and Management.
4. The practice of the board in respect of corporate governance matters.

This Board Charter is subject to the provisions of the TVET Act, 2013, the PFM Act, 2012 and any applicable law or regulatory provision.

2. Role of The Board

- a) The Board is the ultimate decision-making body of the College.
- b) The Board is responsible for establishing sound system of internal control for the College.
- c) The Board is responsible for overseeing the corporate governance framework.

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- d) The Board is responsible for: adoption of strategic plans and policies; monitoring the operational performance; establishing policies and processes that ensure integrity of the College's internal controls; and risk management.
- e) The Board is responsible for establishing clear roles and responsibilities in discharging its fiduciary and leadership functions.
- f) The Board is responsible for ensuring that management actively cultivates a culture of ethical conduct and sets the values to which the institution will adhere.
- g) The Board is responsible for ensuring that the strategies adopted promote the sustainability of the College.
- h) The Board is responsible for establishing policies and procedures for effective operations of the College.
- i) The Board shall establish appropriate staffing and remuneration policies for all employees as required.
- j) The Board shall ensure the College's compliance with all applicable laws, regulations, governance codes, guidelines and regulations and establish systems to effectively monitor and control compliance across the College.

3. Matters Reserved for The Board

- a) The Board reserves specific powers to itself and delegates other matters to the management of the College.
- b) The Board delegates its day-to-day powers and duties to the principal and to the Management Team as required by law.

4. Delegation of Authority

- a) Effective governance of the College requires management to be involved in all significant decisions, and to be accountable to the Board. All delegated authority must emanate from the Board.
- b) In establishing delegated authority, whether for financial expenditure approval, or other approvals, both quantum and individuals to be granted authority must be presented to the Board.
- c) The Principal must raise with the Board any matter of significance affecting the College which requires the Board's attention, including any matters which exceed the delegated authority of the executive management.

5. Composition of The Board

- a) The Board shall be appointed by the Cabinet Secretary for Education. It includes members representing Industry, Technology, Leadership, ICT and Finance & Engineering.
- b) The Board shall ensure that it comprises a diverse mix of skills and expertise critical for effective oversight on the management of the College. This shall be underscored by ensuring that each member has the requisite skill and access to the necessary tools required for their effective performance.

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5.1. Appointment and Remuneration of Board members

- a) The Board shall consist of members as shall be determined from time to time and subject to regulatory requirements. The Board Nominating Committee shall recommend governors for appointment by the Cabinet Secretary for Education as per regulatory requirements.
- b) The Chairman of the Board shall be appointed by the Cabinet Secretary for Education.
- c) The number of Board members shall be as determined by the TVET Act 2013.
- f) The Board shall establish and approve formal and transparent remuneration policies and procedures for Board members.
- g) Governor's remuneration package shall be adequately disclosed in the full board meeting(s) in line with the financial ability of the college as regulated by the TVET Act 2013.

6. Board Independence

To enhance independence, the Board shall avail an environment that ensures the members are critical and independent of one another to promote independent and objective judgment.

7. Access to Information and Independent Advice.

- a) The Board may from time to time require independent legal, financial, governance or other expert advice. To facilitate this, the Board shall ensure members obtain external advice, as may be required, at the College's expense and shall invite senior management to provide technical advice as needed.
- b) The Board shall establish procedures to allow its members access to relevant, accurate and complete information and professional advice in order to discharge its duties effectively.

8. Board Training

- a) Each Board member shall participate in an induction program that is tailored to effectively orient the member to the College's business, strategy, objectives, policies, procedures, operations, senior management, and operating environment. The induction shall also include all the necessary information that shall be required by a member for effective performance on the Board. New Board members shall also be introduced to their fiduciary duties and responsibilities as well as any other aspects that are unique to the College.
- b) Board members should have a clear understanding of their role in corporate governance and be able to exercise sound and objective judgment about the affairs of the College.
- c) The Board shall ensure adequate Board development through continuous training to keep the Board well informed on critical information pertinent to the College and corporate governance environment.
- d) The Board shall conduct a bi-annual review to identify the training needs and facilitate up skilling as well as continuous development.

9. Board Evaluation

- a) For improved Board effectiveness, the Board shall carry out an assessment of its performance the performance of the Chairperson, that of its committees, individual members and the Principal.

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- b) The Board shall discuss the results of the evaluation exercise which shall also inform the Board on the training needs for its members.
- c) The Board shall disclose whether evaluation of the Board, the chairperson and the Principal has been undertaken in the annual report and financial statements of the College.

10. Role of The Chair and Secretary

The Chair is appointed by the Cabinet Secretary for Education. The Secretary, who is the Principal, shall keep the Chair informed about the operations of the College.

The Role of the Chair shall be to:

- a) Provide leadership to the Board and ensure its effectiveness in all aspects of its role. The Chair shall set the Board agenda with the assistance of the Principal who is the Secretary.
- b) Facilitate the effective contribution of governors and encourage constructive relations between governors.
- c) Monitor attendance at Board meetings.
- d) To ensure that there is a robust process for Board succession and that a current pool of candidates has been identified.
- e) Develop the strategy of the College, together with the principal, and ensure the Board is fully appraised and can debate the strategic direction of the College.
- f) Put in place and maintain an effective delegation of authority structure to provide effective management and control over the College's business with the assistance of the Principal.
- g) Communicate effectively with the College stakeholders. The stakeholders include, where applicable, regulators, governments, students, staff, and the communities within which the College operates.
- h) Together with the Principal, to ensure that the College communicates effectively with, stakeholders, government agencies, financial institutions, the media, the public and any relevant special interest groups who have a legitimate concern or involvement with the operation of the College.
- i) Ensure that the views of the stakeholders are communicated to the Board as a whole.
- j) Chair the Full Board Meetings and all other stakeholder meetings of the College.
- k) Together with the Principal and Secretary, ensure that the College operates to the highest standards of corporate governance.
- l) Manage the training needs of each board member and ensure development.
- m) Ensure the Board undertakes continuous development in order to enhance governance practices within the Board itself and in the interest of the College.

The role of the Secretary shall be to:

- a) Ensure that the policies spelt out by the Board in the College's overall corporate strategy are implemented.
- b) Identify and recommend to the board competent officers to manage the operations of the College. In the fulfilment of this duty, the Secretary should ensure that the College's human resources policy is adhered to.
- c) Co-ordinate the operations of the various departments within the College.
- d) Establish and maintain efficient and adequate internal control systems.

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- e) Design and implement the necessary management information systems in order to facilitate efficient and effective communication within the College
- f) Ensure that the Board is frequently and adequately appraised about the operations of the College through presentation of relevant board papers, which must cover, but are not limited to, the following areas:
 - i) Actual performance compared with the past performance and the budget together with explanations of all the variances.
 - ii) Capital structure and adequacy.
 - iii) Performance of students.
 - iv) Income and expenses.
 - v) Income: sources and distribution profile.
 - vi) Report on violation of laws and remedial activities undertaken to ensure compliance with the guidelines.
 - vii) Any other duties as may be assigned by the Board from time to time.

11. Duties of Board Members

Each Board member shall have the fiduciary duty to;

- a) Exercise a reasonable degree of care, skill and diligence.
- b) Act in good faith and in the best interests of the College and not for any other purpose.
- c) Act honestly at all times and must not place themselves in a situation where personal interests conflict with those of the College;
- d) Exercise independent judgment at all times;
- e) Devote sufficient time to carry out their responsibilities and enhance their skills;
- f) Promote and protect the image of the College;
- g) Owe their duty to the College and not to the nominating authority; and
- h) Owe the College a duty to hold in confidence all information available to them by virtue of their position as a Board member.

12. The Secretary

The Principal appointed by the Public Service Commission is the Secretary to the Board and is charged with the following responsibilities:

- a) To provide guidance to the Board on its duties and responsibilities and on other matters of governance;
- b) To ensure that the Board complies with its obligations under the law and the TVET Act 2013 and all other relevant laws.
- c) To assist the Chairperson of the Board in organizing the Board activities;
- d) To assist the Board with evaluation exercise;
- e) To coordinate the governance audit process;
- f) To maintain and update the register of conflict of interest;
- g) To facilitate effective communication between the organization and the stakeholders; and
- h) To carry out any other duties as may be assigned by the Board from time to time.

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13. Board Committees

- a) The Board may discharge any of its responsibilities through Board Committees appointed from amongst its members subject to the applicable laws.
- b) The Board has established the following committees:
 - 1. Audit and Risk Management Committee
 - 2. Finance & Infrastructure Committee
 - 3. Academics, Human Resource, and welfare committee
- c) The Board shall appoint the Chairpersons of the Committees and shall approve appropriate terms of reference for the Committees.
- d) Reporting obligations:
 - i) The Committees shall report to the Board on matters referred to it by the Board and on the proceedings following each meeting of the committee. The report shall include findings, matters identified for specific recommendation to the Board, action points and any other issues as appropriate.
 - ii) The committees shall liaise with each other in so far as it is expedient to effectively perform their different roles.
- e) The Board remains collectively responsible for the decisions of any committee and shall review the effectiveness and performance of committees annually.
- f) The Board may be required to establish other committees from time to time.

14. Conflicts of Interest and Related Party Transactions

- a) All Board members are required to:
 - i) Declare any interests that may give rise to potential or perceived conflict e.g., business relationships or other circumstances that could interfere with exercise of objective judgment.
 - ii) Declare as soon as they become aware that a subject to be discussed at a Board or committee meeting may give rise to a conflict of interest at the outset of the applicable meeting. The conflicted Board member shall not participate further in the discussion of that subject, nor vote on it. This is always subject to the provisions of the guiding laws, rules & regulations of the College.
- b) The Board shall evaluate all potential or perceived conflict of interest as declared and shall approve such transactions with the College as may be appropriate.
- c) A register of declared Conflicts of Interest shall be maintained by the Secretary.

15. Code of Conduct

- a) The Board shall adopt a Code of Conduct for all governors and employees that addresses, among other things, conflict of interest and which shall be reviewed and updated regularly. A summary of this code shall be made available on the College's website.
- b) The College shall adopt effective whistle blowing mechanisms that encourage staff and other stakeholders to bring out information helpful in enforcing good corporate governance practices.
- c) The Board shall also adopt the Public Service Code of Conduct that will apply to all governors and staff.

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16. Relations with Stakeholders

- a) The Board shall recognize, respect, and protect the rights of stakeholders and shall ensure equitable treatment of all stakeholders.
- b) The Board shall provide stakeholders with information as is required under the applicable law and shall establish mechanisms to ensure effective communication with stakeholders.
- c) The Board shall have a stakeholder-inclusive approach and will be responsible for giving due consideration to the legitimate interests and expectations of the College's stakeholders in its deliberations, decisions, and actions.
- d) The Board shall establish effective communication with the College's stakeholders including the media as may be appropriate.

17. Terms of Reference

The Board shall adopt its detailed Terms of Reference which shall be reviewed periodically.

Board meetings held and the attendance to those meetings by members,

In the financial year 2023/2024 the Board held a total of Sixteen BOG meetings which were convened by the BOG Secretary in consultation with the Chairperson as follows:

Serial Number	Nature of meeting	Number of meetings
1	Audit and Risk Management Committee	3
2	Academic, Human Resource & Welfare Committee	3
3	Finance and Infrastructure Committee	3
4	Full Board	4
5	Special full board	3
	Total meetings	16

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9. Management Discussion and Analysis

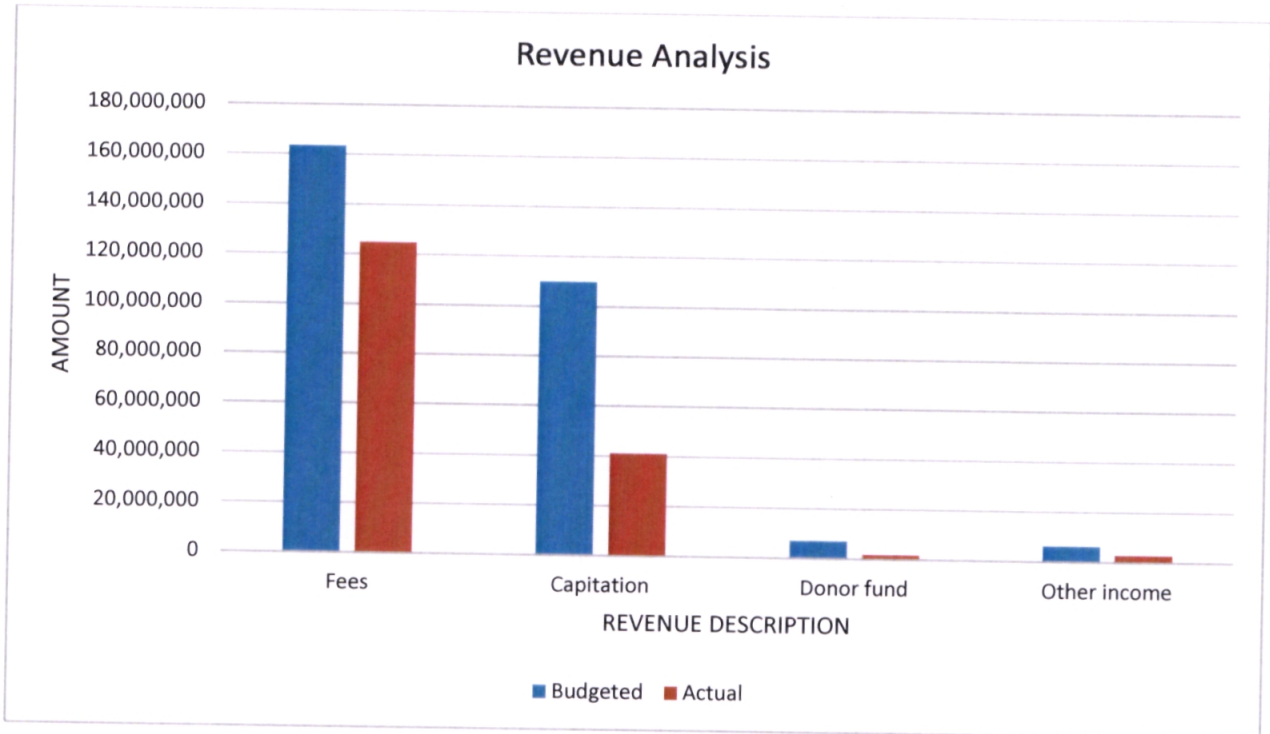
The College operational and financial performance

The operational and financial performance of Baringo National Polytechnic is as shown below.

I. Revenue analysis Revenue Collection

During the financial year 2023-2024, the college had targeted to collect Kshs 286,370,674. We managed to collect actual Kshs 157,600,393. These amounts to a shortfall of Kshs 128,773,281. Our collections across our budget lines were as follows:

Serial Number	Revenue description	Budgeted	Actual
1	Fees	163,232,684	111,896,681
2	Capitation	109,812,204	41,098,205
3	Donor fund	6,983,786	1,818,870
4	Other income	6,342,000	2,786,637
	Total Kshs	286,370,674	157,600,393

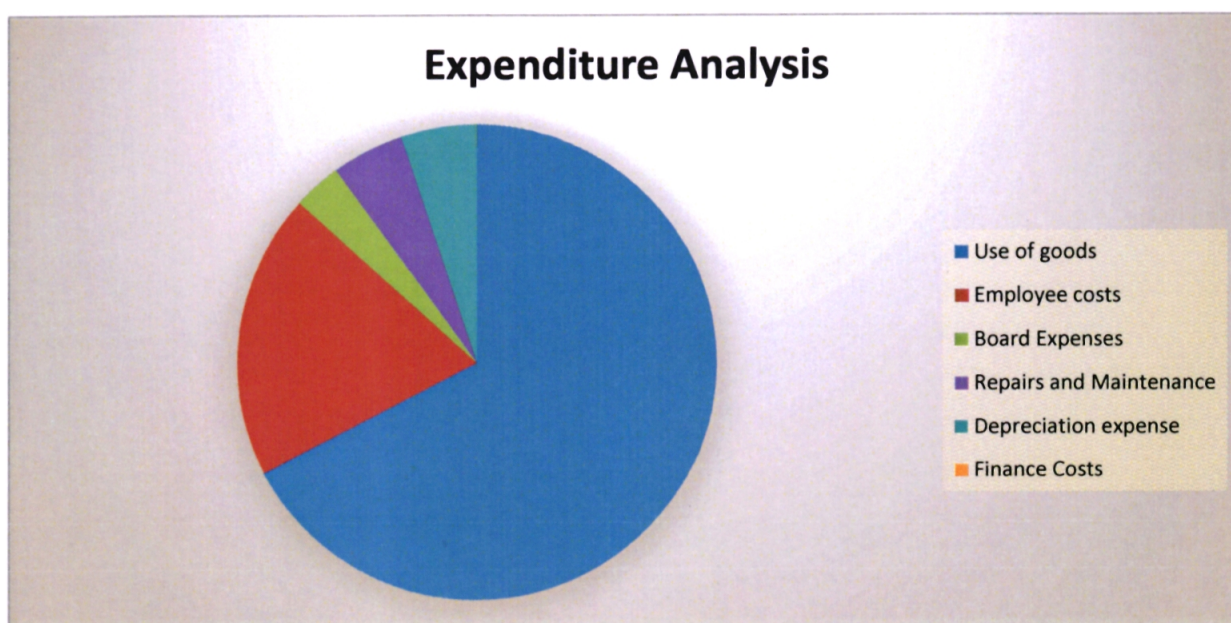


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II. Expenditure Analysis.

In the financial year 2023-2024, the College did not meet all its objectives owing to insufficient funding. The highest expenditure being use of goods which comprise of training materials for students. The table below shows utilization rate per vote head.

Serial Number	Vote heads	Budgeted	Actual
1	Use of goods	204,063,786	121,058,002
2	Employee costs	52,796,160	30,069,225
3	Donor fund	6,983,786	0
4	Board Expenses	9,932,000	5,793,384
5	Repairs and Maintenance	12,595,048	8,584,179
6	Depreciation expense	-	22,825,819
7	Finance Costs	-	29,943
	Total expenses	286,370,674	188,360,552



College compliance with statutory requirement

Baringo National Polytechnic financial statements have been prepared in accordance with Section 81(3) of the Public Finance Management Act of 2012. The college complied with statutory obligation of its employees from time to time.

Total exposure

The college going concern is not in doubt and has no on-going or potential court cases that may expose it into potential contingent liability. Furthermore, the institution has complied with statutory obligation and requirements. In addition, the financial statements have been prepared on a going concern basis that depicts the entity's ability to continue as a going concern.

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Major risks facing the college.

Major risks to the college are:

- i. Low student enrolment: We are conducting several college marketing initiatives and are hopeful they will boost the student enrolment numbers come the next financial year and, in the years, to follow.
- ii. Inadequate infrastructure leading to Inability to maintain and enhance growth in courses/expansion of programs
- iii. Capitation/scholarship grants cannot be relied upon as a source of income. It may not be possible to claim or collect from the government capitation arrears for past financial period even when our returns were in order. It is also difficult to collect grant promises which are factored into our budgets.
- iv. Project proposal development requests and funding from the Ministry of Education is outside our control.
- v. We are exposed to credit related losses in the event of non-performance by Ministry of Education, trainees, and other paying stakeholders.
- vi. College fee revenue from our trainees is a significant portion of overall revenue. There is need to diversify our revenue sources away from student led revenue streams to enhance sustainability. To this end, we endeavour to encourage departments to initiate income generating activities (IGAs)
- vii. A cyber-attack on or disruption to our IT systems or other systems utilized in our operations could compromise our operations, adversely impact our reputation, and subject us to liability.
- viii. Inability to take up insurance policies could expose us to significant losses.
- ix. We are subject to government regulation and other legal obligations related to privacy, data protection, data security and safeguarding. Our actual or perceived failure to comply with such obligations could harm our college.
- x. Session interruptions due to pandemics, natural disasters, terrorist incidents and other events could adversely affect us.

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

Reporting framework

The College first adopted the International Public Sector Accounting Standards (IPSAS)-Accrual in the financial year 2018-2019.

The presentation of financial statements under review is in conformity with International Public Sector Accounting Standards (IPSAS) 1 on the presentation of financial statements. Additionally, each material class of similar items has been presented separately in the financial statements while dissimilar items have been aggregated only if they are immaterial on an individual basis as per International Public Sector Accounting Standard (IPSAS 1(13))

Material arrears in financial obligations

The pending bills at the close of the financial year stood at **Kshs 31,385,326**. All this incurred to make the College more hospitable for learners as we pursue our mandate.

The College financial probity and serious governance issues

During the financial year 2023-2024 there was no major financial improprieties reported by agencies on oversight that came to the knowledge of management. In addition, the College does not have serious governance issues among the Board and the Top Management including conflict of interest. Being the first point of oversight, the Board in its calendar has scheduled quarterly meetings of the Audit and Risk Management Committee to strengthen the oversight on the execution of the budget.

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

10. Environmental And Sustainability Reporting Statement

Sustainability Strategy and Profile

Baringo National Polytechnic, established under legal notice 17 of 2024, aligns its strategic plan with national and international development frameworks such as Kenya's Sustainable Development Goals Agenda, Africa Agenda 2063, and Kenya Vision 2030.

The Institution supports the Government's Bottom-Up Economic Transformation Agenda (BETA) by offering market-driven courses and implementing Competence Based Education and Training Curriculum (CBET) to produce well-prepared graduates for the modern job market. CBET focuses on flexible, mastery-based learning to enhance productivity in key sectors like Agriculture, MSMEs, Housing, Healthcare, digital economy, and climate change.

Environmental Performance

Baringo National Polytechnic is committed to environmental stewardship and is in a process of developing an environmental policy. The institution practices renewable energy use, sustainable agriculture, and active conservation efforts. It has a waste management committee and follows annual performance contracting targets. In line with a presidential directive, the institution has planted over 1200 trees in the current financial year, maintaining a 70% tree cover.

Employee Welfare

The Institution has a Human Resource Policy detailing terms of service, developed with stakeholder input and legal compliance. Career progression guidelines define job descriptions, recruitment standards, and training for staff advancement. The policy is periodically reviewed and amended as necessary.

Employee training needs are assessed annually, and performance is measured using staff appraisals. The health and safety policy, based on the Occupational Safety and Health Act, 2007, ensures a safe work environment.

Marketplace Practices

Guided by Public Policies and Ethics Codes, Baringo National Polytechnic ensures a responsible supply chain through due diligence on suppliers' conduct and practices offering a competitive field of Tendering process.

The college is also geared to intensifying Marketing strategies to attract students including various campaign strategies such as roadshows, social media, and outreach programs, ensuring transparency and honesty in communications.

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

11. Corporate Social Responsibility / Community Engagements

In the Financial Year 2023/2024 Baringo National Polytechnic (BNP) maintained its image by practicing the following CSR initiatives;

a) Improvement of trainee and staff welfare

Members of staff and trainees who had organized functions/bereavements were supported socially and financially.

b) Support of social initiatives by partnering with the local community and the schools around the institution. Some of the social initiatives organized include the following:

- i. Community outreach presentation on Career at Kabarnet Hurth mixed day secondary school on 22nd March 2024 where many students were counseled and guided on their career pathways. The outreach program aimed at illuminating the diverse career paths available through Technical Education and Vocational Training, emphasizing the practical skills and industry relevance. In addition, BNP invited its partners to the Polytechnic career day which was held on 14th June 2024. The event attracted over ten secondary schools, three TVET institutions, banking institutions among other organizations.
- ii. Hair Dressing and Beauty Services to the students and staff of Kabarnet deaf blind school on 24th June 2024. The services were offered by the hospitality department (Hair dressing and beauty therapy section) the services included barbering, blow-drying, nail art and plaiting services.
- iii. Cleanup exercise at Kabarnet town and Kapsoo Centre On 29th June 2024. This was done voluntarily by trainees and members of staff. This activity was aimed at encouraging communities to adopt best practices such as reuse and recycling, which have a profound effect on waste management in a community.

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

12. Report of the Board of Governors

The Board members submit their report together with the audited financial statements for the year ended June 30, 2024, which show the state of the Baringo National Polytechnic affairs.

Principal activities

The principal activities of the entity are to continue offering Training.

Results

The results of the entity for the year ended June 30, 2024, are set out on page 1-33

Board of Governors

The members of the Board who served during the year are shown on page vi-ix.

Auditors

The Auditor General is responsible for the statutory audit of the Baringo National Polytechnic in accordance with Article 229 of the constitution of Kenya and Public Audit Act 2015 to carry out audit for the year ended June 30, 2024, in accordance with section 23 of the Public Audit Act,2015

By Order of the Board



.....

for

Josphat Kipkemboi
Chief Principal/Secretary to the Board

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

13. Statement of Board of Governors Responsibilities

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

The Board are responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year ended on June 30, 2024. This responsibility includes:

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

The Board members accept responsibility for Baringo National Polytechnic financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the Public Finance Management Act, 2012 and Technical Vocational Education and Training (TVET) Act, 2013. The Board members are of the opinion that the College's financial statements give a true and fair view of the state of Baringo Technical College transactions during the financial year ended 30 June 2024 and of the entity's financial position as at that date. The Board, further confirm the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

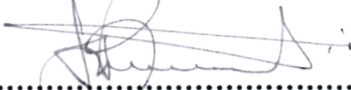
Nothing has come to the attention of the Board members to indicate that Baringo National Polytechnic will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

Baringo National Polytechnic financial statements were approved by the Board on September 27, 2024 and signed on its behalf by the Chairperson of the Board and the Chief Principal.


.....

Dr. Marycent Yator
Chairperson of the Board


.....

Josphat Kipkemboi
Chief Principal/Secretary to the Board

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 BARINGO 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 that 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 Baringo National Polytechnic set out on pages 1 to 36, which comprise of the statement of financial position as at 30 June, 2024 and the statement of financial performance, statement of changes of net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of

the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Long Outstanding Receivables from Exchange Transactions

The statement of financial position reflects a balance of Kshs.111,419,698 in respect of current portion of receivables from exchange transactions as at 30 June, 2024 as reflected in Note 17 to the financial statements. In addition, the aging analysis at Note 17 (b) includes students' debtors totalling Kshs.57,333,565 in respect to the financial year 2022/2023 and earlier years whose recoverability remains doubtful. Further, no provision of bad debts had been made in the books of the Polytechnic.

In the circumstances, the recoverability of the receivables from exchange transactions balance of Kshs.57,333,565 could not be confirmed.

2. Dispute in the Ownership of the Polytechnic's Land

The statement of financial position reflects property, plant, and equipment balance of Kshs.352,581,017 as reflected in Note 19 to the financial statements. The balance includes a parcel of land measuring 7.2 hectares belonging to the Polytechnic, as indicated in a copy of the title deed provided by Management and which had a net book value of Kshs.53,400,000. The reported balance was attributed to a valuation of land carried out in the year ending 30 June, 2024.

Further, an adjacent portion of land measuring approximately 1.6 hectares has been encroached upon illegally and converted to a conservancy by private developers. At the time of audit in May 2025, the land was fenced off and was being utilized by private developers. Review of correspondences file provided by Management revealed that the Principal had written to the Ministry of Education vide a letter dated 23 July, 2024 for assistance to reclaim the land. The ultimate objective of the Polytechnic is to amalgamate the three parcels of land and secure a consolidated title deed. The process is at an advanced stage with the National Land Commission actively deliberating on the matter. In addition, an ad-hoc committee of the Governing Council is overseeing the amalgamation of the already fenced land to facilitate the issuance of the title deed.

In the circumstances, the accuracy, ownership and completeness of the property, plant and equipment balance of Kshs.53,400,000 as at 30 June, 2024 could not be confirmed.

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

accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.286,370,674 and Kshs.157,600,393 respectively, resulting to an under-funding or revenue shortfall of Kshs.128,770,281 or 45% of the budget. Further, the statement reflects that the Polytechnic spent an amount of Kshs.165,534,733 against actual receipts of Kshs.157,600,393 resulting to over absorption of Kshs.7,934,340 or 5% of the actual receipts.

The under-funding affected the planned activities of the Polytechnic and may have adversely affected service delivery 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. There were no key audit matters to communicate in my report.

Other Information

The management responsible for the other information set out on page iv to xli which comprise of Key Entity Information and Management, The Board of Governors, Key Management Team, Chairman's Statement, Report of the Chief Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Board of Governors and Statement of Board of Governors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Ineffective Management of Human Resources

The statement of financial performance reflects employee costs amounting to Kshs.30,069,225 as disclosed under Note 10 to the financial statements. Review of supporting documentation for the expenditure revealed the following unsatisfactory matters;

- i. Management has not complied with the Work Injury Benefits Act (WIBA) and has not disbursed National Industrial Training Authority (NITA) remittances as required by law.
- ii. Further, there was no evidence of a defined pension contribution scheme for the employees pending retirement provided for audit verification.
- iii. The employees' appraisal and evaluation reports were not provided and the Polytechnic lacks a training needs assessment, training plan, program, calendars for staff and utilization of the ERP by employees; and
- iv. In addition, a list of new recruits and those exiting the Polytechnic within the year under review was not provided for audit.
- v. Review of records revealed that the approved staff establishment for the Polytechnic is one hundred and three (103) academic staff and ninety-four (94) essential staff. However, the in-post staff at the institution stood at sixty-eight (68) academic staff and fifty-three (53) essential staff leading to a deficit of thirty-five (35) and forty-one (41) academic and support staff respectively. No reason was provided for the failure to adhere to the approved staff establishment in the recruitment and retention of staff.

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

2. Irregular Contract Renewal

During the year under review, a local company, was contracted for the provision of internet services at a contract sum of Kshs.684,000. The contract was however renewed without following due process stipulated in the procurement law such as provision of review reports by the evaluation committee. This is contrary to Section 103 of the Public Procurement and

Asset Disposal Act, 2015 which stipulates the circumstances under which direct procurement method may be used.

In the circumstances, management was in breach of the procurement law and regulations.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Fraud Management Policy

Review of the Polytechnic's policy documents and operations revealed that it did not have in place a fraud management policy to assist in detecting and preventing fraud during the year under review. Further, Management did not have a risk management policy or strategy in place and therefore, had no approved processes and guidelines on how to mitigate operational, legal, and financial risks contrary to Regulation 165 (1) of the Public Finance Management (National Government) Regulations, 2015.

In the circumstances, Management may not be in a position to identify, detect and prevent fraud in the Polytechnic.

2. Weak Information Technology (IT) Internal Control

As previously reported, the Polytechnic had not established an IT strategic plan as well as IT security policy to provide governance on information technology matters including policies on IT continuity plan. Subsequently the critical data or information may not be recovered in case a disaster occurs. At the time of the audit May, 2025 the Polytechnic was in the process of developing an IT strategic plan, IT security policy, and business continuity plan to strengthen governance on information technology matters. The policies are at draft level and await the

approval of the Governing Council. The management is committed to operationalize the policy the by 30 June, 2025

In the circumstances, the adequacy and effectiveness of the IT risk management strategies and controls and processes put in place could not be confirmed and the implemented changes in the systems may not meet the business requirements of the Polytechnic.

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 those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Polytechnic's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Polytechnic or to cease operations.

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

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

Those charged with governance are responsible for overseeing the Polytechnic's financial reporting process, reviewing the effectiveness of how 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 IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

24 June, 2025


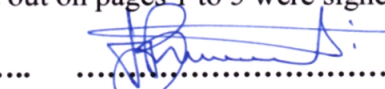

Baringo National Polytechnic
Annual Report and Financial Statements for the year ended 30th June 2024

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

Description	Notes	Period ended June 30,2024	2022-2023
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other governments entities	5	41,098,205	38,215,000
Donor Fund	6	1,818,870	-
Revenue from non-exchange transactions		42,917,075	38,215,000
Revenue from exchange transactions			
Rendering of services	7	111,896,681	167,263,576
Other income	8	2,786,637	513,893
Revenue from exchange transactions		114,683,318	167,777,469
Total revenue		157,600,393	205,992,469
Expenses			
Use of goods and services	9	121,058,002	94,577,513
Employee costs	10	30,069,225	33,847,958
Board Expenses	11	5,793,384	3,472,900
Depreciation and amortization expense	12	22,825,819	5,904,492
Repairs and maintenance	13	8,584,179	6,244,231
Transfers from other Government entities	14	-	1,727,890
Finance costs	15	29,943	28,117
Total expenses		188,360,552	145,803,101
Surplus		-30,760,159	60,189,368

The notes set out on pages 1 to 25 form an integral part of the Annual Financial Statements.

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


 Dr. Marycent Yator Chairperson of the Board	 Josphat Kipkemboi Chief Principal	 Rebecca Chelanga Finance Officer ICPAK No 20590
Date... 14/06/2025	Date... 14/6/2025	Date... 14/06/25

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

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

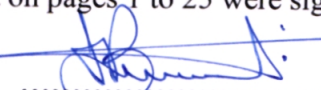
Description	Notes	Period ended June 30,2024	2022-2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	16	8,746,290	3,179,493
Current portion of receivables from exchange transactions	17	111,419,698	142,911,089
Inventories	18	4,261,913	3,728,052
Total Current Assets		124,427,901	149,818,634
Non-Current Assets			
Property, plant, and equipment	19	352,581,017	77,203,651
Capital work in progress	20	-	37,665,003
Intangible assets	21	8,064,000	18,290,920
Biological Assets	22	311,500	185,000
Total Non-Current Assets		360,956,517	133,344,574
Total Assets (A)		485,384,418	283,163,208
Liabilities B			
Current Liabilities			
Trade and other payables from exchange transactions	23	31,385,326	38,182,773
Refundable deposits from customers	24	7,452,175	5,941,575
Payments received in advance	25	5,251,724	-
Total Current Liabilities		44,089,225	44,124,348
Total Liabilities (B)		44,089,225	44,124,348
Net Assets (A-B)		441,295,193	239,038,860
Represented By:			
Capital Reserve		233,016,492	-
Capital grant/fund		15,685,163	15,685,163
Accumulated Surplus		192,593,538	223,353,697
Net Assets		441,295,193	239,038,860

The Financial Statements set out on pages 1 to 25 were signed by;



Dr. Marycent Yator
 Chairperson of the Board

Date.....14/06/2025



for **Josphat Kipkemboi**
 Chief Principal

Date.....14/06/2025



Rebecca Chelanga
 Finance Officer
 ICPAK No 20590

Date.....14/06/25

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

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

Description	Revaluation Reserve	Accumulated Fund	Capital fund	Total
At July 1, 2022		163,164,329	15,685,163	178,849,492
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	60,189,368	-	60,189,368
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2023	-	223,353,697	15,685,163	239,038,860
	-		-	-
At July 1, 2023	233,016,492	223,353,697	15,685,163	472,055,352
Revaluation gain		-	-	
Surplus/(deficit) for the year	-	- 30,760,159	-	-30,760,159
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2024	233,016,492	192,593,538	15,685,163	441,295,193

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

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

Description	Notes	Period ended June 30,2024	2022-2023
		Kshs	
Cash flows from operating activities			
Receipts			
Transfers from other governments entities	5	41,098,205	38,215,000
Donor Fund	6	1,818,870	-
Revenue from non-exchange transactions		42,917,075	38,215,000
Revenue from exchange transactions			
Rendering of services	7	111,896,679	167,263,576
Other income	8	2,786,637	513,893
Revenue from exchange transactions		114,683,318	167,777,469
Total revenue		157,600,393	205,992,469
Expenses			
Use of goods and services	9	121,058,002	94,577,513
Employee costs	10	30,069,225	33,847,958
Board Remuneration	11	5,793,384	3,472,900
Depreciation expense	12	-	5,904,492
Repairs and maintenance	13	8,584,179	6,244,231
Transfers from other Government entities	14	-	1,727,890
Finance costs	15	29,943	28,117
Total expenses		165,534,733	145,803,101
Net cash flows from operating activities		-2,769,426	-14,317,542
Net Cash flows from investing activities			
Purchase of PPE and intangible assets	19	-18,627,490	-26,242,470
Net Cash flows from investing activities		-18,627,490	-26,242,470
Net increase/(decrease) in cash and cash equivalents			-40,560,012
Cash and cash equivalents at July 1,2023	16	3,179,493	43,739,503
Cash and cash equivalents as at June 30,2024	16	8,045,685	3,179,493

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19. Statement of Comparison of Budget & Actual Amounts For Year Ended 30 June 2024

Description	Original Budget	Adjustments	Final Budget	Actual Cumulative to date	utilization difference	% of Utilization
	a	b	c=a+b	d	e	e=d/c %
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Transfers from National Government entities	102,675,000	-	102,675,000	41,098,205	61,576,795	0.40
Donor Fund	6,983,786.00	-	6,983,786	1,818,870	5,164,916	0.26
Other Incomes				2,786,637	-	
Rendering of services- Fees from students	181,448,608	4,736,720	176,711,888	111,896,681	64,815,207	0.63
Total Revenue	291,107,394	4,736,720	286,370,674	157,600,393	131,556,918	55.03%
Expenditure						
Use of goods and services	169,930,130	-4,736,720	165,193,410	121,058,002	44,135,408	73.28%
Employee costs	52,796,160	-	52,796,160	30,069,225	22,726,935	56.95%
Board Expenses	9,932,000	-	9,932,000	5,793,384	4,138,616	58.33%
Development projects	45,854,056	-	45,854,056	-	45,854,056	
Repairs and maintenance	12,595,048	-	12,595,048	8,584,179	4,010,869	0.68
Finance costs			-	29,943	-29,943	
Total expenses	291,107,394	-4,736,720	286,370,674	165,534,733	120,835,941	
Surplus				-7,934,342		

Budget notes

- The variance between the original budget and the final budget was due to downward shift of enrolment data resulting to reduction of the budget for the financial year ended June 30, 2024
- Under absorption of use of goods and services, Employee cost, Board expenses and Repairs and maintenance was as a result of underfunding and delayed remittance of capitation grant by the Government.

20. Notes to the Financial Statements

1. General Information

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

2. Statement of Compliance and Basis of Preparation

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

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <ul style="list-style-type: none"> • This standard has no impact on our institution
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <ul style="list-style-type: none"> • Currently the institution does not have Non- Current Assets Held for Sale and Discontinued Operations therefore no impact to financial statements of the institution.
IPSAS 45: Property Plant and Equipment	<p>Applicable 1st January 2025</p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be 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.</p> <ul style="list-style-type: none"> • The polytechnic has no heritage assets currently and therefore the standard has a positive impact in terms of valuation of Property, Plant and Equipment.

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<p>IPSAS 46: Measurement</p>	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol 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> <ul style="list-style-type: none"> • The standard has no impact to the financial statements currently.
<p>IPSAS 47: Revenue</p>	<p>Applicable 1st January 2026</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> <ul style="list-style-type: none"> • This standard will impact positively to the revenue collection due to binding arrangement which is crucial for recognizing revenue under accounting standards thereby resulting to increase in revenue generation.
<p>IPSAS 48: Transfer Expenses</p>	<p>Applicable 1st January 2026</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> <ul style="list-style-type: none"> • The entity has no transfer expenses therefore IPSAS 48: Transfer Expenses has no impact to the entity.
<p>IPSAS 49: Retirement Benefit Plans</p>	<p>Applicable 1st January 2026</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> <ul style="list-style-type: none"> • On adoption of IPSAS 49 Retirement benefit plan, the institution will be able to report both asset and liability in the financial statements. Therefore, giving a clear overview of employee retirement benefits.

iii. Early adoption of standards

Baringo National Polytechnic did not early adopt any new or amended standards in year ended June 30, 2024.

Notes to the Financial Statements (continued)

Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

Notes to the Financial Statements (continued)

b) Budget information

The original budget for the Financial Year 2023/2024 was approved by the Board of Governors on 30, January 2023 Subsequent revision was done on 12th April,2024.

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.

c) Taxes

Current income tax

Baringo National Polytechnic is exempt from paying taxes as per Income Tax Act Cap.470

Sales tax/ Value Added Tax

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

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

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

Notes to the Financial Statements (continued)

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

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

Baringo National Polytechnic adopted the following depreciation rates per annum for its assets;

- Land 0%
- Buildings 2%
- Motor vehicles 25%
- Property, Plant and Equipment 25%
- Furniture and fittings 12.5%
- Office equipment 12.5%
- Computers 30%
- Library books 25%
- Intangible assets 30%

However, as at June 30,2024, the following assets had not been valued;

- 100 computers for Jitume lab
- 14 computers donated by Germans
- Furniture and fittings
- Office equipment
- Plant and machinery

Notes to the Financial Statements (continued)

f) Leases

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

Notes to the Financial Statements (continued)

g) Intangible assets

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

h) Research and development costs

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

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

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

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. 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.

Notes to the Financial Statements (continued)

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Notes to the Financial Statements (continued)

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

Baringo National Polytechnic assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL).

Financial liabilities

Classification

Baringo National Polytechnic classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

j) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method.
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Notes to the Financial Statements (continued)

Inventories (Continued)

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

k) Provisions

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

Contingent liabilities

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

Contingent assets

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

l) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and/or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefits scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

Notes to the Financial Statements (continued)

m) Nature and purpose of reserves

Baringo National Polytechnic did not create and maintain reserves in terms of specific requirements.

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

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

p) Foreign currency transactions

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

q) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

r) Related parties

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

Notes to the Financial Statements (continued)

s) Service concession arrangements

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

t) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short-term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

u) Comparative figures

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

v) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2024.

Notes to the Financial Statements (continued)

4. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

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Notes to the Financial Statements (continued)

5. Transfers from other National Government entities

Description	Period ended June 30,2024	2022-2023
	Kshs	Kshs
Capitation Grants		
Unconditional grants		
Capitation grant	41,098,205	38,215,000
Total Government Grants and Subsidies	41,098,205	38,215,000

These are transfers from government as capitation fees

6. Grants from donors and development partners

Description	Period ended June 30,2024	2022-2023
	Kshs	Kshs
Conditional grants		
Transfer from CICan	1,818,870	-
Total Government Grants and Subsidies	1,818,870	-

These are funds received from Colleges and Institutes Canada(CICan) under Young Africa Works

Transfers from other Government entities (Categorized)

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance	Amount deferred under deferred income	Amount recognis ed in capital fund.	Total grant income during the year	2022-2023
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department for TVET	41,098,205	-	-	41,098,205	38,215,000
Transfer from CICan	1,818,870			1,818,870	
Total	42,917,075	-	-	42,917,075	38,215,000

The details of the reconciliation have been included under appendix III

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Notes to the Financial Statements (continued)

7. Rendering of Services

Description	Period ended June 30,2024	2022-2023
	Kshs	Kshs
Tuition Fee	16,675,612	59,987,651
Activity Fee	7,899,890	8,796,670
Personnel Emoluments	24,969,366	30,159,360
Repairs, Maintenance, and Improvements	4,763,030	4,314,816
Local Transport and Travel fees	7,226,919	8,288,721
Electricity, Water and Conservation fees	7,315,808	8,534,680
Medical, Attachment and Insurance fees	5,432,500	8,667,000
Examination Fee	19,553,200	25,764,310
Material Fee	4,381,100	5,109,000
Student Identity card fee	222,500	520,500
Student Council fees	847,200	1,543,662
Hostel Accommodation	2,840,240	1,812,500
Graduation Fee	31,500	-
Application fee	446,190	-
Development fee	8,700	-
TVETA Quality Assurance Fee	-	1,272,600
Cafeteria fees (PAYE)	9,282,926	2,495,035
Total Revenue from The Rendering of Services	111,896,679	167,263,576

These are revenues received from student payment of fees for the year.

8. Other Incomes

Description	Period ended June 30,2024	2022-2023
	Kshs	Kshs
Hire of Facilities and Equipment	1,500,940	263,588
Salary recoveries	87,000	70,000
Rental fees	74,300	107,000
Bus Hire	77,565	-
Income from sale of tender	13,000	13,000
Breakage fee	99,480	54,650
Farm income	261,330	-
sales from food and beverage	304,700	-
sales from Hairdressing and beauty	9,062	-
Accommodation facility	357,000	-
Alumni fee	500	-
Library Fine	1,760	5,655
Total other incomes	2,786,637	513,893

These are revenues received other than fees paid by the students.

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

Notes to the Financial Statements (continued)

9. Use of Goods and Services

Description	Period ended June 30,2024	2022-2023
	Kshs	Kshs
	Kshs	Kshs
Teaching and Learning Materials	40,498,253	17,939,808
Industrial Attachment Costs	-	1,231,025
Electricity expenses	2,159,013	1,846,417
Water expenses	101,320	50,880
Student Activities	4,291,745	6,254,870
Student Council Expenses	-	597,074
Examination Fee Expenses	22,693,292	14,971,140
Cafeteria Expenses	11,787,103	11,876,818
Travelling and Accommodation	33,595,369	16,572,887
Performance Contracting expenses	-	717,360
Administration Costs	586,620	18,252,736
Marketing expenses	-	1,860,855
Graduation Expense	-	19,000
Cleaning Materials Expense	-	58,400
Science, Technology, and Innovation	-	40,100
Internet Expenses	-	1,252,074
Medical Expenses	425,213	858,197
Hostel and House Keeping Expenses	-	91,000
Library expenses	-	86,870
Research and development costs	1,419,250	-
Establishment expenses	3,500,825	-
Total good and services	121,058,002	94,577,513

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

Notes to the Financial Statements (continued)

10. Employee Costs

Description	Period ended June 30,2024	2022-2023
	Kshs	Kshs
Salaries and wages	30,069,225	32,038,476
NSSF	-	410,782
Staff Capacity Building and Motivation	-	1,365,600
Staff uniforms and apparels	-	33,100
Total employee cost	30,069,225	33,847,958

11. Board Expenses

Description	Period ended June 30,2024	2022-2023
	Kshs	Kshs
Directors emoluments	5,793,384	3,472,900
Total Board allowances	5,793,384	3,472,900

12. Depreciation and Amortization Expense

Description	Period ended June 30,2024	2022-2023
	Kshs	Kshs
Property, plant and equipment	19,369,819	5,904,492
Amortization of software	3,456,000	-
Total depreciation and amortization	22,825,819	5,904,492

13. Repairs and Maintenance

Description	Period ended June 30,2024	2022-2023
	Kshs	Kshs
Property	8,584,179	6,244,231
Total repairs and maintenance	8,584,179	6,244,231

14. Transfers to other Government Entities

Description	Period ended June 30,2024	2022-2023
	Kshs	Kshs
Kapchepkor Technical & Vocational College	-	1,727,890
Total transfers	-	1,727,890

Baringo National Polytechnic
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Notes to the Financial Statements (continued)

15. Finance Costs

Description	Period ended June 30,2024	2022-2023
	Kshs	Kshs
Bank charges	29,943	28,117
Total Finance Costs	29,943	28,117

16. (a) Cash And Cash Equivalents

Description	Period ended June 30,2024	2022-2023
	Kshs	Kshs
Current account	8,746,290	3,179,493
Total cash and cash equivalents	8,746,290	3,179,493

16. (b) Detailed Analysis of The Cash and Cash Equivalents

Financial Institution	Account number	Period ended June 30,2024	2022-2023
		Kshs	Kshs
a) Current account			
Kenya Commercial bank	1137331836	291,520	-
Kenya Commercial bank	1175704199	3,156,250	2,966,182
Kenya Commercial Bank	1167847253	4,854,904	167,325
Kenya Commercial Bank	1322147841	411,116	-
Equity account	1390271609035	32,500	-
Total		8,746,290	3,133,507
Others (Specify)		-	-
Cash in Hand		-	45,986
Sub- Total		-	45,986
Grand Total		8,746,290	3,179,493

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Notes to the Financial Statements (continued)

17. (a) Receivables from Exchange Transactions

Description	Period ended June 30,2024	2022-2023
	Kshs	Kshs
Non-current receivables		
Long term debtors	111,419,698	142,911,089
Total receivables	111,419,698	142,911,089

17(b) Ageing Analysis of Receivables from Exchange transactions

Description	Period ended June 30,2024		2022-2023	
	Kshs		Kshs	
	Current FY	% of Total	2022-2023	% of the Total
Less than 1 year	54,086,133	49%	142,911,089	100%
Between 1- 2 years	57,333,565	51%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (a+b)	111,419,698	100%	142,911,089	100%

18. Inventories

Description	Period ended June 30,2024	2022-2023
	Kshs	Kshs
Catering Stores	559,930	628,319
Repairs and Maintenance Stores	-	491,130
Stationery	807,556	960,308
Electrical Stores	458,309	354,840
Cleaning Materials Stores	143,924	247,513
Food and Beverages Stores	211,335	232,767
Fashion and Design Stores	209,540	514,137
Building Stores	1,385,758	-
Automotive and Mechanical Stores	250,320	142,484
House Keeping and Accommodation	191,682	-
Agriculture Department Stores	19,810	22,524
Hairdressing stores	23,750	134,030
Total Inventories at lower of Cost and Net Realizable Value	4,261,913	3,728,052

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

19. Property, Plant and Equipment

Asset	Land	Motor Vehicles	Building/W.I. P	Furniture & fittings	Computers and ICT equipment	Books	Plant equipment & Machinery	Totals
		0.25	0.02	12.5	0.30	0.25	0.25	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Net book value July 1, 2022	-	4,028,766	38,261,317	6,264,892	5,115,706	2,059,056	1,135,936	56,865,673
Additions	-	-	18,856,125	855,345	5,711,000	-	820,000	26,242,470
Depreciation	-	1,007,191	-	890,029	3,248,011	514,764	244,497	5,904,492
Net book value June 30, 2023	-	3,021,575	57,117,442	6,230,208	7,578,695	1,544,292	1,711,439	77,203,651
	-	-	-	-	-	-	-	-
Net book value June 30, 2023	-	3,021,575	57,117,442	6,230,208	7,578,695	1,544,292	1,711,439	77,203,651
Net Book values July 1, 2024	53,400,000	6,600,000	257,391,000	9,209,860	10,220,500	2,059,056	14,442,930	353,323,346
additions	-	-	-	4,020,820	1,497,000	-	13,109,670	
Book values	53,400,000	6,600,000	257,391,000	13,230,680	11,717,500	2,059,056	27,552,600	371,950,836
Depreciation	-	1,650,000	5,147,820	1,653,835	3,515,250	514,764	6,888,150	19,369,819
Net Book values June 30, 2024	53,400,000	4,950,000	252,243,180	11,576,845	8,202,250	1,544,292	20,664,450	352,581,017

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Notes to the Financial Statements (Continued)

20. Capital work in progress

Description	Period ended June 30,2024	2022-2023
	Kshs	Kshs
Buildings	-	37,665,003
Total capital work in progress	-	37,665,003

21. Intangible Assets-Software

Description	Period ended June 30,2024	2022-2023
	Kshs	Kshs
Computer software	-	500,000
MIS Software	8,064,000	17,790,920
NBV	8,064,000	18,290,920

22. Biological assets

Description	Period ended June 30,2024	2022-2023
	Kshs	Kshs
Cattle	311,500	185,000
Total Biological assets	311,500	185,000

23. Trade and Other Payables

Description	Period ended June 30,2024		2022-2023	
	Kshs		Kshs	
Trade payables	31,385,326		38,182,773	
Total Trade and Other Payables	31,385,326		38,182,773	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	22,454,326	72%	38,182,773	100%
1-2 years	8,931,000	28%	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total Payables	31,385,326	100%	38,182,773	100%

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Notes to the Financial Statements (continued)

24. Refundable Deposits from Customers

Description	Period ended June 30,2024		2022-2023	
	Kshs		Kshs	
Caution Money	3,173,775		3,161,575	
KUCCPS Placement Fee	2,380,500		2,780,000	
TVETA Quality assurance fees	1,897,900			
Total deposits	7,452,175		5,941,575	
Ageing analysis:	FY 2023/2024	% of the Total	FY 2022/2023	% of the Total
Under one year	1,707,700	22.3%	5,941,575	100%
1-2 years	5,744,475	77.7%	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total deposits	7,452,175	100%	5,941,575	100%

25. Payments received in advance.

Description	Period ended June 30,2024		2022-2023	
	Kshs		Kshs	
Fees received in advance	5,251,724		-	
Total Payments received in advance.	5,251,724			
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	5,251,724	100%		%
1-2 years		%		%
2-3 years		%		%
Over 3 years		%		%
Total Payments received in advance.	5,251,724	100%		%

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

Notes to the Financial Statements (continued)

26. Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were revalued by Elrons professional valuers on September, 2023. These amounts were adopted in the financial statements for the year ended June 30, 2024.

(b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	53,400,000	-	53,400,000
Buildings	257,391,000	5,147,820	252,243,180
Motor Vehicles	6,600,000	1,650,000	4,950,000
Computer & ICT Infrastructure	11,717,500	3,515,250	8,202,250
Furniture & Fittings	13,230,680	1,653,835	11,576,845
Plant & Machinery	27,552,600	6,888,150	20,664,450
Books	2,059,056	514,764	1,544,292
Total property, plant and equipment	371,950,836	19,369,819	352,581,017

27. Retirement benefit Asset/ Liability

Baringo National Polytechnic provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

The Baringo National Polytechnic contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The College's obligation under the scheme is limited to specific contributions legislated

Notes to the Financial Statements (continued)

from time to time and is currently at Kshs 1,080 per employee per month. Other than NSSF the entity is yet to implement a defined contribution scheme which shall be operated by a Pension Fund. Employees contribute 3% while employers contribute 5% of basic salary.

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

Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

28. Financial Risk Management

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

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

(i) Credit risk

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

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

The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained.

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

Notes to the Financial Statements (continued)

Financial risk management (continued)

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

The board of directors sets the company's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023 (previous year)	-	-	-	-
Trade Payables	-	31,385,326	-	31,385,326
Current Portion of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total Kshs		31,385,326		31,385,326
At 30 June 2024 (current year)				
Trade Payables	14,883,785	12,857,701	3,643,840	31,385,326
Current Portion of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total Kshs	14,883,785	12,857,701	3,643,840	31,385,326

Notes to the Financial Statements (continued)

(iii) Market risk

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

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

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

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

a) Foreign currency risk

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

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

b) Interest rate risk

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

Management of interest rate risk

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

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

Notes to the Financial Statements (continued)

Sensitivity analysis

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

iv. Capital Risk Management

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

Description	Period ended June 30,2024	2022/2023
	Kshs	Kshs
Development Fund	15,685,163	15,685,163
Accumulated fund	192,593,538	223,353,697
Capital Reserve	233,016,492	-
Total Funds	441,295,193	239,037,873

Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

- i) The National Government.
- ii) The Parent Ministry.
- iii) Key management.
- iv) Board of Governors.

29. Events After the Reporting Period

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

30. Ultimate and Holding Entity

Baringo National Polytechnic is a Semi- Autonomous Government Agency under the Ministry of Education State Department for Technical, Vocational Education and Training (TVET). 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.

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

21. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

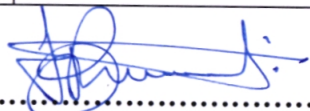
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	Inaccuracies in Statement of Cash Flows	The Management has amended financial statements to reflect the omission's as shown by the statement of cashflow on page 4 and note 25 of the amended financial statements for the for the financial year ended 30 th June 2023	Resolved	May, 30,2025
2.0	Long Outstanding Debts	As of the end of the 2022-2023 Financial Year, the College had not fully implemented the recommendations of the Finance Policy and Procedure Manual, which provides guidelines on student fee payments. The management is committed to fully enforcing the Finance Policy and Procedure Manual to prevent revenue loss and minimize the risk of bad debts. Efforts will also be made to reduce student receivables in the current financial year by encouraging and facilitating students to apply for HELB funding, scholarships, and bursaries. Additionally, the College will support financially vulnerable students by engaging them in the work-study program. Furthermore, the management has fully automated its operations through an ERP system, which integrates student finance with admissions to enhance fee collection and curb defaults.	Not Resolved	June 30,2025
3.0	Inaccuracies in the Receivables from Non-Exchange Transactions	The Management has amended financial statements to reflect the correct the re-classification of receivables as shown on page 2 statement of financial position and note number 17 of the amended financial statements for the financial year ended 30 th June 2023(Attached as annex1)	Resolved	May, 30,2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.0	Unsupported Capital Work In Progress	<p>The management acknowledges the anomaly and has provided the necessary schedules which include the erroneously omitted payment certificate, payment voucher and an invoice on construction of Tuition block and Food and Beverage restaurant to support the capital work in progress of property, plant, and equipment. (Attached as annex 2) Additionally, the Management has conducted a comprehensive valuation of all its assets to ensure a true and fair representation of its financial statements for the 2023/2024 financial year.</p> <p>An updated asset register is currently in place (Valuation report Attached as annex 3). Furthermore, asset tagging has been undertaken to facilitate the identification of property, plant, and equipment, ensuring they are properly recorded under the institution's name.</p>	Resolved	May, 30,2025
5.0	Undisclosed Value of Land in the Financial Statement	<p>It is true that the value of land was not included in the financial statements for the year ended June 2023.</p> <p>However in the financial year 2023-2024, the College was able to value all its assets, land included and incorporated to the financial statements for the period ended 30th June 2024. We have attached valuation report annexed to this response.</p> <p>Additionally, the College is in the process of amalgamating its parcels of land to secure a consolidated title deed, a process that is currently at an advanced stage. Documentary evidence confirming the status of the land has been annexed, and the National Land Commission is actively deliberating on the matter.</p> <p>Further, an ad hoc committee of the Governing Council is overseeing the amalgamation of the already fenced land to facilitate the issuance of the title deed.</p> <p>Regarding the encroached 1.6-hectare parcel, the Principal has formally sought legal support from the Principal Secretary, Ministry of Education, State Department for TVET, through a letter dated 23rd July 2024. The matter is under consideration, and efforts are ongoing to reclaim the land. (Attached as annex 4)</p>	Not Resolved	December 30,2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
6.0	Budgetary Control and Performance	<p>The Management acknowledges the underfunding of Ksh 58,890,601, representing 22% of the budget. Consequently, the College incurred an expenditure of Ksh 145,803,101 against an approved budget of Kshs 264,886,000, resulting in an under-expenditure of Kshs 125,015,448 (47.2% of the budget). This shortfall was primarily due to the underfunding of capitation funds from the Government as shown by the statement of comparison of Budget and actual amounts as set out on page 5 of Note 17 on amended financial statements for the period ended 30th June 2023.</p> <p>Additionally, the late release of capitation funding(as per Appendix III on page 38 of the amended financial statements) towards the end of the financial year affects budget execution, leading to under-expenditure of budgeted programs and an increase in outstanding supplier balances.</p> <p>Furthermore, the management has automated its services through the procurement of an ERP system to enhance adherence to the budgeting process. This system will also facilitate prompt and timely reporting, mitigating the risk of budget underutilization or over-expenditure in the current and future financial years</p>	Resolved	May, 30,2025
7.0	Unresolved Prior Year Matters	We have attached the extend of implementation of previous audit findings attached as (annex 1) and attached to the financial statements appendix 1 page 34,35,36 and 37 and Board deliberations on the same.	Resolved	June 30,2025



Josphat Kipkemboi
Chief Principal

Baringo National Polytechnic
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Appendix II: Projects Implemented by Baringo National Polytechnic

Projects

Projects implemented by the Baringo National Polytechnic.

Project title	Project Number	Donor	Period/duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
Proposed Erection and Completion of Main Entrance Structures	BTC/PROC/02/2023/2024	Internal Funds	90days	NA	NA	YES
Supply, Installation and Commissioning of 165kva Emergency Generator and Accessories	BTC/PROC/01/2023/2024	Internal Funds	90 days	NA	NA	YES

Status of Projects completion

Summary of all projects implemented in the year 2023/2024

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Proposed Erection and Completion of Main Entrance Structures	9,819,162	-	-	5,000,000(phase 1)	9,819,162	Internally Generated Funds
2	Supply, Installation and Commissioning of 165kva Emergency Generator and Accessories	5,991,530	-	-	6,500,000	5,991,530	Internally Generated Funds

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Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity: **Ministry of Education State Department For TVET**

Name of beneficiary entity: **Baringo National Polytechnic and Its Mentees**

Confirmation of amounts received by Baringo National Polytechnic as at 30th June,2024

Reference Number	Date Disbursed		Recurrent	Baringo National Polytechnic	Kapchepkor Technical & Vocational College
DTE/CAP/9/36(3)	02.10.2023	Baringo	12,061,000	12,061,000	
DTE/CAP/9/36(3)	02.10.2023	Kapchepkor	1,575,000		1,575,000
DTE/CAP/9/39(3)	18.1.2024	Baringo	12,817,000	12,817,000	
DTE/CAP/9/39(3)	18.1.2024	Kapchepkor	1,575,000		1,575,000
DTE/CAP/9/40(3)	05.02.2024	Baringo	14,648,000	14,648,000	
DTE/CAP/9/40(3)	05.02.2024	Kapchepkor	1,800,000		1,800,000
MOE/DTE/SCHO/VOL.II (3)	27.02.24 & 06.03.24	Baringo	1,444,545.50	1,444,545.50	
MOE/DTE/SCHO/VOL.II (3)	27.02.24 & 06.03.24	Kapchepkor	201,585		201,585
MOE/DTE/SCHO/VOL.II (3)	15.03.2024	Baringo	127,659.10	127,659.10	
Total			46,249,789.6	41,098,204.60	5,151,585

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

Head of Accounts Department - Beneficiary Entity:

Name: Rebecca Chelanga Sign *[Signature]* Date: *14/06/25*

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Appendix IV: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
Fishpond	A fishpond project involves creating and managing an aquatic environment for fish production. It includes selecting a suitable site, designing the layout, and implementing necessary infrastructure	Aquaculture Production: Raising fish for food and income.	Introducing fish into the pond and managing their growth.	-	-	-	2,700,000	Internal funds	Agriculture and environmental studies department
Greening Initiative	To enhance environmental sustainability by incorporating more green spaces, improving energy efficiency, and promoting eco-friendly practices.	Environmental Stewardship: Enhancing ecological well-being through resource conservation, habitat restoration, and pollution reduction.	Tree Planting in specific designated site within the organization	-	-	23,030	49,000	Internal funds	Greening committee

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Appendix V: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments
Fire extinguishers	Safety precautions	Fire outbreak	Safety	Fire Extinguisher's	334,000	More fire extinguishers required
Back up of data	Data loss	Data protection	Recovery	External Hard disks	60,000	Cloud backup is also required