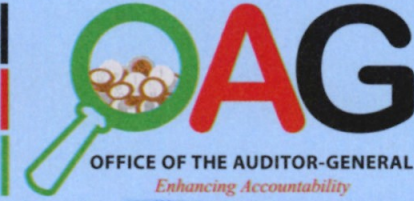


REPUBLIC OF KENYA



REPORT

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 14 APR 2026	DAY: Tuesday
TABLED BY:	Hon. Naomi Wago, CBS Deputy Majority Whip
CLERK-AT THE-TABLE:	Inzofu Mwale, HSC

PARLIAMENT
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THE AUDITOR-GENERAL

ON

KAIMOSI FRIENDS NATIONAL POLYTECHNIC

FOR THE YEAR ENDED
30 JUNE, 2025



KAIMOSI FRIENDS NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH JUNE 2025

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

AFIRM	Administration, Finance, Infrastructure and Resource Mobilization
ARM	Audit and Risk Management
BOG	Board of Governors
CICan	Colleges and Institutes in Canada
ETRIS	Education, Training, Research, Innovation and Strategy
FCK	Friends College Kaimosi
GC	Governing Council
ICPAK	Institute of Certified Public Accountants of Kenya
ICT	Information Communication and Technology
IPSAS	International Public Sector Accounting Standards
KFNP	Kaimosi Friends National Polytechnic
MOE	Ministry of Education
NITA	National Industrial Training Authority
OAG	Office of the Auditor General
PFM	Public Finance Management
PPE	Property Plant and Equipment
PSASB	Public Sector Accounting Standards Board
SDTVET	State Department for Technical, Vocational Education and Training
TVC	Technical Vocational College
TVETA	Technical and Vocational Education and Training Authority

B. Definition of Key Terms

Fiduciary Management- Key Management personnel who have financial responsibility in the Polytechnic

2. Key Polytechnic Information and Management

(a) Back ground Information

Kaimosi Friends National Polytechnic (KFNP) is located in Shaviringa Sub National, Vihiga National of Western part of Kenya. The Polytechnic is located within the Kaimosi Complex -Off Chavakali – Kapsabet road, on a sixty six (66) acre piece of land. It was founded as Friends Polytechnic Kaimosi in 1971 by the East African Yearly Meeting of Friends Church (Quakers) in collaboration with the local community and friends in USA and UK who appreciated the value of vocational oriented education with specific emphasis on Practical Agriculture, Rural Leadership, Small Business Management and Entrepreneurship Training.

Kaimosi Friends National Polytechnic is established by a Legal Notice No.35 of 2025 dated 14th February 2025 now focusing its training programmes towards meeting the challenges arising from rapid technological advancement, education policy and labour market changes. As a National Polytechnic under the Ministry of Education, State Department for Technical, Vocational Education and Training FCK, has prioritized Access and Equity, Quality and Relevance, ICT Integration into Education, Training, Research and Innovation, Science, Technology and Innovation Development Capacities, Financial and Human Resources, Governance and Management, Recognition of Prior Learning (RPL), Cross Cutting Issues/Emerging Issues Competency Based Training and Environmental Sustainability in line with MOE goals and other Government policies.

The Polytechnics primary objective is to equip trainees with competencies and occupational skills that would not only make them self-reliant but also enable them compete in the challenging job market. Great emphasis is laid on the acquisition of practical skills, work attitudes, self-discipline and entrepreneurial skills. Practical skills are enhanced through industrial attachment, field work, academic trips and practical lessons.

The Polytechnic is ISO 2001:2015 and accredited with the following academic departments; Agriculture and Environmental Studies, Applied and Health Sciences, Building and Civil Engineering, Business and Entrepreneurship, Computing and Informatics, Electrical and Electronic Engineering, Hospitality and Institutional Management, Liberal Studies and Mechanical and Automotive Engineering. Other departments and Offices include; Office of the Chief Principal, Deputy Principal Administration, Deputy Principal Academics, Dean of

Key Polytechnic Information and Management continued.

Trainees, Finance, Human Resource, Registrar Administration Registrar Academics, Procurement, Internal Audit, Research and Innovation, Industrial Liason and Linkages, Office of Career Services, Performance Contracting, Games and Sports

(b) Principal Activities

- i) Provide directly or in collaboration with other institutions of higher learning facilities for technical, technological, Professional, Scientific education and training,
- ii) Promote in technological innovation as well as in discovery, transmission and enhancement of knowledge for economic, social, cultural, scientific and technological development,
- iii) Contribute to industrial and technological development of Kenya in collaboration with industry and other organizations through the transfer of technology
- iv) 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 (RPL) and Flexibility of transition between programmes
- v) Provide high quality facilities to support education, research, residential, commercial, cultural, social, recreational, sporting and other services
- vi) Collaborate with recognized universities for the conduct and award of degree programmes in technology and
- vii) Facilitate student mobility between and across different programmes at different technical training institutions and other national polytechnics

VISION

To be a leading Institution of Skills Training in Science and Technology

MISSION

To provide quality Technical Training and Research in Science and Technology to meet changing International Needs

CORE VALUES

Social Responsibility: Promote community services to enhance good working relationship and collaboration.

Creativity: Promote innovation and creativity in its training programs, service delivery governance.

Religious Liberty: Respect the principles and philosophies of the Quaker faith and other religions

Key Polytechnic Information and Management continued.

Integrity: Conduct its business with employees, parents, sponsors, customers and other stakeholders in an honest, fair and caring manner with an endeavour to uphold national values

Professionalism: consistently offer quality training and related services that are market driven

Team Work: Encourage positive cohesion and synergy amongst all stakeholders towards a positive contribution from its motivated and innovative workforce

MOTTO

Ujuzi Na Ubunifu

OBJECTIVES:

1. To develop and implement competency based curricular
2. To provide increased training opportunities for trainees that will enable them to be self-reliant
3. To provide technical knowledge, vocational skills and attitudes necessary for national development
4. To provide continuous upgrading of skills and knowledge for the labour market
5. To conduct research in appropriate emerging technologies
6. To integrate ICT training and management systems and provide extension service to the community

(c) Key Management

Kaimosi Friends National Polytechnic management is under the following key organs:

- Governing Council
- Management Board
- Academic Board

(d) Fiduciary Management

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

	Designation	Name
1.	Chief Principal	Dr. Okumu JW Odhiambo
2.	Deputy Principal- Administration	Mrs Lilian Cheptot Cherotich
3.	Deputy Principal -Academics	Mr. Fredrick Isigi
4.	Finance Officer	CPA. Hesborn Ehaji
5.	Supply Chain Management Officer	Ms. Emily Mikhago
6.	Registrar Academics	Mrs. Rodah Ong'awa
7.	Dean Trainee Affairs	Mrs. Mercy Muraran
8.	Human Resource Officer	Mr. Trensa Marwa
9.	Registrar Administration	Ms Leah Makete

Key Polytechnic Information and Management continued.

(e) Fiduciary Oversight Arrangements

1. Administration Finance, Infrastructure and Resource Mobilization Council Committee
2. Education, Training, Research, Innovation & Strategy (ETRIS) Council Committee
3. Audit and Risk Management (ARM) Council Committee
4. Technical and Vocational Education and Training Authority (TVETA)
5. Kenya Revenue Authority(KRA)
6. Office of the Auditor General(OAG)
7. National Social Security Fund (NSSF)
8. The National Assembly

(f) Kaimosi Friends National Polytechnic Headquarters

Kaimosi Complex Mission
Along Kisumu- Chavakali- Kapsabet Road
Po Box 150-50309
Tiriki, Kenya

(g) Kaimosi Friends National Polytechnic Contacts

Telephone **0704686363**
Email: info@kfnp.ac.ke
Website: www.kfnp.ac.ke

(h) Kaimosi Friends National Polytechnic Bankers

KCB Bank Kenya Ltd
Kakamega Branch
P.O BOX 152-50100
Kakamega, Kenya

Key Polytechnic Information and Management continued.


(i) Independent Auditors

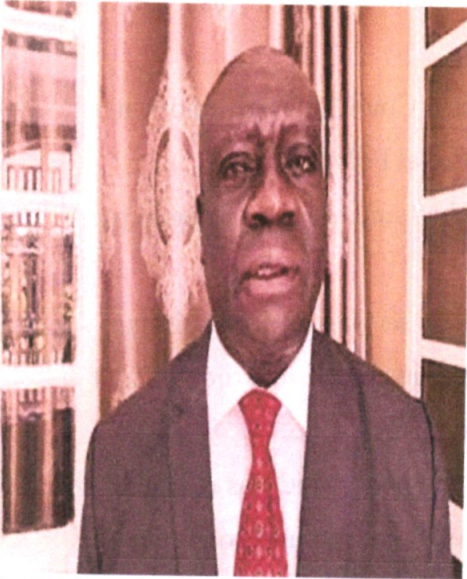
The Auditor General
Office of the Auditor General
Anniversary Towers, University Way
PO BOX 30084 GPO 00100
Nairobi, Kenya

(j) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
PO BOX 40112 City Square 00200
Nairobi, Kenya

3. The Governing Council

Member	Details
 <p data-bbox="103 1205 587 1317">1.Prof. Mike Iravo Amuhaya (PhD) (CHAIRPERSON)</p>	<p data-bbox="742 421 1412 750">Professor Mike Amuhaya Iravo, born on February 22, 1960, holds a PhD in Human Resource Management, a field in which he has made significant contributions through both research and practice. He currently serves as the Principal at Jomo Kenyatta University of Agriculture and Technology's Westland Campus in Nairobi, where he has played a pivotal role in enhancing academic programs and fostering a culture of innovation.</p> <p data-bbox="742 750 1412 1243">Under his leadership, the campus has expanded its offerings, incorporating modern technologies and inter disciplinary a approaches to education. Prof. Iravo is an active member of several professional organizations, including the Federation of Kenyan Human Resource Management (FMIHR(K)),the Federation of Professional Managers and Administrators in Kenya (FMPMAK(K)), and the Management and Educational Research and Training Development (MERTD) in the UK. His involvement in these organizations underscores his commitment to advancing human resource practices and management education in Kenya and beyond.</p> <p data-bbox="742 1243 1412 1635">In addition to his administrative roles, Prof. Iravo is a sought-after speaker at national and international conferences, where he shares his expertise on topics such as organizational behavior, strategic HR management, and leadership development. He has also published numerous articles in academic journals, contributing to the body of knowledge in his field. Outside of academia, he engages in community service, advocating for educational reforms and sustainable development practices.</p>



2. Chrisanthus Ajevi

(Member)

Mr. Chrisanthus Ajevi, a representative of the Vihiga County Government, brings extensive experience in financial management and banking to his role. An alumnus of Kaimosi Friends National Polytechnic Mr. Ajevi has a robust background in banking, having served as a financial manager in various commercial banks across Kenya. Retired Banker with over 34 years of experience in the Banking Industry having worked with Kenya Commercial Bank (KCB) and its Subsidiary Savings and Loans Kenya Limited-Mortgage Division. Broad knowledge in Banking and Public Finance. Experience in Credit Management, Financial and Risk Management. Attended courses in Leadership Development, governance and Financial Data Interpretation. Holder of a Master's Degree-MBA (Finance and Banking) and Bachelor of Business Management (Accounting Option) Served in Council of Management in various institutions and participation in community services including church participation.

He joined the Council of Governors at Kaimosi Friends National Polytechnic in 2023 and currently serves on the Audit and Risk Management Committee, contributing his expertise to ensure effective oversight and financial integrity within the institution Mr. Ajevi Serves on Audit and Risk Management committee of the Council.



3. Mr Paul Kokello
(Member)

Mr. Paul Odhiambo Kokello, born on July 1, 1958, is a seasoned educationist with over 30 years of experience in Kenya's education sector. He holds a Master's Degree in Education and has held various significant positions, including serving as a County Education Director.

Mr. Kokello joined the Council of Governors at Kaimosi Friends National Polytechnic in September 2020 and has since been an integral part of the institution

Currently Mr Kokello is serving as the Chairman of the Administration, Finance, Infrastructure, and Resource Mobilization Committee.

His commitment to the Polytechnic was reaffirmed with his re-appointment to the Council on November 7, 2023.



**4. Dr. Mary Agutu-
(Member)**

Dr. Mary Teresa Agutu, born on August 20, 1972, is a distinguished medical professional with extensive experience spanning over two decades. She holds a PhD and a Master of Science degree in Medical Virology.

Dr. Agutu is the Chief Executive Officer of the Kenya Veterinary Council (KVB), where she plays a pivotal role in overseeing veterinary practices in Kenya. In addition to her role at the KVB.

Dr. Agutu has been a member of the Council of Governors at Friends National Polytechnic, Kaimosi since September 2020. Her contributions extend to serving on the Education, Training, Research, Innovation and Strategy Committee of the Council as the Chairperson.

Her commitment to the institution was reaffirmed when she was re-appointed to the Council on November 7, 2023



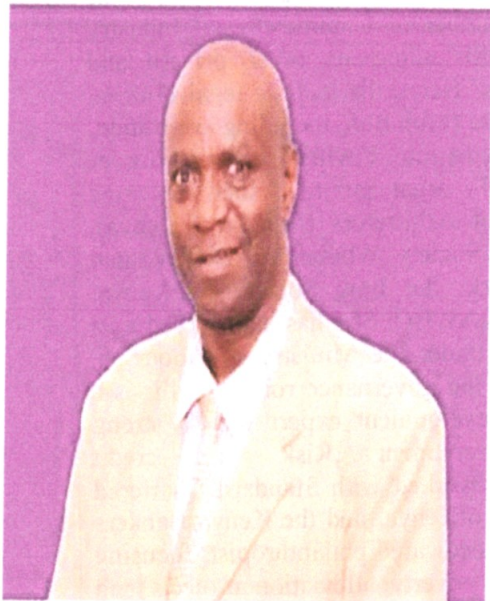
**5. Eng. Carolyne Kosgey
(Member)**

Eng. Carolyne Kosgey is a distinguished professional in the engineering field with over 15 years of experience. She is a member of the Engineers Council of Kenya (EBK), the Institution of Engineers Kenya, and the Association of Consulting Engineers of Kenya (ACEK-FL).

Carolyne holds a Bachelor of Engineering in Electrical & Telecommunications Engineering from Moi University and a Master of Business Administration with a focus on Operations Management. She currently serves as an Assistant Engineer at Kenya Power and Lighting Company (KPLC) in Busia. Her previous roles include County Commercial Sales Engineer in Busia, Electrical Engineer at KPLC Kisumu, and Technical Sales Engineer at Teledata Technologies Ltd in Nairobi.

Eng. Kosgey was appointed to the Kaimosi Friends National Polytechnic Council of Governors on November 7, 2023.

Eng. Carolyne Serves on the Education, Training, Research, Innovation and Strategy Committee of the Council as a member Committee



**6. Mr. Andrew Masese
(Member)**

Mr. Andrew Masese holds a Master's in Labour Welfare and a Bachelor of Commerce In Marketing.

He is currently employed with the Federation of Kenya Employers and is a practicing member of the Institute of Human Resource Management. With over 15 years of experience in Human Resources, Andrew has worked in various notable positions, including roles at Butali Sugar Company, DLO in Busia and Naivasha, New KCC, Akamba Public Road Services, and ADRIA Somalia, among others.

He joined the Council of Governors at Kaimosi Friends National Polytechnic on November 7, 2023. Mr. Masese serves on the Council Audit and Risk Management committee.



**7. Phyllis Namachanja Anagwe
(Member)**

Phyllis is a highly accomplished Advocate of the High Court of Kenya with extensive expertise in law, governance, and financial development. She earned her Bachelor of Laws (LL.B) from Moi University and completed her Post Graduate Diploma at the Kenya School of Law. Additionally, she has received further training in Organizational Development from United States International University and in Project Management from the Kenya Institute of Management, along with various local and international certifications in Governance and Trade. She serves as a Trustee at the Kenya National Chamber of Commerce and Industry and is involved with numerous other private and government Councils. Her skills include legal drafting and alternative dispute resolution, including arbitration, conciliation, and mediation. Phyllis is a member of several professional organizations, such as the Chartered Institute of Arbitrators (London & Kenya), the East African Law Society, Women in ADR, Women on Councils Network, the Law Society of Kenya, FIDA, and KEPSA/KAWBO. She has also served as a gazetted Conciliator under the Ministry of labour. In addition to her legal and governance roles, Phyllis is a seasoned financial development expert with a strong background in Investment, Risk, and credit Management, having worked with Standard Chartered Bank, National Bank of Kenya, and the Kenya Bankers Association. She is a dedicated philanthropist, focusing on community-based poverty alleviation projects and empowering self-help groups through training in entrepreneurship and financial literacy. Phyllis is also a coach, mentor, and passionate about peace, education, agriculture, empowerment, sports, and eco-tourism. Phyllis serves as the Chairperson of the Audit and Risk Management Committee on the Council of Governors at Kaimosi Friends National Polytechnic. She joined the Council on November 7, 2023. With her extensive background in law, governance, and financial management, Phyllis brings valuable expertise to her role, focusing on ensuring effective oversight and risk management within the institution.



8. Ruth Mounde
(Member)

Mrs. Ruth M. Mounde was appointed to the Kaimosi Friends National Polytechnic Council as an alternate member representing the Principal Secretary of the State Department for Vocational and Technical Training. She holds a Master's Degree in Education, a Bachelor's Degree in Education, and additional certifications in Strategic Leadership Development and Senior Management. Mrs. Mounde is an active member of several professional organizations, including the Kenya Counselling and Psychological Association, the Kenya Association for Public Administration and Management (KAPAM), and is a life member of the Kenya Red Cross Society. Her career includes roles as a Deputy Head Teacher, Principal, and Assistant Director of Administration and Accounting Officer for the County Government of Nyamira's Department of Education and ICT. Currently, she serves as a Deputy Director of Technical Education at the Ministry of Education, State Department for Vocational and Technical Training. Mrs. Mounde serves on AFIRM, ETRIS and Audit and Risk Management Committee of the Council



9. CPA Emmanuel Masese
(Member)

CPA Emmanuel Masese joined the Kaimosi Friends National Polytechnic Council in July 2022. He holds a Bachelor of Business Administration in Finance from Maseno University, a Master of Business Administration in Finance from JKUAT, and is currently pursuing an MSc in Supply Chain Management at the University of Nairobi. CPA Masese is a member of ICPAK in good standing and also belongs to the Institute of Risk Management (Kenya), the Centre for Corporate Governance, the Kenya Institute of Management, and is a Certified Credit Professional.

His training includes Public Sector Finance Management, Senior Management, and Strategic Leadership Development. CPA Masese brings extensive experience in Accounting, Financial Management, Financial Reporting, and Corporate Governance. He is currently serving as a Chief Officer in the Kisii County Government.

CPA Masese is a member of the Administration, Finance, Infrastructure, and Projects Committee on the Council.









10. Dr. Okumu JW Odhiambo (DHL)
Secretary Governing council
/ Chief Principal

Mr. Okumu serves as the Principal of Kaimosi Friends National Polytechnic and brings over 33 years of experience in technical education. He has taught subjects such as Engineering Drawing, Metal/Mechanical Technology, and Information Communication Technology., Sydney, Australia, and has pursued additional training in Executive Management and Corporate Governance. His qualifications include a Certificate in Strategic Leadership Development from the Kenya School of Government and a Certificate in Governance from the Advantage Training's African Corporate Governance Centre in South Africa.




Mr. Okumu has also made significant contributions to the TVET sector, representing National Polytechnics on the TVET Curriculum Development, Assessment, and Certification Council (TCDACC) where he chaired the Technical Committee for two consecutive three-year terms. He is a full member of the Institution of Engineering Technologists and Technicians of Kenya (MIET)

4.Key Management Team

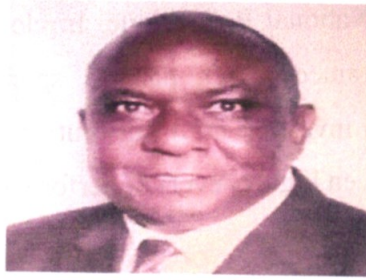
Member	Details
 <p>1. Dr Okumu JW Odhiambo (DHL)</p>	<p>Secretary Governing Council and Chief Principal</p>
 <p>2. Mrs Cheptot Cherotich MSC Plant Genetics/ Bed-Moi University</p>	<p>Deputy Principal Administration</p>
 <p>3.Mr. Fredrick Isigi MSC (Applied Analytical Chemistry) and B.Ed (Kenyatta)</p>	<p>Deputy Principal Academics</p>

 <p>4.CPA Hesborn L Ehaji B.Com & MBA- Accounting (CUEA & Maseno University)</p>	<p>Finance Officer</p>
 <p>5.Mrs. Rhodah Ong'awa B.Ed (Applied Mathematics and MSC(Applied Mathematics(- Kenyatta University</p>	<p>Registrar Academics</p>
 <p>6.Mrs Mercy Muraran BSC-Biomedical Science- Maseno University</p>	<p>Dean Trainee Affairs</p>

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 <p>7. Ms Emily Mikhago B.com and MBA- Supply chain Management (MMUST and Kaimosi University)</p>	Supply Chain Management Officer
 <p>8. M/ S Leah Makete BSC- Computer Information Systems- Kenya Methodist University</p>	Registrar Administration
 <p>9. Mr. Trensa Marwa MSc HRM, Bachelors (HRM)</p>	Human Resource Officer

5. Chairman's Statement



Prof. Mike Iravo Amuhaya (PhD)

It is with great pleasure that I present the Annual and Financial Statements for Kaimosi Friends National Polytechnic for the year ended 30th June 2025. Over the past year, the Polytechnic has made significant strides in expanding its range of programs to enhance access to technical education. Our vision remains steadfast to become a leading institute of skills training in Science and Technology, producing graduates who meet world-class standards of competence and professionalism. To support this vision, the Polytechnic has established various governance structures, including an Academic Board and a Management Board. These structures are crucial in ensuring effective and efficient oversight of the Polytechnic's operations and strategic direction. Furthermore, we are actively seeking partnerships with both the private and public sectors to enrich the quality of training, particularly through valuable industrial attachments and collaborations.

We extend our heartfelt gratitude to the Government and its various financing programs, including the Higher Education Loans Board, the National Government Constituency Development Fund, County Governments, and Non-Governmental Organizations such as CICan and GIZ. Their continued financial support has been instrumental in enabling our students to complete their studies despite the increasing challenges of training costs. We earnestly appeal to our private sector partners, non-governmental organizations, and well-wishers to continue their support as we work towards achieving our vision.

The Board of Governors also requests that the Government consider enhancing our recurrent and capital development grants. This support is crucial for meeting our financial obligations and for developing the necessary infrastructure to accommodate the growing number of trainees across various programs. The Polytechnic faces significant challenges in establishing and expanding

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critical infrastructure, including learning and accommodation facilities. Limited resources have led to delays in completing essential projects. Nevertheless, we are grateful for the Government's support in transitioning us to a National Polytechnic. In closing, I would like to express my sincere appreciation to all our trainees, staff, parents, sponsors, the community, and other stakeholders. Your commitment to investing in our institution is deeply valued. Together, let us strive for excellence and achieve even higher levels of performance in the coming years.

Thank you.

Signature.......... Date..........

Prof. Mike Iravo (PhD)

Chairman, Governing Council

6. Report of the Chief Principal



Dr. Okumu JW Odhiambo (DHL)
Secretary Governing Council/ Chief Principal

During the fiscal year 2024/2025, Kaimosi Friends National Polytechnic continued to diligently advance its mandate as articulated in its Strategic Plan. Central to this Plan is our Commitment to fostering a productive and Professional academic environment characterized by Excellence, Accountability, Transparency, Equity, and Innovation. These principles are integral to enhancing our competitiveness and ensuring the highest standards of education. The strategic plan also emphasizes the importance of regular curriculum reviews and the cultivation of partnerships with both public and private sector entities.

In the financial year 2024/2025, the Institution had remarkable achievements which includes being upgraded to a National Polytechnic status via the legal order no. 35 Of 2025. It mandated the Polytechnic to offer and assess its own programmes as QAI (Qualification Awarding Institution). For this reason, the Polytechnic is assessing its first candidates under the Modularized Curriculum in July/August 2025 for all levels after attaining the registration certificate given by KNQA (Kenya National Qualification Authority). Furthermore, the Polytechnic has been able to modularize its 194 curricula while awaiting TVETA accreditation. During the year we also achieved a notable milestone since we had over 150 trainers' capacity build as RPL (Recognition of Prior Learning) practitioners. Registration for the assessment is ongoing so far over 30 candidates have expressed their interest. This would enable all those who had acquired skills informally to be recognized and certified. We are optimistic that such achievements would boost the trainee enrolment in the coming years.

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The Polytechnic has continued to establish collaborations and linkages with various industry partners. They include but not limited to Hospitality, Agriculture, Food Science Technology and Engineering departments. The CICan under Young Africa Works and Master card foundation have continued to offer support to the Institution in terms of Staff Professional Development and equipment. During the year 2024/25, we also received a tractor from CICan team. This would actually improve trainings as well as the IGA for the Polytechnic.

The Institution endeavours to provide conducive training environment for its staff and trainees. Therefore, it has embarked on face lifting and beatification of the Polytechnic through constructions of walkways, driveways and planting of flowers. In addition, expansions, alterations and renovations to provide additional training rooms and laboratories, workshops and working space for teaching and non- teaching staff. Consequently, ICT infrastructure capacity has also been improved from the initial 130-300 MBps. All these have been made possible through deliberate stewardship of resources and the adoption of the Philosophy behind Renewable, Recycling and Re-useable (RRR) resources.

As we report these achievements, the Polytechnic still experiences a myriad of challenges. They range from insufficient training classrooms as well as a shortage of trainers from the Public Service Commission, which has necessitated contracting additional (78) under the Governing Council to 82 PSC trainers. All these leads to financial constraints.

Financial Performance Highlights

The Polytechnic recorded a significant reduction in its revenue in respect to revenue from non-exchange transactions in form of government funding from ksh. 114,029,890 in FY 2023/2024 to ksh. 89,891,771 in the FY 2024/2025. There was also an increase in revenue generated internally (revenue from exchange transactions) from ksh. 192,658,532 in FY 2023/2024 to Ksh. 236,971,990 in FY 2024/2025, this was due to unpredictable fees from students who rely majorly on government funding. The Polytechnic also revamped its Income Generating activities through conferencing and hire of facilities. However, in totality the Polytechnic gross revenue increased from Ksh. 306,688,422 in FY 2023/2024 to ksh. 326,863,761 in FY 2024/2025.

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The expansion of programs has led to higher operational costs, and the challenge remains to balance cost reduction measures with the maintenance of quality assurance systems. During the year, we continued various infrastructure projects, including laying Cabros from the Hospitality Complex to the Science Complex, developing pathways from the main gate to the administration, converting hostels into workshops, and constructing a new alternative gate.

Despite these positive financial indicators, the Polytechnic continues to face challenges due to insufficient teaching space, workshops, library resources, laboratories, and administrative offices, largely attributable to low government funding.

The Institution also struggles with inadequate transport facilities, currently relying on a 62-seater bus, which is insufficient for the growing student population.

I extend my sincere gratitude to the Government of Kenya and other stakeholders for their continued financial support throughout the year. The trainee's enrolment at Kaimosi Friends National Polytechnic increased from 4,600 in 2023 to 5,717 by the end of June 2025, placing considerable pressure on our infrastructure. To address this, we have developed additional Engineering workshops to alleviate the strain. However, the challenge is the funds to equip them.

The introduction of new courses has necessitated the engagement of additional trainers on contract terms, thereby increasing our wage bill. We hope that the Government will consider employing more trainers in the fiscal year 2024/2025 to support our expanding needs.

SIGNATURE:...



DATE:.....

Dr.Okumu JW Odhiambo (DHL)
Secretary Governing Council/ Chief Principal

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7.Statement of Performance against Predetermined Objectives

Kaimosi Friends National Polytechnic has 5 Strategic Pillars/issues/themes and objectives within the current Strategic Plan for the FY 2024/2025. These strategic issues are as follows:

The Polytechnic develops its annual work plans based on the above five (5) pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Polytechnic achieved its performance targets set for the FY 2024/2025 period for its five (5) strategic pillars, as indicated below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
1. Excellence in TVET through Creative and Innovative Curriculum for Sustainable Development	1.To promote excellence in TVET through creative and innovative curriculum design and development, modern instructional methods, and assessment practices in accordance with the highest quality management principles	i) Number of approved programmes successfully implemented ii) Number of departments with access to equipment and technology iii) Number of courses involved iv) Number of new courses launched	i) Develop new and relevant ii) Curriculum/training programmes iii) Promote use of modern equipment and technology in departments iv) Integrate ICT in learning v) Launch market driven courses in liaison with the industry vi) Entrench CBET by implementing approved CBET curricula vii)Rebrand the Polytechnic viii) Strengthen Private Public partnership towards offering affordable education and training ix) Sensitize trainees on opportunities for student financing x) Promote affirmative action for TVET Trainees Promote Gender Inclusivity Programs	i) We have 188 modularized curriculum ii) There is construction of seven modern engineering workshop at 80% completion iii) We have purchased 30 computers for secretarial section and town campus. iv) We have a legal order number 35 of 2025 establishing the Polytechnic as Kaimosi Friends National Polytechnic v) The Polytechnic has established 9 active MOCs vi) This has been done through departmental assemblies and also the Polytechnic has
	2.To enhance equitable access to education	v) Number of trainees per level vi) The Polytechnic's outlook vii) Number of partner organizations		

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				<p>an active HELB/KUCCPS office</p> <p>vii) The number of trainees in STEAM courses has increased significantly</p> <p>viii) The Polytechnic has a gender and Witted Policy</p>
<p>2.Resource Mobilization and Infrastructure Development</p>	<p>1.To modernize and develop infrastructural facilities that support services designed around the current and future needs of trainees in all their diversity while maintaining appropriate stewardship of resources and continual growth and expansion of KFNP</p> <p>2.To promote stewardship in mobilization of resources</p>	<p>i) Employee retention rate</p> <p>ii) Number of Infrastructure projects completed</p> <p>iii) Number of Infrastructure projects completed</p> <p>iv) Audited Financial Reports</p> <p>v) Percentage increase in IGA revenue</p> <p>vi) Audited Financial Reports</p>	<p>i) Develop effective Human Resource Functional Processes to attract and retain quality staff</p> <p>ii) Expand Infrastructure to cope with increasing number of students</p> <p>iii) Construction, Renovation and expansion of Polytechnic's buildings & Utilities</p> <p>iv) Improve stewardship in financial, built and natural resources</p> <p>v) Commercialize and generate revenue from Production Unit</p> <p>1. Strengthen financial management system to meet the requirements resulting</p>	<p>i) The Polytechnic has developed a Human Resource Policy and Staff Establishment and career Progression guidelines</p> <p>ii) The Polytechnic has renovated 3 hostels into classrooms to increase the number learning facilities</p> <p>iii) There is construction of seven modern engineering workshop at 80% completion</p> <p>iv) 2023/2024 Audited Financial Report</p>

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			from increased budgetary responsibilities	v) As at June 2025, the Polytechnic had realized approximately Kshs 26,000,000 from IGAs vi) 2023/2024 Audited Financial Report
3. Corporate Governance for Effective Service Delivery	1. To establish and maintain an efficient governance and organizational structure, effective management systems and processes that provide a caring and responsive service to meet internal and external needs in a pragmatic and flexible manner	i) Audit Reports ii) Internal Strategy Paper iii) Number of Policies reviewed and approved	i) Enhance Corporate Governance and Quality Management Systems ii) Develop and Implement Internal Audit Strategy Paper iii) Develop, review, and implement departmental policies and procedures.	i) 2023/2024 Audit Reports and Surveillance Audits from KEBS ii) The Polytechnic has an operational Internal Audit Strategy Paper iii) The Council Approved 3 Standard Operating Procedures and 16 Policies
4. Research, Innovation and Technology for Sustainable Collaborations and Linkages	To enhance collaboration and linkages in research and innovation by positioning FNPK to contribute	i) Number of collaborating Partners ii) Number of Partners iii) Percentage ICT coverage per department	i) Strengthen Partnerships and collaborations with research Polytechnics, firms and industry locally and internationally	i) The Polytechnic has established 9 active MOCs ii) The Polytechnic has a functional

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	through knowledge to the prosperity, sustainability and nation building, by connecting with and committing ourselves to the global communities we serve	<ul style="list-style-type: none"> iv) Develop ICT Policy v) Develop and Implement Research Policy vi) Prepare Career Services Strategy Paper 	<ul style="list-style-type: none"> ii) Enhance research capacities for research in the Polytechnic by Strengthening research to encourage creativity and innovativeness iii) Installation and operationalization of ICT systems in all departments iv) Develop ICT policy v) Develop and implement research policy Prepare Career services strategy paper 	<ul style="list-style-type: none"> MIS(ABN) cutting across various departments iii) The Polytechnic has an operational ICT policy iv) The Polytechnic has an operational Research policy v) The Polytechnic has a Career Services Strategy Paper
5.Human Capital Development, Changing Environment and Emerging Challenges	To Respond Adequately to the Needs of Staff, Trainees and the Global Community	<ul style="list-style-type: none"> i) Number of policies developed/reviewed and approved ii) Human Resource Management Plan iii) Quarterly Workplace Safety and Welfare Reports <p>Quarterly Reports on specific issues addressed</p>	<ul style="list-style-type: none"> i) Develop and implement requisite and consistent policies & regulations. ii) Review and improve performance management framework and mechanisms iii) Enhance working environment, safety and welfare of staff. <p>Respond to emerging issues in a sustainable manner</p>	<ul style="list-style-type: none"> i) The Polytechnic has developed a Human Resource Policy and Staff Establishment and career Progression guidelines ii) The Polytechnic has an annual Human Resource Management Plan iii) OSHA report available <p>The Polytechnic has an active Customer Care Desk and communication Lines</p>

8. Corporate Governance Statement-

The members of the Governing Council are dedicated to serving Kaimosi Friends National Polytechnic and are committed to upholding the principles of good corporate governance. They strive to be innovative, transparent, and accountable, while maintaining integrity and social responsibility. Additionally, they aim to promote excellence and ensure fairness in all their dealings.

The Governing Council

The Council consists of ten members inclusive of the Principal as the Secretary. The Council members consist of the following;

No.	Name	Title
1.	Prof. Mike Iravo	Chairman
2.	Mrs. Ruth Mounde	Member- PS representative
3.	Eng. Caroline Kosgey	Member
4.	Mr. Paul K'Okello	Member
5.	Ms Phyllis Namachanja	Member
6.	Mr. Andrew Masese	Member
7.	Dr. Mary Agutu	Member
8.	CPA. Emmanuel Momanyi	Member
9.	Mr. Chrisanthus Achevi	Member
10.	Dr. Okumu JW Odhiambo	Principal/Secretary

The biographies of the Council Members are published on page viii. The Council Members bring a diverse range of skills, qualifications, and experiences essential for effectively overseeing the affairs of the Polytechnic.

Governing Council Responsibilities

The Polytechnic Council undertakes the following responsibilities:

1. The Council is the governing body of the Polytechnic through which the Polytechnic acts and undertakes the following;

a) **Administers the Property and Funds:** The Council is responsible for managing the property and financial resources of the Polytechnic in a manner that supports and enhances the institution's interests. This involves careful oversight to ensure that all expenditures and investments align with the Polytechnic's strategic goals. However, the Council is restricted from charging or disposing of any immovable property belonging to the Polytechnic except in strict accordance with the procedures established by the Government of Kenya. This ensures that all actions taken are transparent and in compliance with national regulations.

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b) **Receives and Manages Donations:** On behalf of the Polytechnic, the Council is entrusted with receiving donations, endowments, gifts, grants, and other forms of financial support. The Council is responsible for making appropriate disbursements from these funds to support the Polytechnic's activities and initiatives. This may involve allocating resources for specific projects, operational needs, or other beneficial purposes, ensuring that all contributions are utilized effectively to advance the Polytechnic's mission and objectives.

c) **Provides for Staff and Student Welfare:** The Council is committed to ensuring the well-being of both staff and students by implementing policies and programs that support their needs. This includes providing access to necessary resources, creating a supportive environment, and addressing concerns related to health, safety, and professional development. By prioritizing welfare, the Council aims to foster a positive and productive atmosphere conducive to learning and growth.

d) **Forms Associations with Other Institutions:** The Council has the authority to form partnerships and associations with other Polytechnics, training institutions, or educational bodies, both within Kenya and internationally. Such collaborations are intended to enhance the Polytechnic's educational offerings, facilitate knowledge exchange, and expand opportunities for students and staff. The Council will evaluate these partnerships to ensure they are beneficial and align with the Polytechnic's goals and standards.

e) **Regulates Student Conduct and Discipline:** The Council is responsible for establishing and enforcing regulations that govern the conduct and discipline of the Polytechnic's students. These regulations are designed to maintain a respectful and orderly learning environment, addressing issues of behaviour and ensuring that students adhere to the Polytechnic's standards and policies. The Council will review and update these regulations as needed to reflect best practices and evolving needs within the academic community.

2. **Document Signing and Decision-Making:** All documents, with the exception of those required by law to be executed under seal, which are made on behalf of the Council, as well as all decisions made by the Council, may be signed by the Chairman, the Principal, or any other member of the Council who has been generally or specifically authorized by the Council for this purpose. This provision ensures that there is clarity and authorization in the execution of official documents and decisions, reflecting the Council's oversight and accountability.

3. **Management Structure Oversight:** The Council is tasked with ensuring that a robust management structure is established and maintained within the Polytechnic. This includes overseeing that the structure effectively supports corporate integrity, upholds the Polytechnic's reputation, and ensures responsible management practices. By setting up and monitoring a sound management framework, the Council helps guarantee that the Polytechnic operates efficiently and ethically.

4. **Strategy and Policy Evaluation:** The Council is responsible for monitoring and evaluating the implementation of the Polytechnic's strategies, policies, management criteria, and plans. This involves regularly reviewing how well these elements are being executed and assessing their effectiveness in achieving the Polytechnic's goals. The Council's role is crucial in ensuring that

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the Polytechnic remains aligned with its strategic objectives and continuously improves its operational practices.

5. Financial Viability and Sustainability Review: The Council is required to conduct an annual review of the Polytechnic's financial viability and sustainability. This review involves assessing the Polytechnic's financial health, including revenue, expenditures, and long-term financial planning. The objective is to ensure that the Polytechnic remains financially stable and capable of sustaining its operations and programs over time.

6. Compliance with Laws and Standards: The Council must ensure that the Polytechnic adheres to all relevant laws, regulations, governance practices, accounting principles, and auditing standards. This includes overseeing compliance with national and international legal requirements, maintaining high standards of governance, and ensuring accurate and transparent financial reporting. By upholding these standards, the Council helps maintain the Polytechnic's credibility and operational integrity.

Council Committees

The Council Committees facilitate decision-making to assist the Council in the execution of its duties, powers and authority; however, delegation of authority to the Committees does not in any way mitigate the discharge by the Council of its duties and responsibilities. Council Committees have been established with formal written terms of reference and observe the same rules of conduct and procedures as the Council.

1. Administration, Finance, Infrastructure, and Resource Mobilization (AFIRM) Committee

Membership:

No.	Name	Title
1.	Mr. Paul K'Okello	Chairperson
2.	CPA. Emmanuel Momanyi	Member
3.	Mrs. Ruth Mounde	Member
4.	Dr. Okumu JW Odhiambo	Principal/ Secretary BOG

Role of the Administration, Finance, Infrastructure, and Resource Mobilization Committee:

The Administration, Finance, Infrastructure, and Resource Mobilization Committee is integral to the effective management and strategic development of the Polytechnic. Its primary responsibilities include:

- 1. Advising on Financial Practices:** The Committee provides guidance to the Council on enhancing financial practices within the Polytechnic. This includes recommending improvements in budgeting, financial reporting, and fiscal management to promote transparency, efficiency, and accountability.

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- Funding and Resource Mobilization:** The Committee is tasked with identifying and recommending strategies for securing additional funding and resources. This involves exploring various funding sources, including grants, donations, and partnerships, and developing plans to mobilize resources that support the Polytechnic's goals and initiatives.
- Cost Reduction:** The Committee identifies opportunities for cost reduction and efficiency improvements. It reviews expenditure patterns, analyzes cost-saving measures, and recommends actions to optimize financial resources while maintaining or improving operational effectiveness.
- Monitoring Production Units:** The Committee monitors the performance of production units and operational segments within the Polytechnic. It ensures that these units operate efficiently, meet performance targets, and align with the Polytechnic's strategic and financial objectives.
- Drafting and Submitting Budget:** The Committee prepares a comprehensive draft budget that reflects the Polytechnic's financial needs and strategic priorities. This draft budget is submitted to the full Council for review, discussion, and final approval, ensuring that all financial planning supports the Polytechnic's long-term goals and operational requirements.
- Administration and Operational Oversight:** The Committee provides oversight on administrative processes and operational management within the Polytechnic. This includes reviewing and advising on policies related to administrative functions, human resources, and organizational structure to ensure smooth and efficient operations.

2. Education, Training, Research, Innovation and Strategy (ETRIS) Committee Membership:

No.	Name	Title
1	Dr. Mary Agutu	Chairperson
2	Mrs. Ruth Mounde	Member
3	Eng. Caroline Kosgey	Member
4	Mr. Masese Andrew	Member
5	Dr. Okumu JW Odhiambo	Principal/ Secretary

Mandate of the Education, Training, Research, Innovation, and Strategy (ETRIS) Committee:

The Education, Training, Research, Innovation, and Strategy (ETRIS) Committee is entrusted with guiding the Polytechnic's strategic initiatives related to education and research. Its core responsibilities include:

- Advising on Personnel Matters:** The Committee provides recommendations to the Council on policies and practices related to faculty and staff. This includes advising on recruitment, professional development, performance management, and overall personnel management to ensure that the Polytechnic attracts and retains high-quality educators and researchers.
- Training and Professional Development:** The Committee oversees and advises on training programs and professional development opportunities for both faculty and staff. It ensures that

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training initiatives align with the Polytechnic's strategic goals and support continuous learning and skill enhancement.

3. **Teaching Quality and Curriculum Development:** The Committee reviews and advises on matters related to teaching standards, curriculum design, and instructional methodologies. It ensures that educational programs are relevant, of high quality, and meet the needs of students and industry standards.
4. **Research Oversight:** The Committee provides guidance on research priorities, policies, and funding opportunities. It supports the development of research strategies and ensures that research activities align with the Polytechnic's mission and contribute to advancements in the field.
5. **Innovation and Strategic Planning:** The Committee advises the Council on innovation strategies and their integration into the Polytechnic's educational and research framework. It supports the development and implementation of strategic initiatives that foster innovation and enhance the Polytechnic's competitive edge in education and research.
6. **Strategic Alignment:** The Committee ensures that educational and research strategies are aligned with the Polytechnic's overall strategic goals. It monitors progress and evaluates the impact of these strategies on the Polytechnic's mission and objectives.

2. Audit and Risk Committee

Membership:

No.	Name	Title
1.	Ms. Phyllis Wangwe Namachanja	Chairperson
2.	Mr. Chrisanthus Ajevi	Member
3	Mr. Andrew Masese	Member
4.	Mrs. Anita Bii	Member-Internal Auditor/Secretary

Mandate

Core Mandate of the Audit and Risk Management Committee:

The primary mandate of the Audit and Risk Management Committee is to oversee and ensure the integrity and effectiveness of the Polytechnic's financial and risk management systems. This includes:

1. **Audit Oversight:** The Committee is responsible for supervising the internal and external audit processes. This involves reviewing and approving audit plans, monitoring the performance of auditors, and ensuring that audits are conducted in accordance with relevant standards and regulations.
2. **Risk Management oversight:** The Committee assesses the Polytechnic's risk profile including operational, financial, strategic, reputational, and compliance risks. This includes reviewing and recommending risk management policies and procedures and ensuring the existence of effective controls and mitigation strategies to address identified risks.

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3. **Internal Control Management:** The Committee evaluates the effectiveness of the Polytechnic's internal control systems. This includes reviewing internal control procedures, ensuring they are adequate for preventing and detecting errors or fraud, and recommending improvements as necessary to strengthen the control environment based on evolving risks and audit findings.
4. **Review of Audit Findings:** The Committee reviews and addresses audit findings raised by external auditors. This involves examining the results of audits, understanding any issues identified, and ensuring that appropriate corrective actions are taken to address any deficiencies or concerns raised by the auditors.

Full Council of Governors Attendance during the FY 2024-2025

No.	Name	1 st Q	2 nd Q	3 rd Q	4 th Q
1	Prof. Mike Iravo	√	√	√	√
2	Eng. Carolyne Kosgey	√	√	√	√
3	Mr. Paul Odhiambo Kokello	√	√	√	√
4	Dr. Mary Agutu	√	√	√	√
5	Mr. Chrisanthus Ajevi	√	√	√	√
6	Mr. Andrew Masese	√	√	√	√
7	Mrs. Ruth Mounde	√	√	√	√
8	CPA Emmanuel Momanyi	√	√	√	√
9	Ms. Phylis Wangwe	√	√	√	√
10	Dr. Okumu JW Odhiambo	√	√	√	√

Evaluation of the Council

The State Corporations Advisory Committee carried out the Council's performance evaluation during the year under review and gave an overall score of 98.28%.

9. Management Discussion and Analysis

The Kaimosi Friends National Polytechnic's operational and financial performance

(Mandate Execution and Financial Performance):

During the year ended **30.06.2025** the Polytechnic effectively continued its mandate of providing skills training in Science and Technology. The Polytechnic achieved significant financial performance, collecting a total of **Ksh. 326,863,761** from two primary sources: Revenue from non- exchange transactions and Revenue from exchange transactions.

Ongoing Projects: The Polytechnic is actively engaged in several infrastructure and development projects, which include:

Engineering Workshops: Development of specialized facilities to enhance practical training in engineering.

Driveways and Walk-ways: Construction of walkways and cabros to improve campus accessibility and infrastructure.

New Gate: Construction of a new entry gate to enhance campus security and access.

Conversion of Hostels into Classrooms: Repurposing existing hostel facilities to accommodate additional workshop space.

National Polytechnic Status: The institution attained its National Polytechnic status on 14th Feb 2025 through the ***Legal order no. 35 of 2025.***

Operational Policies: The Polytechnic has developed a range of operational policies to strengthen governance and operational effectiveness. These include: Academic Policy, Finance Policy, Human Resource Policy, Trainee Fees Policy, Alcohol and Drug Abuse Policy, HIV/AIDS Policy, Internal Controls Policy

These policies are designed to provide a robust framework for governance and operational management.

Section B

Major risks facing the Kaimosi Friends National Polytechnic

There were no major risks facing Kaimosi Friends National Polytechnic, at **30.06.2025**

Section C

Material arrears in statutory/financial obligations

Kaimosi Friends National Polytechnic Complied with all applicable statutory and financial obligations for the period ended **30th June 2025**

Section D

The Kaimosi Friends National Polytechnic financial probity and serious governance issues.

Kaimosi Friends National Polytechnic had a valid and vibrant Council of Governors running the Polytechnic through its AFIRM, ETRIS and ARM committees.

10. Environmental and Sustainability Reporting Statement-

1. Overview of Global Political and Macroeconomic Trends Affecting Sustainability

During the reporting period, the organization operated within a dynamic global context marked by:

Intensifying Climate Change Impacts: Unpredictable weather patterns, prolonged droughts, and flooding events directly affected resource allocation, disrupted operations, and increased the urgency for climate-resilient infrastructure.

Geopolitical Instability: Conflicts in key global regions (e.g., Eastern Europe, Middle East) continued to affect global supply chains and fuel prices, indirectly impacting the cost of service delivery.

Post-Pandemic Economic Recovery: Inflationary pressures and tighter fiscal space in developing economies, including Kenya, limited budgetary expansion for capital projects.

Shift toward Green Economies: The global move toward carbon neutrality has reshaped donor funding and investment flows, favouring environmentally sustainable projects.

These global trends require the organization to adapt and align its operations with emerging sustainability imperatives and economic realities.

2. Reference to International Sustainability Frameworks

The entity aligns its sustainability strategies with key international frameworks:

UN Sustainable Development Goals (SDGs):

SDG 13 – Climate Action: Promotes climate-resilient infrastructure, reforestation, and energy efficiency.

SDG 6 – Clean Water and Sanitation: Supports clean water access through boreholes and watershed protection.

SDG 12 – Responsible Consumption and Production: Champions waste management and recycling initiatives.

SDG 10 – Reduced Inequalities: Implements inclusive procurement and employment practices for vulnerable groups.

Paris Agreement on Climate Change:

Guides the organization's decarbonization and adaptation actions.

African Union Agenda 2063:

Encourages integration of sustainable development within African-led growth and social transformation initiatives.

3. Entity's Sustainability Priorities and Policy Framework

The organization's sustainability agenda is guided by a Sustainability Policy Framework, which outlines four strategic priorities:

Environmental Stewardship – Including tree planting, climate-smart infrastructure, and green energy integration.

Inclusive Economic Empowerment – Through local content promotion, inclusive hiring, and special group procurement.

Efficient Resource Use – Adoption of paperless systems, waste segregation, and green procurement.

Governance and Transparency – Enforcing ethical practices, compliance with environmental laws, and stakeholder engagement.

This framework is reviewed every 3–5 years to integrate global best practices and evolving operational realities.

4. Key Achievements During the Reporting Period

- (i) Planted 10,000 trees in partnership with Community Forest Associations.
- (ii) Digitized 65% of internal processes, reducing paper use and improving service turnaround.
- (iii) Procured 97 % of total contracts from local suppliers, with 92% awarded to Youth, Women, and PWDs (special groups).
- (iv) Trained over 266 staff on green practices, procurement ethics, and climate adaptation.

5. Challenges and Mitigation Measures

	Challenge	Mitigation Strategy
1	Budget constraints for sustainability projects	Engaged development partners and leveraged Public-Private Partnerships (PPPs)
2	Uneven implementation of green policies in field	Introduced environmental performance indicators and capacity-building for teams
3	Climate-related disruptions to operations	Adopted flexible work policies and strengthened risk planning and emergency funds

6. Service Delivery Charter and Performance Contract Management

a. Service Delivery Charter

The organization has a Service Delivery Charter that outlines:

- (i) Services offered, timelines, and client expectations.
- (ii) Feedback and complaint mechanisms (hotline, email, physical suggestion boxes).
- (iii) Publicly displayed in all offices and online platforms.

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Charter implementation is monitored quarterly, and feedback is used to inform service improvements.

b. Contract Management and Inclusivity

All tenders are advertised publicly in line with the Public Procurement and Asset Disposal Act (2015). Contracts are awarded competitively, with a strong focus on transparency and fairness.

Inclusive Procurement Results

97% of contracts awarded to local suppliers.

30% of procurement reserved for special interest groups:

Youth – 14%

Women – 10%

PWDs – 6%

Continuous sensitization forums were held to train and prequalify suppliers from special groups.

Environmental performance

1. Environmental Policy Statement

The organization is guided by a comprehensive Environmental Policy that emphasizes:

Compliance with the Environmental Management and Coordination Act (EMCA, 1999) and its subsequent amendments. Promotion of sustainable resource use and eco-conscious service delivery. Commitment to biodiversity conservation, climate resilience, pollution prevention, and green innovation. The policy applies across all departments, branches, and field operations, and is reviewed every three years or as needed.

2. Evidence of Policy Implementation

a. Environmental Awareness and Training: All staff underwent annual environmental training and sensitization programs. Departmental green champions were appointed to drive eco-compliance.

b. Environmental Impact Assessments (EIAs):

EIAs and Environmental Audits (EAs) were conducted for all infrastructure projects and large-scale field operations

3. Biodiversity Management Efforts

Community Tree Planting: Partnered with local groups and schools to plant over 10,000 trees in degraded forest zones and water catchments. Indigenous Species Propagation: Nursery programs prioritized propagation of native species that support local ecosystems.

Conservation Corridors: Ensured protection of buffer zones and wildlife corridors during land use planning.

Successes

- (i) Forest cover improved
- (ii) Increased community ownership of conservation efforts.

Shortcomings

- (i) Limited funding for large-scale reforestation and biodiversity mapping.
- (ii) Some encroachments reported in sensitive areas.

Mitigation Measures

Engaging county governments to co-finance conservation projects.

Use of drone technology to monitor encroachment and ecosystem health.

4. Waste Management Strategies

a. Waste Segregation and Reduction

Color-coded bins installed across premises to encourage separation of organic, recyclable, and hazardous waste.

Awareness campaigns reduced indiscriminate dumping.

b. Re-use and Recycling

Shredded paper waste reused for packaging.

Collaboration with licensed e-waste recyclers for safe disposal of electronic waste.

c. Safe Disposal Methods

Biomedical and hazardous waste disposed of through certified third-party handlers.

Composting of organic waste initiated in select offices.

5. Reducing Environmental Impact of Operations

a. Paperless Systems and Automation: Migrated most records, approvals, and billing systems to digital platforms.

Online customer service reduced paper usage by 60%.

b. Plastic Waste Reduction

Staff discouraged from using single-use plastics; water dispensers and reusable containers introduced. Events are now “plastic-free” by policy.

c. Eco-Friendly Packaging

All promotional and planting materials are packaged in biodegradable or recyclable materials.

d. Sustainable Transport and Maintenance

Fleet management practices include scheduled vehicle maintenance to reduce fuel consumption and emissions. Carpooling encouraged for field staff.

6. Climate Change and Green Initiative

(a) Green Infrastructure

Office buildings designed or retrofitted with:

- Natural lighting and ventilation features to reduce energy use.
- Rainwater harvesting systems to supplement water use in dry months.

(b) Climate Advocacy: Participated in national climate week and regional forums to educate communities on climate adaptation and resilience.

Employee welfare

Human Resource Management and Occupational Safety Report

1. Recruitment and Hiring Policies

The Polytechnic adheres to fair and transparent hiring policies that align with the Constitution of Kenya, the Public Service Commission (PSC) regulations, and the Employment Act. Key principles include:

(a) Inclusivity in Recruitment: Gender Consideration: Hiring policies aim to uphold gender balance in line with the "two-thirds gender rule." Recruitment panels ensure equal opportunities for both male and female candidates.

(b) Youth Inclusion: Youth under 35 years are targeted in entry-level recruitment and internships to enhance youth employability.

(c) Persons with Disabilities (PWDs): At least 5% of job opportunities are reserved for qualified persons with disabilities, in line with national policy.

(d) Marginalized Groups: Applicants from historically underserved or marginalized regions are given special consideration where applicable.

(e) Stakeholder Engagement in Hiring

In some roles, especially in community-facing functions, the recruitment process includes consultations with relevant stakeholders such as local community representatives or sectorial agencies.

(f) Internship and industrial attachment: opportunities are aligned with MoUs signed with local universities and vocational training institutions.

(g) Policy Review and Updates

HR policies are reviewed every 3 years or earlier if prompted by legal or operational changes. Reviews are informed by employee feedback, audit recommendations, and new legal requirements.

2. Skills Development and Career Management

a. Capacity Building

Annual training needs assessments are conducted across departments. Staff are enrolled in short courses, workshops, and certified programs on leadership, ICT, procurement, environmental management, and more. Specialized training for technical teams (e.g., GIS, data analysis, forestry management) is prioritized.

b. Career Progression

A structured Career Progression Framework guides promotions, based on merit, academic/professional qualifications, experience, and performance appraisals. Clear job grading and re-designation criteria are in place to support internal mobility.

c. Performance Appraisal and Rewards

A Performance Management System (PMS) is implemented to track individual and team output. Annual performance reviews are conducted and used to: Identify high performers for promotion or rewards. Recommend staff for mentorship or upskilling. Non-monetary rewards such as certificates of excellence, recognition events, and study leave are also in place.

3. Occupational Safety and Health (OSH)

a. Policy and Legal Compliance

The Polytechnic complies with the Occupational Safety and Health Act, 2007 (OSHA) through the following measures:

Maintains a comprehensive Occupational Health and Safety Policy covering all work environments. Ensures regular risk assessments and safety audits are conducted by certified safety officers. Appoints Safety Committees in each department. Conducts periodic fire drills, first-aid training, and evacuation exercises.

b Health and Safety Training

All new employees undergo induction that includes a module on workplace safety. Staff handling machinery, fieldwork, or chemicals receive specialized safety training. PPE (Personal Protective Equipment) is provided to all employees in high-risk roles.

11. Report of the Governing Council

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

Principal activities

The principal activities of the Polytechnic are provision of quality technical and vocational training

Results

The results of the Polytechnic for the year ended 30 June 2025 are set out on page 1 to 6

Governing Council

The members of the Council who served during the year are shown on pages vii to xvi.

Auditors

The Auditor General is responsible for the statutory audit of the Polytechnic in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or a Certified Public Accountants were nominated by the Auditor General to carry out the audit of the Polytechnic for the year/period ended June 30, 2025, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Council


.....
Secretary of the Governing Council
Kaimosi
Date:

12. Statement of the Governing Council's Responsibilities

Section 81 of the Public Finance Management Act, 2012 and (*section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 - (entities should quote the applicable legislation under which they are regulated)*) require the council members to prepare financial statements in respect of that *entity*, which give a true and fair view of the state of affairs of the Polytechnic at the end of the financial year/period and the operating results of the Polytechnic for that year/period. The Council members are also required to ensure that the Polytechnic keeps proper accounting records which disclose with reasonable accuracy the financial position of the Polytechnic. The council members are also responsible for safeguarding the assets of the Polytechnic.

The Council members are responsible for the preparation and presentation of the Polytechnic's financial statements, which give a true and fair view of the state of affairs of the Polytechnic for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Polytechnic, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the Polytechnic, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

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

In preparing the financial statements, the Principal has assessed the Polytechnic's ability to continue as a going concern (*disclose as applicable, matters relating to the use of going concern basis of preparation of the financial statements.*) Nothing has come to the attention of the Council members to indicate that the Polytechnic will not remain a going concern for at least the next twelve months

KAIMOSI FRIENDS NATIONAL POLYTECHNIC
Annual Report and Financial Statements for the year ended 30th June 2025

Approval of the financial statements

The Polytechnic's financial statements were approved by the Council on **27th August 2025** and signed on its behalf by:

M. Mambaya

.....
Prof. Mike Iravo (PhD)
Chairperson of the Council

31/2/25



.....
Dr. Okuma JW Odhiambo (DHL)
Accounting Officer/ Chief Principal

REPUBLIC OF KENYA



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NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kaimosi Friends National Polytechnic set out on pages 1 to 42, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of

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

In my opinion, except for the 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 Kaimosi Friends National Polytechnic as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis and comply with the Technical and Vocational Education and Training Act, 2013 and Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Review of the annual report and financial statements submitted for audit revealed the following anomalies:

- i. Note 19 to the financial statements reflects a balance of Kshs.11,822,425 in respect of receivables from non-exchange transactions. However, the aging analysis reflects Kshs.166,680,925, resulting in an unexplained variance of Kshs.154,858,500.
- ii. The statement of changes in net assets reflects transfer of depreciation of Kshs.36,716,797. However, no explanatory note was given as to the nature of these transfers and adjustments of depreciation.
- iii. The statement of cash flows reflects an amount of Kshs.163,201,449 in respect of rendering of services-fees from students which varies with the statement of comparison of budget and actual amounts of Kshs.225,348,651, resulting in an unreconciled variance of Kshs.62,147,202.
- iv. Review of the revised financial statements revealed that governing council expenses of Kshs.6,806,120 was revised from Kshs.6,859,120, resulting in an unexplained variance of Kshs.53,000. In addition, refundable deposits from students balance of Kshs.99,532,039 was revised from Kshs.94,350,950 earlier reported, resulting to an unexplained variance of Kshs.5,181,189. The adjustments were not supported by approved journal entries with sufficient explanations and verifiable schedules.

In the circumstances, the accuracy and fair presentation of the financial statements could not be confirmed.

2. Variances in Revenue from Exchange Transactions

The statement of financial performance reflects an amount of Kshs.225,348,651 in respect of revenue from exchange transactions and as disclosed in Note 7 to the financial statements. Review of records on student enrollment and invoicing revealed

that continuing students applicable fee was charged at Kshs.56,420 whereas new admissions were charged a fee of Kshs.67,189 per student. The tuition and related income records provided for audit reflected total invoiced student fee of Kshs.173,880,016, resulting in an unexplained variance of Kshs.51,468,635.

In the circumstances, the accuracy and completeness of revenue from exchange transactions of Kshs.225,348,651 could not be confirmed.

3. Un-allocated Students' Funds

The statement of financial performance and Note 5 to the financial statements reflects an amount of Kshs.89,891,771 in respect of transfers from the National Government. The transfers comprise of Kshs.49,125,750 and Kshs.27,430,621 in respect of capitation grants received and Government scholarship respectively. However, review of the allocation schedules provided for audit revealed that Kshs.5,181,189 remained unallocated as at 30 June, 2025. Further, capitation grants of Kshs.3,857,153 or 74% of the total un-allocated funds remained un-allocated for more than one year. This was contrary to Section 8.3 (iii) of the Friends Kaimosi National Polytechnic Financial Management Policy, 2024 which states that revenues shall be matched with the allocated costs incurred to earn such revenue so far as this relationship can be identified or justifiably assumed by the Council.

In addition, the balance of unallocated capitation grants was not recognized as a liability under refundable deposits from customers/students as at 30 June, 2025.

In the circumstances, the accuracy and completeness of the transfers from National Government of Kshs.89,891,771 could not be confirmed.

4. Inaccuracies in Cash and Cash Equivalents

The statement of financial position reflects overdrawn cash and cash equivalents balance of Kshs.1,311,479 as disclosed in Note 17 to the financial statements. However, review of records provided for audit in respect to the bank balances revealed the following anomalies:

- i. Review of the main fees collection cash book and bank reconciliation statement revealed that the account was overdrawn to the tune of Kshs.1,508,829. No authority was provided contrary to the provisions of Regulation 82(7) of the Public Finance Management (National Government) Regulations, 2015 which requires that no official Government bank account shall be overdrawn, nor shall any advance or loan be obtained from a bank account for official purposes beyond the limit, authorized by The National Treasury.
- ii. The bank reconciliation statement for Kenya Commercial Bank (KCB) account reflected payments in the cashbook but not in the bank statement (unpresented cheques) of Kshs.1,602,439. Management did not provide supporting evidence indicating dates when they were eventually presented.
- iii. Further, the reconciliation statement reflects unidentified items/transactions in the bank statements not in cash book of Kshs.164,469 as at 30 June, 2025. The nature of these transactions and reasons for not posting them to the cash book was not provided contrary to Regulation 90(3) of the Public Finance Management (National Government) Regulations, 2015.

- iv. The balance includes Kshs.120,891 in respect to hire of facilities for KCB account No.1274574218 whereas the bank reconciliation statement reflects Kshs.44,891 resulting in an unreconciled variance of Kshs.76,000.

In the circumstances, the accuracy and completeness of the overdrawn cash and cash equivalents balance of Kshs.1,311,479 could not be confirmed.

5. Long Outstanding Student Debtors

The statement of financial position reflects receivables from exchange transactions balance of Kshs.160,487,860 and as disclosed in Note 18 to the financial statements which is net of provision for bad debts of Kshs.8,446,730.

Review of records revealed that, an amount of Kshs.47,469,828 had been outstanding for a period beyond one year and no effort had been made by Management to recover the debts. This was contrary to Regulation 83 (2) of Public Finance Management (National Government) Regulations, 2015 which states that for purposes of this regulation, sound cash management includes pursuing debtors with appropriate sensitivity and rigour to ensure that amounts receivable by the government are collected and banked promptly.

Further, the Polytechnic lacked a credit control and debts management policy which is useful to provide guidelines on contractual obligations students and other debtors.

In the circumstances, the completeness, accuracy and recoverability of receivables from exchange transactions balance of Kshs.47,469,828.69 could not be confirmed.

6. Failure to Value Biological Assets

The statement of financial position reflects biological assets balance of Kshs.11,982,600 and as disclosed in Note 23 to the financial statements. Review of records and the disclosure note revealed that biological assets were not valued in accordance with IPSAS 27.16 due to Management failure to use the valuation model in valuing the various classes of biological assets. Further, gains or losses arising on initial recognition of a biological asset at fair value less costs and from a change in fair value less costs and a reconciliation of changes in the carrying amount of biological assets between the beginning and the end of the current period were not disclosed.

In the circumstances, the financial statements do not comply with the provisions of IPSAS 27 on accounting for biological assets.

7. Unsupported Work-In-Progress

Note 21 to the financial statements reflects property, plant and equipment net book value of Kshs.886,518,618 as at 30 June, 2025. The balance includes work-in-progress (WIP) totalling to Kshs.41,955,491. Review of documents supporting the balance revealed that projects valued at Kshs.5,651,217 were not supported with payment certificates, procurement documents and the projects implementation status reports.

In the circumstances, the accuracy and completeness of work-in-progress of Kshs.5,651,217 could not be confirmed.

8. Land Without Legal Ownership Documents

The statement of financial position and as disclosed in Note 21 to the financial statements reflects property, plant and equipment balance of Kshs.886,518,618, which includes sixty-four (64) acres of land valued at Kshs.200,408,688. However, no title deed was provided to confirm ownership of the land.

Further, the assets records indicated that twenty-five (25) acres were acquired during the year under review at a cost of Kshs.13,000,000 which was devalued to Kshs.10,000,000. However, there was no agreement provided to confirm consideration of the twenty-five acres of land acquired.

In addition, review of the assets schedule indicated that the land was valued at Kshs.500,000, resulting in an understatement of Kshs.9,500,000.

In the circumstances, the accuracy, completeness and ownership of property, plant and equipment balance of Kshs.886,518,618 could not be confirmed.

9. Outstanding and Unsupported Trade and Other Payables

The statement of financial position and Note 24 reflects trade and other payables from exchange transactions balance of Kshs.79,338,526. However, the following issues were noted:

- i. Review of the revised financial statements revealed that trade and other payables of Kshs.79,338,526 were revised from Kshs.151,118,289 resulting in adjustment of Kshs.71,779,763. However, Management provided journal entries of Kshs.83,167,582 resulting to an unexplained variance of Kshs.71,779,763.
- ii. Further, the trade payables increased by Kshs.59,521,627 or 300% of the prior year's balance of Kshs.19,816,899. It is not clear and Management has not explained by form of disclosure the significant increase in the payables.
- iii. Review of aging analysis revealed that payables totalling Kshs.6,684,898 have been outstanding for more than 90 days. This was contrary to Section 3.3.9. of the Friends National Polytechnic, Kaimosi Financial Management Policy, 2024 which states that all payments shall be made within 90 days from the date all approvals were fully executed. In case of any delay the head of finance will notify the head of procurement stating reasons of the delays and planned mitigation.
- iv. Review of the supporting schedules revealed that Management commitments – internal and external of Kshs.101,993,502. However, the payables were not supported with an aging analysis showing the opening balance, additions and payments in the year to arrive at the closing balance.
- v. Review of sampled records revealed that payables of Kshs.57,951,997 was at variance with corresponding invoices of Kshs.12,824,902 resulting in unreconciled variances of Kshs.45,127,095.
- vi. In addition, accrued employee expenses for the month of June, 2025 amounting to Kshs.4,987,010 had been omitted from the payables schedule.

In the circumstances, the accuracy and completeness of trade and other payables balance of Kshs.79,338,526 could not be confirmed.

10. Variances in Refundable Deposits from Students

The statement of financial position and Note 25 reflects refundable deposits from students balance of Kshs.99,532,039 which included un-allocated funds of Kshs.5,181,189. However, the un allocated fund balance was not supported with a ledger break down.

In the circumstances, the accuracy of refundable deposits from students balances of Kshs.99,532,039 could not be confirmed.

11. Unaccounted for Students Caution Money

As disclosed in Note 25 to the financial statements, the statement of financial position reflects refundable deposits from students balance of Kshs.99,532,039 which includes an amount of Kshs.1,619,000 in respect of students' caution money, an increase of Kshs.288,610 from the previous year's balance of Kshs.1,330,390. However, the increase was not proportionate or consistent with the expected amount of Kshs.1,766,000 from the reported one thousand seven hundred and sixty-six (1,766) students admitted during the year under review, calculated at a rate of Kshs.1,000 per student, given that no refunds were made in the same period. No justification was provided for the difference of Kshs.1,477,390 between the reported increase in the financial statements and the total amount expected from the admissions.

In the circumstances, the accuracy and completeness of the students caution money of Kshs.1,619,000 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kaimosi Friends 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 receipts budget and actual amounts on a comparable basis of Kshs.641,826,774 and Kshs.327,010,761 respectively, resulting in an under-funding and under-collection of Kshs.314,816,013 or 49% of the budget. Similarly, the Polytechnic spent Kshs.242,340,028 against actual revenue of Kshs.327,010,761 resulting in under-utilization of Kshs.84,670,733 or 25% of available funds.

Management attributed the lower absorption to delay by the National Treasury to remit capitation which affected the revenue and failure to recruit staff members. Further, although the Management provided for 47% of the budget to development activities,

only Kshs.41,570,709 or 6.5% of the revenue budget was expended, contrary to Section 15(2)(a) of the Public Finance Management Act, 2012 that requires a minimum of thirty percent (30%) of the budget to be allocated to the development expenditure.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

1. Unresolved Prior Year Matters

In the prior year's audit report, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the Polytechnic in 2024/2025 revealed that the following five (5) issues remained unresolved:

No.	Financial Year	Audit Issue
1.	2023/2024	Unsupported Statement of Changes in Net Assets
2.	2023/2024	Ownership of Assets
3.	2023/2024	Budgetary Control and Performance
4.	2023/2024	Non-Compliance with Law on Ethnic Composition
5.	2023/2024	Lack of Assets Tagging

2. Inconsistencies in Performance Information

Review of the progress on attainment of strategic objectives through performance contracting as disclosed under the statement of performance against predetermined objectives for the FY 2024/2025 revealed that the Polytechnic constructed seven (7) modern engineering workshops which were at 80% level of completion. However, the Management had not provided status reports on the progress of the works as at 30 June, 2025.

In addition, Management indicated that the Polytechnic had realized Kshs.26,000,000 from internal generating activities. However, financial statements reflected other income of Kshs.27,730,577 resulting to a variance of Kshs.1,730,577.

In the circumstances, it was not possible to verify whether the performance indicators were met due to the inconsistencies.

Other Information

The Management is responsible for the Other Information set out on page iii to xlvi which comprise of Key Entity Information and Management, the Governing Council, 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 Governing Council and Statement of Governing Council Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Polytechnic's financial statements, my responsibility is to read the other information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, 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 effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Failure to Meet Recruitment Thresholds for Persons with Disabilities

Review of payroll records maintained by the Management revealed that the Polytechnic had one hundred and seventy-eight (178) Council contracted employees as at 30 June, 2025. However, the Polytechnic had only two (2) employees or 1% of the total work force as persons with disability. This is contrary to the provisions of Section 13 of the Persons with Disabilities Act, 2003 which states that the National Council for Persons with Disabilities shall endeavour to secure the reservation of 5% of all casual, emergency and contractual positions in employment in the public and private sectors for persons with disabilities.

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

2. Failure to Adhere to a Third Rule on Basic Salary

Review of the Polytechnic's staff payroll revealed that for the twelve (12) month period there were four (4) employees whose salary deductions exceeded two-thirds (2/3) of

the basic salaries. This is contrary to Section 19(3) of the Employment Act, 2007, which states that, “without prejudice to any right of recovery of any debt due, and notwithstanding the provisions of any other written law, the total amount of all deductions which under the provisions of Subsection (1), may be made by the employer from the wages of his employee at any time shall not exceed two-thirds of the basic salary”.

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

3. Non-Compliance with the Law on Staff Ethnic Diversity

Review of staff payroll bio data during the financial year 2024/2025 indicated that the Polytechnic had one hundred and seventy-eight (178) employees out of whom one hundred and forty (140) or seventy nine percent (79%) were from the dominant ethnic community in the region. This was contrary to Section 7(2) of the National Cohesion and Integration Act, 2008 which states that, “all public offices shall seek to represent the diversity of the people of Kenya in employment of staff and that no public institution shall have more than one third of its staff establishment from the same ethnic community”.

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

4. Unsupported Recruitment Process

Review of Human Resource records revealed that the Polytechnic recruited trainers across various academic departments during the year under review. However, the following anomalies were noted:

- i. Management did not provide annual recruitment plans contrary to Section B.2 of the Human Resource Policies and Procedures Manual for the Public Service, 2016 which provides that every Ministry or State Department shall prepare Human Resource Plans to support achievement of goals.
- ii. Further, the final reports of the number and names of the successful candidates were not provided for audit review and therefore, there was no evidence to confirm that the recruitment process was carried out in a fair, competitive and transparent manner.
- iii. Review of the trainers reporting attendance list and payroll records revealed that ten (10) trainers appeared on the attendance list but could not be traced in the interview records under the respective categories. Although Management indicated that these trainers' contracts had been renewed, supporting documentation for the contract renewals, including appointment letters or schedules were not provided for audit verification.
- iv. The Polytechnic had an approved staff establishment which did not include the approved number of staff per job group and department, making it not possible to confirm whether the Polytechnic was over or understaffed and whether recruitment and promotions were in line with the staff establishment.

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

5. Non-Compliance With Laws on Procurement Planning

Review of the procurement and payment records revealed that although Management prepared and approved the annual procurement plan, there was no evidence that the

plan was submitted to the National Treasury. This was contrary to Section 44 (2c) Public of the Procurement and Asset Disposal Act, 2015 which states that the Accounting Officer shall ensure procurement plans are prepared in conformity with the medium-term fiscal framework and fiscal policy objectives and, subject to subsection (3), submit them to the National Treasury.

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

6. Irregular Procurement Procedures

Review of procurement records revealed that the Polytechnic incurred expenditure on cabro paving's works during the year review totalling Kshs.16,460,924. Further, Management issued quotations for supply of hardware materials totalling Kshs.26,616,421 to four (4) suppliers. Review of request for quotations revealed that the contracts were split contrary to Section 54(1) of the Public Procurement and Assets Disposals Act, 2015 which provides that no procuring entity may structure procurement as two or more procurements for the purpose of avoiding the use of a procurement procedure except where prescribed. In addition, review of the annual procurement plan revealed that the cabro paving works were never included in the procurement plan for the year contrary to Section 45(3)(a) of the Public Procurement and Asset Disposal Act, 2015 which states that all procurement processes shall be within the approved budget of the procuring entity and shall be planned by the procuring entity concerned through an annual procurement plan.

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

7. Installation of CCTV Cameras and Local Area Network

Records provided for audit review indicated that the Management awarded two (2) companies for supply and installation of one hundred and three (103) CCTV cameras and Fibre pulling and installation works at Kshs.2,962,744 and Kshs.2,993,880 respectively. Physical inspection in November, 2025 revealed the following anomalies:

- i. The firm supplied and installed only seventy-six (76) cameras resulting to a variance of twenty-seven (27) cameras.
- ii. Of the seventy-six (76) cameras installed, only sixty-six (66) were displaying on the CCTV display monitor which reduced operational efficiency and exposing the entity to security risks.
- iii. Further, the supplier installed Cable AWM 20276 contrary to the user specification of HIK Vision Coaxial cable CAT 6E. Physical inspection of the cabling revealed that the contractor installed CAT 6 network cables instead of CAT 6E. Failure to implement the contract as stipulated is contrary to Section 151(2)(a) and (c) of the Public Procurement and Asset Disposal Act, 2015 which provides that 'for the purpose of managing complex and specialized procurement contracts the contract implementation team shall be responsible for monitoring the performance of the contractor, to ensure that all delivery or performance obligations are met.

In the circumstances, the value for the money on the expenditure of Kshs.5,956,624 could not be confirmed.

8. Unaccounted for Payments to Ministry Officials

The statement of financial performance and as disclosed in Note 11 to the financial statements reflects use of goods expenses of Kshs.185,433,775 which includes staff travelling expenses amounting to Kshs.26,965,344. Included in the expenses are facilitations of Kshs.7,608,200 paid to Ministry of Education officials to carry out monitoring and evaluation of programmes. However, these payments which should have been paid by the Ministry and were wrongly charged to the Polytechnic contrary to Section 162 of the Public Finance Management Act, 2012 which requires a public officer to ensure that resources within the officer's area of responsibility are used in a way that is lawful and authorized, effective, efficient, economical and transparent. Further, accountability for these funds could not be confirmed due to lack of surrender documents.

In the circumstances, the regularity of the facilitation allowances of Kshs.7,608,200 could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Long Outstanding Refundable Deposits

The statement of financial position reflects refundable deposits from students balance of Kshs.99,532,039 as disclosed in Note 25 to the financial statements which includes fees prepayments balance of Kshs.92,731,850. This was an increase of Kshs.76,721,184 or 148% from the prior year balance of Kshs.16,010,656.

The payables are in respect to students' fees received but not credited to the students' accounts contrary to Section 8.3 (iii) of the Friends National Polytechnic, Kaimosi Financial Management Policy, 2024 which states that revenues shall be matched with the allocated costs incurred to earn such revenue so far as this relationship can be identified or justifiably assumed by the Council.

Further, Management seems not to be making efforts to post the deposits to the relevant revenue streams and credited to the student ledgers which date back to 2012.

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

2. Lack of Business Continuity and Disaster Recovery Plan

During the year under review, the Polytechnic did not have in place an Information System, Disaster Recovery Plan and a Business Continuity Plan. Therefore, there was no documented process to guide mitigation against any events affecting the information systems, information recovery and business continuity.

In the circumstances, the security of the Polytechnic's information system could not be guaranteed.

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 as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

05 December, 2025

KAIMOSI FRIENDS NATIONAL POLYTECHNIC
Annual Report and Financial Statements for the year ended 30th June 2025

14. Statement of Financial Performance for the Year ended 30th June 2025

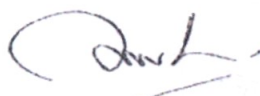
Description	Notes	2024-2025 Ksh	2023-2024 Ksh
Revenue from non-exchange transactions			
Transfers from the National Government	5	89,891,771	112,108,390
Grants from Development partners	6	-	1,921,500
Total Revenue from non-exchange transactions		89,891,771	114,029,890
Revenue from Exchange transactions			
Rendering of services-Fees from students	7	225,348,651	185,481,830
Sale of goods	8	1,125,271	1,110,772
Rental revenue from facilities and equipment	9	10,409,794	5,173,900
Miscellaneous income	10	235,274	892,030
Total Revenue from Exchange transactions		237,118,990	192,658,532
Total Revenue		327,010,761	306,688,422
Expenses			
Use of goods and services	11	168,572,094	192,894,036
Employee costs	12	60,169,279	47,094,453
Governing Council Expenses	13	6,806,120	10,718,070
Depreciation and amortization expense	14	36,716,797	399,611
Repairs and maintenance	15	6,613,645	4,607,433
Finance costs	16	178,890	147,839
Provision for Bad and doubtful debts	18(b)	5,444,395	940,660
Total Expenses		284,501,220	256,802,102
Surplus		42,509,541	49,886,320
Other Gains/Losses			
Net Loss on fair value on biological assets	23(b)	(1,166,034)	-
Net Surplus		41,343,507	49,886,320

(The notes set out on pages 7 to 46 form an integral part of the Annual Financial Statements).
The Financial Statements set out on pages 1 to 6 were signed by:

Prof. Mike Iravo

Dr. Okumu JW Odhiambo

CPA Hesborn Ehaji



ICPAK No11369

Chairman of Council

Chief Principal

Finance Officer

Date

Date

Date

KAIMOSI FRIENDS NATIONAL POLYTECHNIC
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15. Statement of Financial Position as at 30th June 2025

Description	Notes	2024-2025 Ksh	2023-2024 Ksh
Assets			
Current Assets			
Cash and cash equivalents	17	(1,311,479)	16,215,333
Current portion of receivables from exchange transactions	18	160,487,860	57,044,359
Receivables from non-exchange transactions	19	-	11,822,425
Inventories	20	6,326,558	3,867,852
Total Current Assets		165,502,939	88,949,969
Non-Current Assets			
Property, plant, and equipment	21	886,518,618	893,835,995
Intangible assets	22	5,930,863	5,396,630
Biological Assets	23	11,982,600	14,669,000
Total Non-Current Assets		904,432,081	913,901,625
Total Assets (A)		1,069,935,020	1,002,851,594
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	24	79,338,526	19,816,899
Refundable deposits from customers/Students	25	99,532,039	17,341,046
Total Current Liabilities (B)		178,870,565	37,157,945
Net Assets (A-B)		891,064,455	965,693,649
Represented By:			
Revaluation reserve		107,976,446	573,316,841
Accumulated surplus		468,801,071	-
Capital Fund		314,286,938	392,376,808
Total Net Assets		891,064,455	965,693,649

The Financial Statements set out on pages 1 to 6 were signed by:

Prof. Mike Iravo

Dr Okumu JW Odhiambo

CPA Hesborn Ehaji

Finance Officer

ICPAK No11369

M. Iravo
Chairman of Council
Date 31/12/25



Chief Principal
Date

Hesborn Ehaji
Date 31/12/25

16. Statement of Changes in Net Assets for the Year ended 30 June 2025

Description	Revaluation reserve	Accumulated Surplus	Capital Grants/Fund	Total
	Ksh	Ksh	Ksh	Ksh
At July 1, 2023	85,600,00	222,302,368	391,977,197	699,879,565
Revaluation gain	22,376,446	-	-	22,376,446
Surplus/(deficit) for the year	-	49,886,320	-	49,886,320
Transfer of depreciation/ amortisation from accumulated fund	-	-	399,611	399,611
Transfer of depreciation/ amortization from accumulated fund	-	(399,611)	-	(399,611)
Prior year adjustments		193,551,318		193,551,318
At June 30, 2024	107,976,446	465,340,395	392,376,808	965,693,649
At July 1, 2024	107,976,446	465,340,395	392,376,808	965,693,649
Transfer of completed Ebukanga TVC Project	-	-	(64,276,051)	(64,276,051)
Revaluation gain/loss (Biological Assets)	-	(1,166,034)	-	(1,166,034)
Surplus/(deficit) for the year		41,343,507		41,343,507
Transfer of depreciation/ amortisation from capital fund to retained earnings	-		36,716,797	36,716,797
Transfer of depreciation/ amortization from accumulated fund	-	(36,716,797)	-	(36,716,797)
Donation of equipment from CiCAN	-		53,681,141	53,681,141
At June 30, 2025	107,976,446	468,801,071	314,286,938	891,064,455

KAIMOSI FRIENDS NATIONAL POLYTECHNIC
Annual Report and Financial Statements for the year ended 30th June 2025

17. Statement of Cash Flows for the Year Ended 30 June 2025

Description		2024-2025	2023-2024
	Notes	Ksh	Ksh
Receipts			
Transfers from National Government	5	89,891,771	112,108,390
Grants from donors and development partners	6	-	1,921,500
Rendering of services-Fees from students	7	163,201,449	165,924,101
Sale of goods	8	1,125,271	1,110,772
Rental revenue from facilities and equipment	9	10,409,794	5,173,900
Miscellaneous income	10	235,274	892,030
Total Receipts		264,863,559	287,130,693
Payments			
Use of goods and services	11	168,572,094	192,894,036
Employee costs	12	60,169,279	47,094,453
Council Expenses	13	6,806,120	10,718,070
Repairs and maintenance	14	6,613,645	4,607,433
Finance costs	16	178,890	147,839
Total Payments		242,340,028	-255,461,831
Changes in working Capital:			
Increase in receivables		-	-941,725
Increase in inventories		-	-793,613
Increase in Trade payables		-	-8,904,455
Increase in refundable deposits		-	12,321,653
Total Changes in working Capital		-	1,681,860
Net Cash flow from Operating activities	26	22,523,531.00	33,350,722.00
Cash flows from investing activities			
Purchase of property, plant, and equipment	21	-40,587,715	-37,829,199
Proceeds from sale of biological assets		1,520,366	17,830
Purchase of intangible assets	22	-982,994	-676,895
Net cash flows used in investing activities		-40,050,343	-38,488,264
Net Increase/(Decrease) in Cash and Cash equivalents		-17,526,812	-5,137,542
Cash & Cash equivalents 1st July 2024		16,215,333	21,352,875
Cash and cash equivalents 30th June 2025		-1,311,479	16,215,333

KAIMOSI FRIENDS NATIONAL POLYTECHNIC

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

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

Description	Original budget	Adjustments	Final	Actual on comparable basis	Performance difference	Utilization Difference
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
	Ksh	Ksh	Ksh	Ksh	Ksh	%
Budget carryovers from the previous year*	-			16,215,333		
Revenue						
Transfers from National Government	250,000,000	-	250,000,000	89,891,771	160,108,229	36%
Rendering of services- fees from students	386,383,500	-	386,383,500	225,348,651	161,034,849	58%
Sale of goods	1,264,000	-	1,264,000	1,125,271	138,729	89%
Rental revenue from facilities and equipment	3,944,000	-	3,944,000	10,409,794	-6,465,794	264%
Miscellaneous Income	0	235,274.00	235,274	235,274	0	
Total Income	641,591,500	235,274	641,826,774	327,010,761	314,816,013	
Expenses						
Use of goods and services	249,495,202	-	249,495,202	168,572,094	64,061,427	68%
Employee costs	68,633,160	-	68,633,160	60,169,279	9,391,381	88%
Council Expenses	16,208,800	-	16,208,800	6,806,120	9,349,680	42%
Repairs and maintenance	7,648,150	-	7,648,150	6,613,645	-196,011	86%
Finance costs	300,000	-	300,000	178,890	121,110	60%
Total Expenditure	342,285,312	0	342,285,312	242,340,028	82,727,587	
Capital Expenditure	299,306,188	235,274	299,541,462	41,570,709	137,274,473	
Surplus	0	0	0	43,100,024	172,523,289	0

	Vote head	Utilization difference	Explanation
i.	Transfers from National Government	36%	The Kenyan Government did not remit all the capitation as required. Every student was awarded Ksh. 17,100 instead of Ksh. 30,000. Consequently, the scholarship grants were not awarded. This resulted into the drop in utilization of the budget from 100% to 36 %
ii.	Rendering of services- fees from students	58%	Most students especially those from poor households did not manage to pay fees following the governments failure to remit full capitation and scholarship grants (as illustrated in (i) above
iii.	Sale of goods	89%	The sale of farm products experienced a slight decline, attributed to adverse weather conditions and a decrease in livestock numbers
iv.	Rental revenue from facilities and equipment	264%	There was an improvement in the hiring of conferencing facilities, as the polytechnic hosted regional TVET co-curricular activities and workshops on the implementation of CBET."
v.	Use of goods and services	68%	The inadequate receipt of capitation grants and the complete non-remittance of scholarship grants had a ripple effect on the general expenditure of operational activities central to the polytechnic's mandate."
vi.	Employee costs	88%	The Polytechnic was unable to recruit staff as planned due to insufficient financial resources, resulting in a 86% under-expenditure in employee-related costs."
vii.	Repairs and Maintenance	86%	The inadequate receipt of capitation grants and the complete non-remittance of scholarship grants had a ripple effect on the general expenditure of operational activities central to the polytechnic's mandate. The Polytechnic was unable to carry out repairs and maintenance of its Property Plant and equipment as planned

KAIMOSI FRIENDS NATIONAL POLYTECHNIC**Annual Report and Financial Statements for the year ended 30th June 2025**

viii.	Council Expenses	42%	Following the issuance of Circular Ref. MOE/SDTVET/DTE/ADM/144 dated 6th December 2024 by the Ministry of Education regarding Boards and Council expenses, its implementation resulted in an under-expenditure of 42% of the Council votehead.
ix.	Finance costs	60%	Due to inadequate funds, there were fewer activities across all five accounts, which consequently led to a reduction in financial costs by approximately 60%."

19. Notes to the Financial Statements

1. General Information

Kaimosi Friends National Polytechnic is established by and derives its authority and accountability from Legal Order No. 35 of 2025. The Polytechnic is wholly owned by the Government of Kenya and is domiciled in Kenya. The Polytechnic's principal activity is provision of Technical Vocation and Training Education

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 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. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Polytechnic. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

Notes to the financial statements continued

3. Adoption of New and Revised Standards

(When an IPSAS becomes effective on 1st January 2025, it is applicable in Kenya from 1st July 2026)

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45: Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.

	Notes to the Financial statements continued
IPSAS 46: Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.

Notes to the Financial statements continued	
ii.	Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.
iii.	Disclosures that identify and explain the amounts in the Polytechnic's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii. Early adoption of standards

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

Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Notes to the Financial statements continued

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.

Budget information

The original budget for FY 2024/2025 was approved by the Council *12 Jan 2024*. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Polytechnic upon receiving the respective approvals to conclude the final budget. Accordingly, the Polytechnic recorded additional appropriations of Ksh.871,183,207.00 on the FY 2024/2025 budget following the Council approval. The Polytechnic's budget on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of Cash flows has been presented.

b) Taxes

Current income tax

The Polytechnic is exempt from paying taxes as per schedule Finance Act 2023

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.

Notes to the Financial statements continued

- 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.

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 derecognition. Transfers are made to or from investment property only when there is a change in use.

c) Property, plant and equipment

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

d) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Polytechnic. 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 Polytechnic 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 Polytechnic 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

Notes to the Financial statements continued

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 Polytechnic. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

e) Intangible assets

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

f) Biological Assets

The Polytechnic recognizes biological assets when it controls the assets due to past events, it is probable that future economic benefits associated with the asset will flow to the Polytechnic, and when the fair value or cost of the asset can be measured reliably. Biological assets are initially and subsequently measured at fair value less costs to sell, except where fair value cannot be reliably determined. In such cases, the asset is measured at its cost less accumulated depreciation and any accumulated impairment losses. Changes in fair value less costs to sell are recognized in surplus/deficit in the period in which they occur.

g) Research and development costs

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

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

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

Notes to the Financial statements continued

h) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The Polytechnic does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* 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 Polytechnic measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

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

Notes to the Financial statements continued

through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

Notes to the Financial statements continued

i) Inventories

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

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

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

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

Inventories (Continued)

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

j) Provisions

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

Contingent liabilities

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

Notes to the Financial statements continued

Contingent assets

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

k) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and/or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The Polytechnic 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 Polytechnic will incur in fulfilling the present obligations represented by the liability.

l) Nature and purpose of reserves

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

m) Changes in accounting policies and estimates

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

n) Employee benefits

Retirement benefit plans

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

Notes to the Financial statements continued

o) Foreign currency transactions

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

p) 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.

q) Related parties

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

r) Service concession arrangements

The Polytechnic analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Polytechnic recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Polytechnic also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

s) 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

Notes to the Financial statements continued

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.

t) Comparative figures

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

u) Subsequent events

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

4. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Notes to the Financial statements continued

- 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. *(Include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).*

5. Transfers from the National Government

Description	2024-2025	2023-2024
	Ksh	Ksh
Unconditional Grants		
Capitation Grants Received:		
Quarter One (1)	11,803,325	16,404,500
Quarter Two (2), Three (3) & Four(4)	37,322,425	18,382,000
Quarter Three (3)	-	21,008,000
Quarter Four (4)	-	11,822,425
Total Capitation Grants received	49,125,750	67,616,925
Recurrent Grants	-	-
Quarter One (1)	-	-
Quarter Two (2)	-	6,063,800
Quarter Three (3)	7,104,400	10,000,000
Quarter Four (4)	6,231,000	-
Total unconditional Grants	13,335,400	16,063,800
Government Scholarships	-	-
Quarter One (1)	27,430,621	-
Quarter Two (2)	-	28,427,665
Quarter Three (3)	-	-
Quarter Four (4)	-	-
Total Government Grants and Subsidies	27,430,621	28,427,665
Grant Transfers from National Government	89,891,771	112,108,390

Notes to the financial statements continued

6. Grants from Development Partners

Description	2024-2025	2023-2024
	Kshs	Kshs
GIZ/GFA	-	1,921,500
In –Kind Donation of Equipment from CIGan	53,681,141	-
Amount Capitalized to PPE	(53,681,141)	
Total Grants from Development Partners	-	1,921,500

Reconciliations of grants from development partners

Description	2024-2025	2023-2024
	Kshs	Kshs
Balance unspent at beginning of year		00
Current year receipts	53,681,141	1,921,500
Conditions Met – Transferred to Revenue	-	-
Conditions Yet To Be Met	-	-

7. Rendering of services-Fees from students

Description	2024-2025	2023-2024
	Kshs	Kshs
Tuition fee	191,953,665	147,411,657
Boarding fees	5,207,684	5,595,601
Business department Production unit	4,395,966	560,084
Examination fees	66,300	20,974,635
Library over-due fees	-	55,945
Activity fee	21,550	
Development fees	7,197,000	
EWC	5,100	
Gratuity	4,500	
Library	140	
Medical	134,346	
Contingencies	38,500	
Part time tuition fees	1,152,398	666,430
Town campus	5,087,190	1,384,247
Computer Department Production unit	117,000	153,400
Application fees	1,676,500	1,755,878
Attachment	1,856,712	1,778,629
GIZ students fees	-	29,100.00
Caution Money	1,766,000	1,330,390

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Notes to the financial statements continued		
Accommodation Production unit	-	51,450
Innovation and Research	-	13,660
Liberal studies department production unit	-	6,500
TVETA fees	782,500	668,906
Students Council fees	1,458,000	1,165,900
KUCCPS fees	2,427,600	1,879,418
Total Fees from students	225,348,651	185,481,830

8. Sale of Goods

Description	2024-2025	2023-2024
	Kshs	Kshs
Farm sales	898,140	849,467
Sale of empty Jerri cans	2,000	10,250
Food and Beverage department sales	53,495	1,400
PAYE Catering sales	-	171,610
Agriculture department sales	171,636	78,045
Total Revenue from Sale of Goods	1,125,271	1,110,772

9. Rental revenue from facilities and equipment

Description	2024-2025	2023-2024
	Kshs	Kshs
Conferencing, Hire of Facilities and Equipment	9,009,794	4,844,100
Rental Income from Polytechnic houses	328,000	329,800
Hire of Graduation Gowns	1,072,000	-
Total	10,409,794	5,173,900

10. Miscellaneous Income

Description		2023-2024
	Kshs	Kshs
Damages recovery	13,185	64,580
Disposal of fixed assets	72,250	17,830
Graduation income	-	809,620
Ebukanga TVC refund	-	222,409
Library over-due fees	35,000	-
Accommodation Production unit	89,839	-
Advance recovery	25,000	-
Total other income	235,274	892,030

Notes to the financial statements continued

11. Use of Goods and Services

Description	2024-2025	2023-2024
	Kshs	Kshs
Boarding expenses	2,604,924	4,007,228.00
Examination fees	9,561,180	23,540,450.00
PAYE Catering	69,400	8,046,401.00
Farm Expenses	666,750	879,451.00
Part time Tuition	380,940	899,482.00
Town Campus	5,524,321	4,809,981.00
Business Department P.U expenses	1,365,923	1,383,540.00
Computer Dept P.U	50,300	68,566.00
Hire of Facilities	5,462,619	3,212,586.00
Tender expenses	173,000	49,470.00
Co-curricular activities	7,117,668	7,261,513.00
Students Training expenses	37,737,367	35,598,301.00
Motor vehicle running expenses	2,878,769	3,818,138.00
Students Council Expenses	3,966,607	3,281,492.00
Office expenses	292,574	630,730.00
Airtime expenses	896,440	902,700.00
Attachment expenses	4,256,299	3,160,300.00
Research and Development	1,031,716	11,106,810.00
Stationery expenses	6,126,502	4,367,935.00
Performance Contracting	1,467,110	1,058,980.00
Electricity and Water bills	10,238,827	8,143,908.00
NYS Upkeep	-	272,200.00
ICT expenses	1,915,730	6,570,739.00
Medical Bills	496,978	4,391,477.00
CAPA Subscriptions	-	81,000.00
Insurance expenses	3,359,875	122,500.00
Marketing expenses	3,998,096	3,033,768.00
KATTI subscriptions	-	180,000.00
Guiding and Counselling	88,830	102,000.00
Contingencies	47,075	740,246.00
QMS	1,408,450	991,010.00
Consultancy fees	2,493,000	3,243,800.00
Engineering Dept PU expenses	-	1,120.00
Application (admission expenses)	426,000	857,500.00
Helb Bursary refunds	15,117	143,318.00

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Notes to the financial statements continued		
Corporate Social responsibility	141,760	223,400.00
Valuation of PPE	464,800	4,798,900.00
GIZ students expenses	-	4,460,107.00
Staff travelling expenses	26,182,444	12,811,322.00
Staff meals expenses	4,321,861	4,437,345.00
Staff training expenses	14,868,474	7,091,297.00
Staff welfare	142,000	89,800.00
Staff uniforms	1,147,333	666,131.00
CDF refunds	-	106,000.00
Graduation expenses	270,045	8,623,595.00
Agriculture department expenses	421,990	315,680.00
KUCCPS subscriptions	1,075,500	117,000.00
Recruitment of PSC trainers expense	3,000	2,194,819.00
Staff extraneous expenses	889,000	
Library expenses	73,800	
LTT expense	7,500	
Subscriptions	2,391,750	
Applied Science PU Expenses	52,450	
Total good and services	168,572,094	192,894,036

12. Employee Costs

Description	2024-2025	2023-2024
	Kshs	Kshs
Advance salary	0	189,950
Salaries and wages	59,825,633	45,674,939
Staff Gratuity	343,646	1,229,564
Employee Costs	60,169,279	47,094,453

13. Council Expenses

Description	2024-2025	2023-2024
	Kshs	Kshs
Chairman's Honoraria	840,000	690,000
Council expenses	5,966,120	10,028,070
Total	6,806,120	10,718,070

Notes to the Financial statements continued
14. Depreciation and Amortization expense

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, plant and equipment	36,268,037	0
Intangible assets	448,760	399,611
Total depreciation & amortization Expense	36,716,797	399,611

15.Repairs and Maintenance

Description	2024-2025	2023-2024
	Kshs	Kshs
Property Plant and equipment	6,613,645	4,607,433
Total Repairs and Maintenance	6,613,645	4,607,433

16.Finance Costs

Description	2024-2025	2023-2024
	Kshs	Kshs
Bank Charges	178,890	147,839.00
Total Finance Costs	178,890	147,839.00

17.Cash and Cash Equivalent

Description	2024-2025	2023-2024
	Kshs	Kshs
KCB Current account 1101755652	(1,508,829)	5,485,138
KCB Savings account 1102330329	969.75	6,078,843
KCB Savings account 1106471253	71,390.80	719,505
KCB Current account 1103284290	1,840.00	9,158
KCB Current account 1274574218	120,891.38	3,834,065
Cash at Hand	2,257.32	88,621
Total Cash and Cash Equivalent	(1,311,479)	16,215,333

Notes to the Financial statements continued

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

Financial Institution	Account number	2024-2025	2023-2024
		Kshs	Kshs
a) Current Accounts			
Main Fees collection account	1101755652	(1,508,829)	5,485,138
Hire of Facilities account	1274574218	120,891	3,834,065
Projects account	1103284290	1,840	9,158
Sub- Total		(1,386,098)	9,328,361
b) Savings Accounts			
Examinations	1102330329	969	6,078,843
Farm Account	1106471253	71,390	719,505
Sub- Total		72,359.00	6,798,348
c) Others (Specify)			
Cash in Hand		2,257	88,621
Sub- Total		2,257	88,621
Grand Total		-1,311,479	16,215,333

18.Receivables from Exchange transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Receivables		
Student Debtors	167,471,358	59,927,868
Staff debtors	-	60,000
Customer debtors	1,459,425	-
Un-surrendered imprests	3,807	58,826
Total Current Receivables	168,934,590	60,046,694
Less Provision for bad and doubtful debts @ 5 %	8,446,730	3,002,335
	160,487,860	57,044,359

18(b) Increase in Provision for bad and Doubtful debts (8,446,730-3,002,335) = 5,444,395

Notes to the Financial statements continued

18(c). Ageing Analysis of Receivables from Exchange transactions

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative	% of the total
Less than 1 year	160,487,860	100%	59,927,868	100%
Between 1- 2 years		%	-	
Between 2-3 years		%	-	
Over 3 years		%	-	
Total (a+b)	160,487,860	%	59,927,868	

19.Receivables from Non-Exchange transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Receivables		
Capitation Grants*	-	11,822,425
Total Current Receivables	-	11,822,425

(*Receivables on capitation grants are recognised for monies received after year end but relating to the year under review).

19 . (b) Ageing Analysis on Receivables from Non-Exchange Transactions

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	Ksh	% of the total	Ksh	% of the total
Less than 1 year	-	%	11,822,425	%
Between 1- 2 years		%	154,858,500	%
Between 2-3 years		%		%
Over 3 years		%		%
Total		%	166,680,925	%

Notes to the Financial statements continued

20. Inventories

Description	2024-2025	2023-2024
	Kshs	Kshs
Stationery	3,021,668	1,098,107
Health unit stores	44,960	26,080
Electrical & Plumbing stores	226,525	236,640
Cleaning materials	378,680	401,077
Maintenance stores-	610,636	558,250
Farm stores	213,320	40,800
Fashion and design stores	199,400	100,350
Food stuffs	58,902	437,083
Automotive /Mechanical department stores	-	482,370
Food science	74,862	69,675
Cosmetology and Hair Dressing	110,900	43,300
Building and Civil Engineering	786,300	374,120
Agriculture dept. stores	328,450	-
Applied science department stores	207,875	-
Town campus stores	64,080	-
Total Inventories at lower of Cost and Net Realizable Value	6,326,558	3,867,852

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Notes to the Financial statements continued

21. Property, Plant and Equipment

Cost			Furniture & Fittings	Motor vehicles	Computers	Plant & Equipment	WIP Ebukanga	WIP KFNP	Text Books	Infrastructural assets	TOTAL
Cost	Land	Buildings									
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs		Kshs
1st July 2023	150,000,000	363,785,878	12,788,960	14,854,205	23,679,700	178,899,857	63,960,721	20,958,733	4,480,151	0	833,630,350
Additions	0	25,736,618	3,800,305	0	6,344,500	413,890	315,330	1,195,556	23,000	0	37,829,199
Revaluations	49,908,688	70,269,955	-	-8,354,205	-	-105,258,992				15,811,000	22,376,446
Cost as at 30.6.2024	199,908,688	459,792,451	16,589,265	6,500,000	30,024,200	74,054,755	64,276,051	22,154,289	4,503,151	15,811,000	893,835,995
Additions	500,000	8,706,126	2,101,200	0	4,368,216	421,100	-	24,491,073	0	0	40,587,715
Donation from Cican	0	0	0	0	0	53,681,141					53,681,141
Transfer/Adjustment	-	-	-	-820,000	-	-	-64,276,051	-4,689,871	-	4,689,871	-65,096,051
Cost as at 30.6.2025	200,408,688	468,498,577	18,690,465	5,680,000	34,392,416	128,156,996	0	41,955,491	4,503,151	20,500,871	922,786,655
Depreciation and Impairment											
Depreciation Rate	-	2%	12.50%	10%	30%	10%			10%	2%	
At 1 July 2023	-	44,202,185	9,215,723	12,822,102	19,778,514	173,734,451	0	0	2,398,929	0	262,151,904
At 30.6.24 after revaluation	-	0	0	0	0	0	0	0	0	0	0
Depreciation as at 30.6.2025	0	9,369,972	2,336,308	568,000	10,317,725	12,815,700	0	0	450,315	410,017	36,268,037
NBV 30.6.2024	199,908,688	459,792,451	16,589,265	6,500,000	30,024,200	74,054,755	64,276,051	22,154,289	4,503,151	15,811,000	893,613,850
NBV 30.6.2025	200,408,688	459,128,605	16,354,157	5,112,000	24,074,691	115,341,296	0	41,955,491	4,052,836	20,090,854	886,518,618

WIP KFNP represents Construction of engineering workshops, construction of a New Gate and Laying of cabros around the college

WIP Ebukanga represents the handing over of the Ebukanga TVC which KFNP was mentoring.

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Notes to the Financial statements continued
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 Ministry of Public Works and Housing professional valuers I in June 2024. These amounts were adopted in the financial statements on 30th June 2025

21 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	200,408,688	0	200,408,688
Buildings	468,498,577	9,369,972	459,128,605
Furniture and Fittings	18,690,465	2,336,308	16,354,157
Motor vehicles	5,680,000	568,000	5,112,000
Computers	33,212,744	10,317,725	22,895,019
Plant and Equipment	128,156,996	12,815,700	115,341,296
Text books	4,503,151	450,315	4,052,836
Infrastructural assets	15,811,000	410,017	15,400,983
Total	874,961,621	36,268,037	838,693,584

22. Intangible Assets

Description	2024-2025	2023-2024
	Kshs	Kshs
Cost		
At beginning of the year (A)	7,992,216	7,315,321
Additions (B)	982,994	676,895
At end of the year C=(A+B)	8,975,210	7,992,216
Additions—internal development	-	-
At end of the year	8,975,210	7,992,216
Amortization and impairment		
At beginning of the year D	2,595,586	2,195,975
Amortization E=(5%XC)	448,761	399,611
At end of the year F=(D+E)	3,044,347	2,595,586
NBV G=(C-F)	5,930,863	5,396,630

Notes to the Financial statements continued

23. Biological Assets

Description	2024-2025	2023-2024	Changes in Value
	Kshs	Kshs	
Farm Trees (Agroforestry)	650,000	6,650,000	(6,000,000)
Eucalyptus trees	3,000,000	-	3,000,000
Tea Plantation	5,500,000	6,000,000	(500,000)
Banana and other crops	2,100,000	1,175,000	925,000
Cows	560,000	844,000	(284,000)
Poultry	172,600	-	172,600
Total	11,982,600	14,669,000	(2,686,400)
<i>(23 b)Fair value</i>			
Sale of cows			466,590
sale of calves			45,000
Death of cows			(16,000)
sale of vegetables & Milk			1,024,776
Total sales			1,520,366
loss on fair value of Biological assets			(1,166,034)

24. Trade and Other Payables from Exchange Transactions

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Trade payables	79,338,526		19,816,899	
Total Trade and Other Payables	79,338,526		19,816,899	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	79,338,526	100%	19,816,899	100%
1-2 years		%		
2-3 years		%		
Over 3 years		%		
Total (to tie to totals above)	79,338,526	100	19,816,899	100%

25. Refundable Deposits from Customers/Students

Description	2024-2025	2023-2024
	Kshs	Kshs
Fees prepayments	92,731,850	16,010,656
Caution money	1,619,000	1,330,390
Unallocated funds	5,181,189	
Total Deposits	99,532,039	17,341,046

Notes to the Financial statements continued				
	Current FY	% of the Total	Comparative FY	% of the Total
Ageing analysis:				
Under one year	99,532,039	81 %	17,341,046	100%
1-2 years		19 %	-	%
2-3 years		%		%
Over 3 years		%		%
Total (to tie to totals deposits above)	99,532,039	100%	17,341,046	%

26. Financial Risk Management

Kaimosi Friends 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.

Kaimosi Friends National Polytechnic's financial risk management objectives and policies are detailed below:

(i) Credit risk

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

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the 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 Kaimosi Friends National Polytechnic's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

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Notes to the Financial statements continued

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2024				
Receivables from exchange transactions	57,044,359	57,044,359	-	-
Receivables from non-exchange transactions	11,822,425	11,822,425	-	-
Bank balances	16,215,333	16,215,333	-	-
Total	85,082,117	85,082,117	-	
At 30 June 2025				
Receivables from exchange transactions	57,044,359	57,044,359	-	-
Receivables from non-exchange transactions	11,822,425	11,822,425	-	-
Bank balances	16,215,333	16,215,333	-	-
Total	85,082,117	85,082,117	-	

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.

Kaimosi Friends National Polytechnic has significant concentration of credit risk on amounts due from students

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 Kaimosi Friends National Polytechnic's directors, who have built an appropriate liquidity risk management framework for the management of Kaimosi Friends National Polytechnic's short, medium and long-term funding and liquidity management requirements. Kaimosi Friends National Polytechnic manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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

Notes to the Financial statements continued

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024				
Trade Payables	4,154,231	15,169,198	493,470	19,816,899
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	4,154,231	15,169,198	493,470	19,816,899
At 30 June 2025				
Trade Payables	11,900,779	19,834,632	47,603,116	79,338,526
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	11,900,779	19,834,632	47,603,116	79,338,526

(iii) Market risk

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

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

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

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

Notes to the financial statements continued

a) Interest rate risk

Interest rate risk is the risk that Kaimosi Friends National Polytechnic'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.

iv) Capital Risk Management

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

Description	2024-2025	2023-2024
	Kshs	Kshs
Revaluation Reserve	107,976,446	-
Retained Earnings	468,801,071	573,280,941
Capital Reserve	314,286,938	392,376,808
Total Funds	891,064,455	965,657,749
Total Borrowings	178,870,565	19,816,899
Less: Cash and Bank Balances	-1,311,479	16,215,333
Net Debt/(Excess Cash and Cash Equivalents)	1,068,623,541	969,259,315
Gearing	16.00%	2.04%

27. Related Party Balances

Nature of related party relationships

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

National Government of Kenya

The National Government of Kenya is the principal shareholder of KFNP. The National Government of Kenya has provided full guarantees to all long-term lenders of Kaimosi Friends National Polytechnic, both domestic and external. Other related parties include:

Notes to the financial statements continued

- i) The National Government.
- ii) The Parent Department.
- iii) Key management;

28. Events after the Reporting Period

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

29. Currency

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

31. 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	<p>Unsupported statement of changes in Net assets: The statement of changes in net assets reflects a balance of ksh 465,340,395 in respect of accumulated fund. However, the balance includes unsupported prior year adjustments of kh. 193,551,318. Further, review of the statement of comparison of budget and actual amount show that the college received capital grants amounting to ksh. 38,470,194 during the year under review which have not been included in the statement of changes in net assets under capital grants fund. In the circumstances, the accuracy and</p>	<p>The Management recognizes that the unsupported statement of net assets is as a result of the institutions transition from Cash basis of accounting to accrual accounting and prior years' capital development expenditures from FY 2016 to 2023</p>	Resolved	

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	<p>completeness of accumulated fund and capital grants/ fund amounting to ksh. 465,340,395 and ksh 392,376,808 respectively reflected in the statement of changes in net assets could not be confirmed</p>			
2	<p>Ownership Of Assets The statement of financial position reflects a balance of ksh 893,835,995 in respect of property, plant and equipment and as disclosed in Note 22 to the financial statements. The balance includes the cost of land owned by the college with a net book value of ksh. 199,908,688. However, land ownership documents were not provided for audit verification. In the circumstances, the ownership of land balance of ksh. 199,908,688 could not be confirmed</p>	<p>The institution was originally established in 1971 by the Friends Church (Quakers), which facilitated the allocation of a 67-acre parcel of land for its development. In 1984, ownership and management of the institution were fully transferred to the Government of Kenya. However, since that transition, the institution has continued to operate on land whose title deed remains under the name of the East Africa Yearly Meeting of the Friends Church (Quakers).</p> <p>This historical arrangement has presented legal and administrative challenges, particularly in areas related to infrastructure development, land planning, and external funding opportunities that require proof of institutional land</p>	Not resolved	30 th June 2026

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		<p>ownership. Efforts are currently underway to regularize the land tenure and align ownership documentation with the institution's current governance structure to ensure compliance, sustainability, and long-term operational security.</p> <p>The management has conducted a comprehensive survey of the institution's land, and the process is now at an advanced stage. We are currently awaiting the formal issuance of the Title Deed from the Ministry of Lands and Housing. Once received, the necessary legal and administrative steps will be completed to secure the institution's property rights.</p>		
3	<p>Non-compliance with law on Ethnic Composition: During the year under review, the total number of employees on the entity's payroll were 189 out of which 156 or 82.5 % of the total number were members of the dominant ethnic community. This was contrary to section 7(1) and (2) of the National</p>	<p>The total variation across all ethnic groups is +2, meaning overall, gradual increase on diverse ethnicity consideration across the groups between 2022/2023 and 2023/2024.</p> <p>The data below explains:</p> <ol style="list-style-type: none"> i. There's a slight positive trend in diversity (total variation +2). ii. Luhya ethnic group had the highest representation in both 	Not resolved	

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	<p>Cohesion and Integration Act, 2008 which states that ‘ all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and no public establishment shall have more than one third of its staff from the same ethnic community. In the circumstances the management was in breach of the law.</p>	<p>years, but with a gradual drop due to efforts of ethnicity balancing.</p> <p>iii. Kalenjin numbers increased notably.</p> <p>iv. Kikuyu ,kalenjin and Kuria saw the largest positive shifts— Kikuyu increased by 3, Kalenjins increased by 3, and Kuria had a new representation.</p> <p>v. Overall net variation across all groups = +2, meaning there was a gradual overall increase in diversity ethnicity inclusion on total numbers.</p>		
6	<p>Lack of Asset Tagging: Review of the assets register and verification of the college assets revealed that the assets did not have unique tag label to each asset for easier asset movement and tracking. This was contrary to Section 139 (1) (b) of the Public Finance Management (National Government) Regulations, 2015 which stipulates that the Accounting Officer of a National Government entity shall take full</p>	<p>In its 2025/2026 financial year budget, The Polytechnic has earmarked Ksh. 5,000,000 for a comprehensive asset tagging initiative, coupled with the development and implementation of a structured procurement plan. This allocation is aimed at enhancing asset visibility, accountability, and lifecycle management across all departments.</p> <p>The funding will support the acquisition of tagging equipment and software, the physical tagging of institutional assets, training of personnel,</p>	Not resolved	30 th June 2026

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	<p>responsibility and ensure that proper control systems exist for assets and that movement and conditions of assets can be tracked. In the circumstances, proper control and ease identification of the assets could not be achieved without tagging.</p>	<p>and the procurement of complementary tools and systems necessary for efficient asset tracking and reporting.</p> <p>By investing in this initiative, the Polytechnic seeks to modernize its asset management practices, minimize loss and redundancy, and lay the foundation for informed decision-making regarding resource utilization and future acquisitions</p>		



.....
Name: OKUMU JW ODHIAMBO
CHIEF PRINCIPAL/SECRETARY GOVERNING COUNCIL

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Appendix II: Projects Implemented by (Kaimosi Friends National Polytechnic)

Status of Project Completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	New Gate	11M	8M	75%	11m	8m	AIA
2	Engineering workshops	29M	24M	60%	29M	24M	AIA

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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: Kaimosi Friends National Polytechnic

Confirmation of amounts received by Kaimosi Friends National Polytechnic as at 30th June (Current FY)

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
001	24.09.2024	11,822,425.00	-	11,822,425.00	FY 2023/2024
	23.9.2024	11,803,325		11,803,325	FY 2024/2025
002	24.09.2024	107,329.90	-	107,329.90	FY 2023/2024
003	23.09.2024	3,473,096.30	-	3,473,096.30	FY 2023/2024
004	24.09.2024	14,673,502.60	-	14,673,502.60	FY 2023/2024
005	23.09.2024	2,505,574.70	-	2,505,574.70	FY 2023/2024
006	23.9.2024	6,604,103.70	-	6,604,103.70	FY 2023/2024
008	23.9.2024	67,016.30	-	67,016.30	FY 2023/2024
009	14.02.2025	37,322,425.00	-	37,322,425.00	FY 2024/2025
010	17.4.2025	6,231,000.00		6,231,000.00	FY 2024/2025
011	16.6.2025	7,104,400.00		7,104,400.00	FY 2024/2025
		101,714,198.50		101,714,198.50	

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

Head of Accounts Department - Disbursing Entity:

Name Sign Date

Head of Accounts Department - Beneficiary Entity:

Name CPA Hesborn Ehaji. C

Sign  Date. 30.JULY 2025

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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		

XXX VTC

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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