

REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY PAPERS LAID	
REPORT	DATE: 02 APR 2026 DAY: Thursday
TABLED BY:	Deputy Majority Whip Hon. Naomi Wanjiku
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ON

BUNGOMA NATIONAL POLYTECHNIC

**FOR THE YEAR ENDED
30 JUNE, 2025**

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 02 APR 2026 DAY:	TABLED BY:
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BUNGOMA 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)

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

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Bungoma National Polytechnic
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1. Acronyms and Definition of Key Terms

BOG	Board of Governors
TBNP	The Bungoma National Polytechnic
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
SIST	Sang'alo institute of Science and Technology
TVET	Technical and Vocational Education and Training
Fiduciary Management	Key management personnel who have financial responsibility
HELB	Higher Education Loans Board
MOE	Ministry Of Education
NSSF	National Social Security Fund
NHIF	National Hospital Insurance Fund
PAYE	Pay As You Earn
KRA	Kenya Revenue Authority
NYS	National Youth Service
TSC	Teachers Service Commission
FY	Financial Year
PSC	Public Service Commission
CBET	Competency Based Education and Training
KASNEB	Kenya Accountants and Secretaries National Examination Board
NITA	National Industrial Training Authority
VTT	Vocational and Technical Training
NBV	Net Book Value
KNEC	Kenya National Examination Council

2. Key Entity Information and Management

(a) Background information

Bungoma National Polytechnic is one of the Public National Polytechnics in Kenya. It was initially called Sang'alo institute of Science and Technology, following the legal notice no.14 through the Kenya gazette supplement no.13 on 18th January 2024, the institute has since been elevated to a National Polytechnic.

Bungoma National Polytechnic is situated in Bungoma County, Bungoma South Sub-County and seven kilometers south East of Bungoma town on the Bungoma Nambacha-Kakamega road.

The history of the Polytechnic dates back to 1924 when the late Paramount chief of Bukusu, Mzee Sudi Namachanja, donated 610 acres of land to Dr. Cameron, a Scottish veterinarian to establish a centre for vaccination and treatment of livestock. In 1927, the farm developed into a livestock improvement centre for upgrading indigenous cattle to enhance milk and meat production. By virtue of its geographical location, this centre became a sub-station to a veterinary station in Maseno.

On the 10th of July 1976 the land was handed over to the then Bungoma County Council in the presence of Hon. Jeremiah Nyaga, the then Minister for Agriculture.

Shortly after, on the 1st of April 1977, the Council gave the land to Bungoma National Polytechnic Board of Trustees (BOT) who held the land in trust. The trustees were given the responsibility of establishing a Harambee institute of Science and Technology. This task was achieved almost immediately and, in September 1977, the polytechnic admitted its first intake of twenty trainees to study general agriculture at certificate level.

The institute became a public Institution in 1993. Its governance was put under the management of a Board of Governors appointed by the Minister for Education Science and Technology. This facilitated the posting of trainers by the Teacher's Service Commission (TSC).

The employment of staff at BNP is under the Public Service Commission and the Board of Governors. This is as per the Education Act (cap 211). The present staff establishment comprises of 95 PSC trainers, 136 BOG trainers and 79 BOG permanent non-training staff 53 staff on one year contract and 9 interns. The Polytechnic major physical infrastructure is on the main campus, which lies on 555 acres of land, Registration No. East Bukusu/West Sang'alo/ 990. Here is found the administration block, classrooms, laboratories, trainees hostels, library, kitchen, staff houses and other facilities.

The Polytechnic currently offers CBET, Artisan, Certificate and Diploma courses at its main and Bungoma town Campuses respectively. There are 50 programmes, with another 22 in the offing. The programmes are mainly examined by the KNEC, NITA and KASNEB. They have provisions for multi-entry and multi –exit for persons with different qualifications and needs. The programmes are full-time as well as part-time.

The trainee fraternity therefore comprise of direct school leavers and those already working in the formal and informal sector. The present student population is at 8,094 the distribution of male and female is 4252 and 3842, respectively.

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(b) Principal Activities

- a. Provide, directly or in collaboration with other institutions of higher learning facilities for technical, technological, professional scientific education training.
- b. Participate in technological innovation as well as in the discovery transmission and enhancement of knowledge for economic, social cultural scientific and technological development.
- c. Contribute to industrial and technological development of Kenya, in collaboration with industry and other organization, through transfer of technology
- d. Promote and establish a culture of innovation in engineering and technology, and technology transfer amongst staff and students
- e. Develop the Polytechnic with excellence in teaching, training, scholarship, entrepreneurship, research, consultancy, community service, among other educational services and products, with emphasis on technology and its development, impact and application within and outside Kenya
- f. Provide a multi-level system of post-secondary school education and training programs relevant to the needs of the community, covering a wide range of fields and levels with provision for recognition of prior learning and flexibility of transition between programmes.
- g. Provide high quality education, research, residential, commercial cultural, social recreational, sporting and other facilities
- h. Advance knowledge and its practical application by research and other means, the dissemination of outcomes of research by various means, and commercial exploitation of research results
- i. Promote research within the National Polytechnic and in the general community
- j. Participate in commercial ventures and activities
- k. Foster the general welfare of all staff and students
- l. Provide opportunities for development and further training for staff of the National Polytechnic
- m. Develop and provide educational, cultural, professional, technical and vocational services to the community and in particular foster corporate social responsibility
- n. Provide programmes, products and services in ways that reflect the principles of equity and social justice;
- o. Facilitate student mobility between different programmes at different technical training institutions and other national polytechnics
- p. Conduct examinations for and grant such academic awards as maybe provided under this order; and
- q. Collaborate with recognized universities for the conduct and award of degree programmes in technology.

Bungoma National Polytechnic
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VISION:

Be a centre of excellence in technical and vocational training, innovation and outreach

MISSION:

To provide quality technical and vocational training for sustainable development

MOTTO:

Technology our Lifeline

Core Values

Versatility

Integrity

Team Spirit

Equity

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

(c) Key Management

Bungoma National Polytechnic day-to-day management is under the following key organs

- The Board of Governors
- The Chief Principal
- Management Board

(d) Fiduciary Management

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

SN.	Designation	Name
1.	Principal	Dr. Godfrey S. Murunga Ph.D.
2.	Deputy principal Academic	Ms Sally O. Wafula
3.	Deputy principal Administration	Mr. Wilson M. Navagwi
4.	Registrar -Academic	Ms. Rispah Juma
5.	Registrar administration	Mr. Fred Sifuna
5.	Dean of students	Mr. Hannington Situma
6.	Head of Finance	Ms. Penina Ajili Munyekenye

(e) Fiduciary Oversight Arrangements

Audit and Risk and Compliance Committee Activities

The Polytechnic Board of Governors has established a committee of the board which provides oversight on the Polytechnic financial and other management matters. The Polytechnic also has established an internal audit department which report to the audit committee of the Board

Parliamentary Committee Activities

The Principal of Bungoma National Polytechnic is accountable to the National Assembly for the Polytechnics financial management. The Constitution of Kenya, 2010; 135(3) subject to clause 4, requires that the accounts of all Governments and State Organs be audited by the Auditor General. Upon audit, the Annual Reports and Financial Statements are usually submitted to the National Assembly to ascertain whether the finances of the Polytechnic were prudently managed.

Bungoma National Polytechnic
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(f) Entity Headquarters

P.O. Box 158-50200
Bungoma, KENYA

(g) Entity Contacts

Telephone: (254) 711158158
E-mail: sangaloist@yahoo.com/info@bungomapoly.ac.ke
Website www.bungomapoly.ac.ke

(h) Entity Bankers

- i. Kenya Commercial Bank
Bungoma Branch
P.O. Box 152-50200
Bungoma, Kenya

- ii. Equity Bank of Kenya
Bungoma Branch
P.O. Box 2450-50200
Bungoma Kenya

(i) Independent Auditors

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

(j) Principal Legal Adviser

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



Bungoma National Polytechnic

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3. The Board of Governors

The new board of governors were inaugurated on 9th of November 2023 following exit of the old board members on 10th July 2023.

BOARD OF GOVERNORS

	<p>Name: Prof. Edwin Ataro D.O.B: 27th January, 1965 Key Qualifications: Ph.D. – Electrical Engineering & Computer Science, Registered Engineer – EBK B6348 Work Experience: Executive Dean, Faculty of Engineering, Associate Professor in Electrical Engineering – TU-K, ICT Director, HOD Electrical Engineering – Moi University-Eldoret, Prof. Ataro is the Chairman of the Board of Governors.</p>
	<p>Name: Dr. Emily Jepchirchir Bomett PhD, Key Qualifications: She is a Doctor of Philosophy holder from Moi University, Master of Education holder from Kenyatta University and Bachelor of Education (Arts) holder from Kenyatta University. Work Experience: Senior lecturer in the School of Education, Department of Education Management and Policy Studies, Moi University, Eldoret, Kenya. She taught Geography and Christian Religious Education in various categories of secondary schools for fourteen years since 1994 up to 2008 in Kenya. Later on she joined Moi University to instil various courses since 2008 up to date. She has served as a member of the Board of Management and Parents Association in various categories of secondary schools and participated in community service in various parts of the country. Her areas of interest and Professional expertise are in education leadership and management with particularly interest in strategic management, leadership styles, gender, Research, monitoring and evaluation.</p>



Name: Jeremy Miriti

D.O.B: 30th May 1955

Key Qualifications: MSC Entrepreneurship development, BCOM -The Nairobi University, Professional CPA (k), CPS (k)

Work Experience: Extensive experience in Audit and accounting in the private sector, Extensive experience in Financial management in the private sector, Has extensive experience in management consultancy within the Africa region, Has held several directorships in the corporate world and non-profit world. Currently Managing Director of a private Development Company.



Name: Dr. Duncan Wasike Wekesa

Key Qualifications: Doctor of Philosophy in Mathematics Education from Masinde Muliro University of Science and Technology. Has undertaken various training in leadership, administration and financial management.

Work Experience: Senior Lecturer at Kibabii University, Has served as Board member and Chairperson of Several School Boards and Committees. Currently he is the Chair of the University Staff Pension Scheme, member Resource Mobilization Committee and Director, Income Generating Activities (IGA) at Kibabii University.



Name: Jack Bed Kiura

DOB: Dec, 12th 1967

Key Qualifications:

Master of Art Degree in Project Planning and Management -University of Nairobi.

Master of Education Degree in Education

Administration and Planning -Kenyatta University

Bachelor of Education -Kenyatta University

Senior Management Course-Kenya School of Government

Strategic Leadership Development Programme -Kenya

School of Government **Work Experience:**

A long serving teacher and trainer and currently in teacher management



Name: Amilcar Cabral Odidi

DOB: 31ST AUGUST 1974

Key Qualifications: Diploma in mechanical Engineering(plant option),Diploma in project management

Work Experience: Project manager West Kenya Sugar Co. Ltd Naitiri plant, Technical Manager West Kenya Sugar Co. Ltd, Factory engineer British Army Training Unit Kenya Batuk, shift Engineer SAJ ceramics.



Name: Mrs Zipporah W. Njoroge-Messo **D.O.B:** 12th May 1967

Key Qualifications:

Bachelors of Science degree in Agriculture and Home Economics from Egerton University, a Master of Science degree in Entrepreneurship from Jomo Kenyatta University of Agriculture and Technology and a Post Graduate Diploma in Education from Moi University. She has attended several short courses relevant to TVET within and outside the country including: Certificate course in CBET curriculum development (DACUM Training Program) by The Ohio State University – USA; Certificate IV Course in Training and Assessment by Access UTS-Sydney Australia. She is a Training-of Trainers on Competency Based Education and Training Approach

Work Experience: she has over thirty (30) years' experience in Education and Training as a Trainer, an Assessor, a CBET Curriculum Developer, a Quality Assurance & Standards Officer and Policy & Strategy Development in TVET



Name: Rispah Igobwa

D.O.B: 17th January 1981

Key Qualifications:

[Certified Business Analysis Professional (CBAP®) & 6 Sigma Green Belt Certification (Ongoing)], Data Analysis, Business Analysis, MBF – Banking & Finance, B.Com - Accounting & Business Administration (Double Major)

Work experience: Business Analysis, Data Analysis, Content Development, Portfolio Management (Private Equity Investment), Internal Audit, Risk Management, Banking Operations (Eng. Consulting Inc., Fusion Group Africa, Sidian Bank)
Chairperson Audit & Risk Committee of the Board

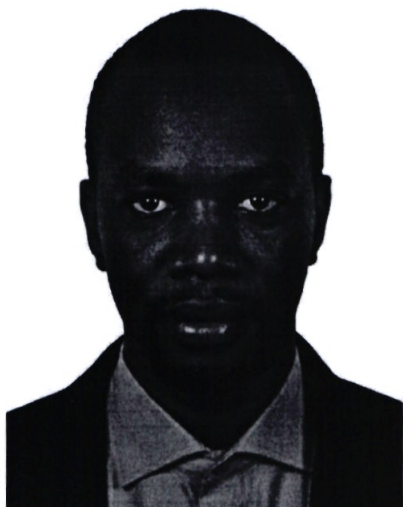


Name: Mr. Cliffe Mulunda Khaoya

D.O.B: 1/1/1961

Key Qualifications: Bachelor of Arts, Economics and Government. Bachelor of Philosophy in Economics.

Work experience: Regional Manager – Industrial & Commercial Development Corporation (ICDC). Planning Officer – Ministry of Planning and National Development.



Name: CROMWEL CHENANG'AT PKOMU

Treasury representative.

D.O.B: 12/07/1987

Key qualification: He holds a Master's degree in Economics from the University of Dar es Salaam and a Bachelor's degree in Education with a focus on Economics and Mathematics from Egerton University

Work experience: Mr. Cromwel Chenang'at Pkomu is an accomplished economist with broad expertise in public finance, economic policy, and institutional development.

He currently serves as a Principal Economist at the National Treasury of Kenya, where he supports national and regional policy formulation, tax reform, and development partner coordination. Mr. Pkomu has participated in high-level research and capacity building programs supported by international institutions such as the IMF, DANIDA, and the African Economic Research Consortium (AERC).

His passion for education, skills development, and good governance informs his dedication to advancing Bungoma National Polytechnic as a centre of excellence in technical training and innovation.



Name: Dr. Godfrey S. Murunga-Chief Principal Ph.D.

D.O.B:12/09/1966

Key qualification: He holds a PhD in material Science, Physics from university of Eldoret and a certificate in senior management course (SMC) FROM Kenya School of Government (KSG).He has a passion for Research Publications.

Work Experience: Over 30 year Teaching experience having taught at St. Luke's Kimilili for 7 years, Chesamisi High School for 3 years, Principal Mageno Friends for 4 years, Kisiwa TTI for 4 years, Principal Musakasa TTI for 3 years, Kisumu National Polytechnic for 2 years and D/Principal Administration at Matili TTI for 3 years, Kisiwa TTI as a Chief Principal/Secretary BOG for 4 years. Joined The Bungoma National Polytechnic on 15th October 2024 as Chief Principal /BOG Secretary

BOARD COMMITTEES

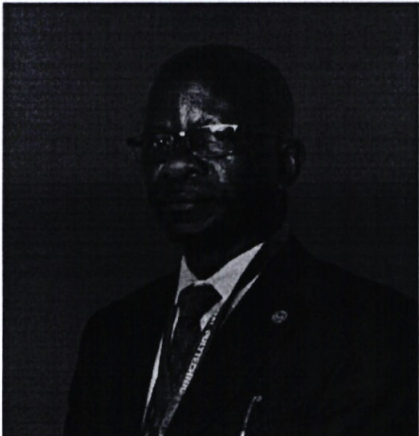
NAME OF COMMITTEES	MEMBERS
Finance and development committee	<ol style="list-style-type: none">1. Jeremy Miriti - Chairman2. Amilcar Odidi - Member3. Jackbed Kiura - Member4. Cliffe Khaoya – Governors representative5. Cromwel Pkomu- PS representative state department National Treasury.6. Godfrey S Murunga - chief principal
Risk and Audit committee	<ol style="list-style-type: none">1. Rispah Igobwa - chair person2. Duncan Wasike -Member3. Emily Bomet - Member4. Zipporah Njoroge - PS Representative state department of TVET
Education ,Training &Human Resource Committee	<ol style="list-style-type: none">1. Emily Bomet - Chair person2. Zipporah Njoroge - PS Representative state department of TVET3. Rispah Igobwa - member4. Duncan Wasike -Member5. Godfrey S Murunga - Chief Principal




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4. Key Management Team

SN	Member/ Director	Details
1	Chief Principal	Godfrey S. Murunga Ph.D.
2	D/Principal Administration and Finance	Wilson Navagwi
3	D/Principal Academics	Sally O. Wafula
4	Registrar Academics	Rispah Juma
5	Registrar Administration and Finance	Fred Sifuna
6	Dean of Students	Hannington Situma
7	Finance Officer	Penina A. Munyekenye

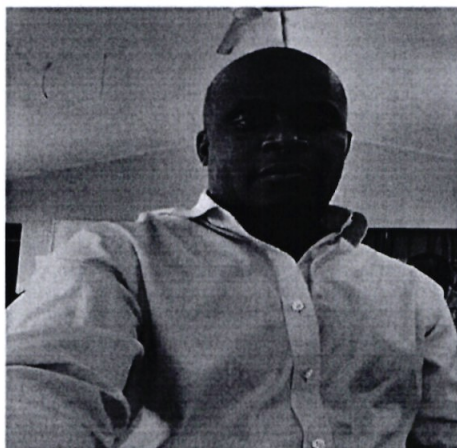
KEY MANAGEMENT TEAM

	<p>Godfrey S Murunga-Chief Principal Ph.D. D.O.B:12/09/1966</p> <p>Key qualification: He holds a PhD in material Science, Physics from university of Eldoret and a certificate in senior management course (SMC) FROM Kenya School of Government (KSG).He has a passion for Research Publications.</p> <p>Work Experience: Over 30 year Teaching experience having taught at St. Luke’s Kimilili for 7 years, Chesamisi High School for 3 years, Principal Mageno Friends for 4 years, Kisiwa TTI for 4 years, Principal Musakasa TTI for 3 years, Kisumu National Polytechnic for 2 years and D/Principal Administration at Matili TTI for 3 years, Kisiwa TTI as a Chief Principal/Secretary BOG for 4 years. Joined The Bungoma National Polytechnic on 15th October 2024 as Chief Principal /BOG Secretary</p>
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	<p>Wilson M. Navagwi - Deputy Principal (Administration and Finance) D.O.B: 24/08/1967 Key Qualifications: Master of Science Entrepreneurship Education Development - Kenyatta University (2005), HND Entrepreneurship Education Dev. - KTTC (1998), Dip. Education Science (Agriculture. Biology) 1990. Work Experience: 1991-1998- High sch. teacher. Principal technical Vocational trainer (1). Head of department entrepreneurship. 2015- 2018. dean of students sist, 1999- 2005 reg. academics 2023-2024 dpac, 2024-2025 kaimosi national polytechnic 2025 to date. Deputy principal administration.</p>
	<p>Sally O. Wafula -Deputy Principal (Academics) D.O.B:23/01/1983 Key Qualification: Masters in Education Arts, Bachelor of Education (Arts) and Human Resource management. Work experience: Teacher at Turbo Girls High School. Trainer at Kisiwa T.T.I, Deputy Principal Academics at Sirisia TVC, Deputy and now Principal Academics.</p>
	<p>Rispah Nandako Juma – Registrar Academics DOB 15TH January 1979 Key Qualification: Masters in human resource management (HRM) ,Bachelor Education (Arts)Economics and Geography Work experience: Over 18 years’ experience as teacher/trainer, Registrar Academics, Deputy Registrar, Departmental ILO, Head of Section (HRM), Boarding Mistress, Guiding n Counselling officer.</p>

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Fred Sifuna-Registrar Administration

DOB:1/1/1984

Key Qualification: Masters of science in chemistry, bachelor of education in information technology.

Work experience: trainer at Bungoma national Polytechnic from 2018-up to date, also served as deputy dean of students, research coordinator and now registrar administration.



Hannington Situma-Dean of Student

DOB:14/12/1983

Key Qualification: Masters of science(Applied Maths) and Bachelors of education (Science)

Work experience:16 years as a trainer and currently Dean of students



Penina Ajili - Finance Officer

DOB:16/01/1980

Key Qualification: Bachelor of commerce – banking and finance option, certified public accountant of Kenya (ICPAK 24379) Diploma in technical education and Diploma in Accountancy.

Work experience: over 13 years' experience as accountant as follows : 2012-2016-accounts clerk Kitale National Polytechnic,2016-2022 deputy Finance Officer-kitale national Polytechnic ,2022 up to date Finance officer Bungoma National Polytechnic.

5. Chairman's Statement

On behalf of Bungoma National polytechnic board, I am pleased to present this Annual Report and Financial Statements for the 2024/2025 financial year. I am proud of the achievements that the harmony and cooperation within and between various teams at BNP has produced – especially the board of Governors and the BNP Management team led by the Principal. We remain committed to all stakeholders in delivering our set objectives and goals as enshrined in the institution vision and mission as well as outlined in the 2023-2027 Strategic Plan.

Financial Performance

It is evident that in the financial year ending 30th of June 2025, the Polytechnic recorded a better financial performance compared to the previous years. This can be attributed to the Government capitation program, Government scholarship program which was introduced from September 2023 where students were categorized according to various level of needs (bands), the NYS sponsorship program, HELB sponsorships which increased student enrolment and above all prudent financial management.

Challenges

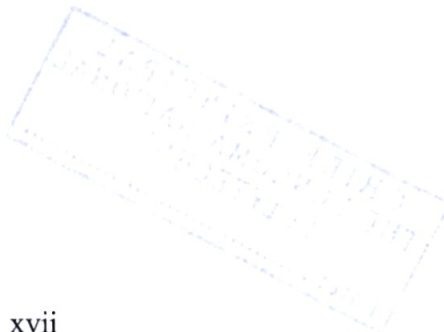
It is the great desire of BNP fraternity as well as the local community to see the Polytechnic grow to serve a much larger number of the youth. We are grateful that finally, our dreams and plans to become a National Polytechnic were realized in financial year 2023-2024. We are however currently severely constrained by inadequate physical infrastructure (classrooms, workshops, equipment, etc.) as well sufficient PSC trainers due to enrolment of many student owing to the elevation of the Polytechnic to a National Polytechnic status. However, the polytechnic had a challenge of cash flow due to non-remittance of capitation for 3rd and 4th quarter and government scholarship for the FY 2024-2025. We would very much appreciate the intervention of the Government – both national and local, in assisting us to address these issues even as we strive to fix the challenges to the best of our ability.

Gratitude

Last but not least, I extend my sincere gratitude to Bungoma National Polytechnic board of Governors, our Principal and the entire Management team, staff members, students and all stakeholders for their commitment and support to the Polytechnic. We greatly appreciate the role played by the Government of Kenya in the sustenance and growth of the institution. I am optimistic that BNP is set for a very prosperous future.

Thank you for your support.

PROF. EDWIN ATARO
CHAIRMAN OF THE BOARD



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6 Report of the Chief Principal

Dear stakeholders, firstly I would like to state that 2024/2025 FY has been a year of relative success, challenging but fruitful.

Bungoma National Polytechnic 2022 - 2027 Strategic Plan places the Polytechnic at the apex of the factors crucial for learning and teaching in the 21st Century.

During financial year 2024-2025 the polytechnic completed the construction of plumbing workshop phase two, Initiated the construction of Engineering workshop which is at 74% complete, the management has also constructed two ablution blocks .It also acquired a 67 seater bus which was delivered on 23th may 2025.

Following student strike that was witnessed on 8th October 2024, where the institution Properties were stolen and vandalized, the polytechnic council approved the repairs and replacement of properties that were essential for the re-opening of the institution.

The polytechnic management purchased new computers, laptops, printers and Equipments in various departments. It has also recovered some of the equipments such as Lawn Mowers and still making efforts to recover other properties through the police.


During the year, the polytechnic registered 10,113 candidates, where KNEC candidates were 5,908 and CDACC candidates were 4,205 students.

The major challenge faced in the Polytechnic is inadequate infrastructure. The Ministry has set a target for every TVET Institution to have at least 15,000 students by the end of calendar year 2025. Due to this limitation, it may be difficult for us to achieve this target. We therefore appeal to the government to intervene so that we put up lecture halls Hostels and a workshop as had earlier requested.

Another challenge is the non-remittance of capitation for 3rd and 4th quarter and government scholarship for the financial year 2024-2025.

While the achievements of the past years have put us in a position of strength, our effort in the coming days will be doubled so that we can meet our long term objective of being a globally recognized centre of excellence in Agriculture. We shall have to be innovative to stay afloat. To this end, we shall endeavor to become more visible by using generally accepted parameters of measure to place ourselves. For one, ISO certification will help us earn our place as a certified super brand. Our strategic plan is the key direction that remains our guiding blueprint and our emphasis based on the pillars therein. Our collective effort and actions will help us actualize this dream of the polytechnic serving society and the world. I wish to convey my gratitude to all staff and The Bungoma National polytechnic fraternity are lending form to our collective dream. Together we shall triumph.

Thank you


DR. Godfrey S Murunga Ph.D.
Chief Principal/Secretary to Council

Date:.....

7. Statement of Performance against Predetermined Objectives

Statement of Performance against Predetermined Objectives

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the Accounting Officer to include in the financial statement, a statement of the Bungoma National polytechnic performance against predetermined objectives.

The Polytechnic has 2 strategic pillars /issues/ themes and objectives within current Strategic Plan for the FY 2024- 2025. These strategic pillars are as follows:

- 1: Equitable access to quality education and training opportunities
- 2: Information Communication & Technology
3. Infrastructure Development
4. Polytechnic governance

Bungoma National Polytechnic develops its annual work plans based on the above strategic pillar. 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 strategic pillars, as indicated in the diagram below:

STRATEGIC ISSUE	GOAL	KEY RESULT AREAS(KRA)	ACHIEVEMENT
Equitable access to quality education and training opportunities.	Enhance equitable access to education and training opportunities	KRA 1 Training, Research, Innovation and Outreach (TRIO)	Enrolled 3,731 new student for CBET and CDACC course
Polytechnic governance	Maintain and continually improve principles of good governance	KRA2 Sustainability and Performance Management	Maintained good governance throughout the financial year
Information Communication & Technology	Enhance the adoption of ICT infrastructure and its use in support of operations	KRA3 Customer Experience	Revamped Website, Now Active on Social media.

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Infrastructure Development	Upgrades the polytechnic facilities and infrastructure	KRA4 Infrastructure Development	Constructed plumbing workshop phase two, construction of Engineering workshop on-going, Purchase of 67 seater bus, Construction of Modern gate ongoing construction of ablution block, General renovations
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8. Corporate Governance Statement

Bungoma National Polytechnic is governed by the Council of Governors. The board provides strategic direction, exercises control and remains accountable through effective leadership, enterprise, integrity and good judgment. It is diverse in its composition, independent but flexible, Pragmatic, objective and focused on balanced and sustainable performance of the polytechnic .The membership of the Board includes:

- (a) 6 independent Members appointed by the Cabinet Secretary in charge of Education
- (b) One (1) member representing the Governor
- (c) One (1) Member representing the Principal Secretary State Department for TVET
- (d) One(1) member representing National treasury

During the year the council held 4 full board normal meetings and one special meeting four committee meeting per committee and also held council evaluation retreat which included policy preparation.

BOARD ATTENDANCE REGISTER**(a) Full Board**

No	NAME	QUARTER 1	SPECIAL MEETING	QUARTE R 2	QUARTER 3	QUARTER 4
		DATE	DATE	DATE	DATE	DATE
		11/10/2024	25/10/2024	11/01/2025	12/4/2025	11/7/2025
1	Prof. Edwin Ataro	✓	✓	✓	✓	✓
2	Rispah Igobwa	✓	✓	✓	✓	✓
3	Jeremy Miriti	✓	✓	✓	✓	✓
4	Duncan Wasike Wekesa	✓	✓	✓	✓	✓
5	Amilcar Cabral Odidi	✓	✓	✓	✓	✓
6	Zipporah Njoroge	✓	✓	✓	✓	✓
7	Cliffe Mulunda Khaoya	✓	✓	x	✓	✓
8	Jackbed Kiura	X	✓	x	✓	✓
9	Emily Jepchirchir Bomet	✓	✓	✓	✓	✓
10	Cromwel c. Pkomu	x	x	x	✓	✓

Bungoma National Polytechnic
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(b) Risk and audit committee

NO	NAME	QUA TER 1	QUARTER 2	QUARTER 3	QUARTER 4
		DATE	DATE	DATE	DATE
		21/9/2024	9/01/2025	20/03/2025	27/6/2025
1	Rispah Igobwa	✓	✓	✓	✓
2	Emily Bomett	✓	✓	✓	✓
3	Zipporah Njoroge	✓	✓	✓	✓
4	Duncan Wasike	✓	✓	✓	✓

(c) Education Training Human Resource Committee

NO	NAME	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
		DATE	DATE	DATE	DATE
		6/9/2024	23/12/2024	21/3/2025	3/7/2025
1	Emily Bomett	✓	✓	✓	✓
2	Zipporah Njoroge	✓	✓	✓	✓
3	Rispah Igobwa	✓	✓	✓	✓
4	Duncan Wasike	✓	✓	✓	✓

(d) Finance & Development Committee

NO	NAME	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
		DATE	DATE	DATE	DATE
		5/10/2024	7/01/2025	9/4/2025	9/7/2025
1	Amilcar Odidi	✓	✓	✓	✓
2	Cliff Khaoya	✓	✓	✓	✓
3	Jeremy Miriti Naivasha	✓	✓	✓	✓
4	Jackbeth Kiura	✓	✓	✓	✓
5	Cromwel Pkomu	-	-	-	✓

(i) Appointment of Board Members

- Every appointment is by name and by notice in the Kenya Gazette but ceases if the Board member:
 - a) Serves the appointing authority with a written notice of resignation; or
 - b) Is absent, without the permission of the Chairperson, in the three consecutive meetings;
or
 - c) Is convicted of an offence and sentenced to imprisonment for a term exceeding six months or to a fine exceeding twenty thousand shillings; or
 - d) Is incapacitated by prolonged physical or mental illness from performing his duties as a member of the Board; or
 - e) Conducts himself in a manner deemed by the appointing authority to be inconsistent with membership of the Board.
- Any removal of a Board member under (i) above, shall be through formal revocation.

(ii) Ethics and Conduct

The Board adheres to the Code of Conduct and Ethics for State Corporations (SCs) which focuses on ethical conduct and integrity at the workplace. It defines the Board's commitment to the highest standards of behavior so as to contribute to the achievement of the national development goals. The Code sets out expectations for individual behavior necessary to meet these standards and includes requirements and guidance to help carry out their roles with integrity and in compliance with the law. By exemplifying the ethical behaviors and corporate values described in the Code, the Board is expected to uphold Article 10 of the Constitution of Kenya, 2010 on National Values and Principles of Governance and Chapter 6 on Leadership and Integrity.

(iii) Conflict of Interest Policy & Disclosures

A conflict of interest may arise where a Board member or close family member such as a spouse, child, parent or sibling has private interests that could improperly influence the performance of the Board member's official duties and responsibilities. Conflict may also arise where a Board member uses their office for personal gain.

Board members are required to avoid conflict of interest and deal at arms-length in any matter that relates to the organization. However, a Board member who identifies an area of conflict shall be required to disclose any actual or potential conflict of interest to the Board. In so reporting, the Board member is required to provide all relevant information, including information which relates to their immediate family members by blood or marriage which is related to the area of conflict. When declared, the Board member shall abstain from decisions where the conflict exists.

The Secretary keeps a record of conflicts of interest declared, for accountability purposes, and as a rule of good practice on appointment and on regular intervals or at any time when circumstances change, all members shall in good faith disclose to the Board for recording, any other business or interest likely to create a potential conflict of interest

(iv) Council Remuneration

Council members are remunerated for their services in accordance with State Corporations Act provisions and/or guidance from the State Corporations Advisory Committee. In line with best practice, the remuneration includes sitting allowances

Bungoma National Polytechnic

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transport re-imburement and per diem as stipulated on Mwongozo for all members on attendance of Council meetings.

(v) Council Induction

When new Board members are appointed, the Polytechnic organizes for induction in order to familiarize themselves with their responsibilities as Members of Board, general principles of corporate governance and Board practices. The induction programme provides the Board members with an orientation of the organization, strategic plans, financial status and policies, risk management, compliance programmes and the Code of Conduct and Ethics.

(vi) Board Responsibilities

The Board of Governors during the inauguration on 9th November 2023, was sensitized on their roles and responsibilities according to the TVET Act which were:

- i. Overseeing the conduct of education and of Science in the Polytechnic in accordance with the provision of TVET Act 2013 and any other written law.
- ii. Promoting and maintaining standards, quality and relevance in education and of Science in the Polytechnic in accordance with the TVET Act 2013 and any other written law.
- iii. Administering and managing the property of the Polytechnic
- iv. Developing and implementing the Polytechnic's Strategic Plan – TBNP Strategic Plan 2023 – 2027 developed by the Board of Governors.
- v. Preparing annual estimates of revenue and expenditure for the Polytechnic and incurring expenditure on behalf of the Polytechnic
- vi. Receiving, on behalf of the polytechnic, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institution or other bodies or persons.
- vii. Determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of TVET Act 2013
- viii. Mobilizing resources for the Polytechnic
- ix. Regulating the admission and exclusion of students from the Polytechnic, subject to a qualification framework and the provisions of TVET Act 2013
- x. Approving collaboration or association with other institutions and industries in and Outside Kenya subject to prior approval by the Ministry.
- xi. Recruiting and appointing trainers from among qualified professionals and practicing trades persons in relevant sectors of industry
- xii. Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the Polytechnic in consultation with the Authority
- xiii. Making regulations governing organization, conduct and discipline of the staff and students
- xiv. Preparing comprehensive annual reports on all areas of their mandate, including education and of Science services and submit the same to the Board.
- xv. Providing for the welfare of the students and staff of the Polytechnic
- xvi. Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the Polytechnic

9 .Management Discussion and Analysis**Entity`s operational and financial performance**

Currently, the BNP`S strategic objectives are in line with the Bottom Up economic model (Beta) and supports value addition through Research and Innovation.

The Polytechnic has complied with the Public Finance Management (PFM) act 2012 and the Public Procurement and Disposal act 2015

Related parties

The Polytechnic is mainly funded by the following

	Name	Relationship
1	Higher education loans board (H.E.L.B)	Loans to our students/trainees
2	Ministry of Education State Department for Technical, Vocational ,Education and Training (TVET)	Capitation and grants for development through national treasury
3	National Youth Service (N.Y.S)	Students sponsorship
4	Constituency Development Funds (CDF)	College fee sponsorship
6	Parents/Sponsors/Guardian	Payment of school fees

The Polytechnic operational and Financial Performance

Generally, the Polytechnic operated at a net surplus of KShs. **21,824,460/=**during the financial year. This was majorly due to the factors below among others;

- i. High students enrolment
- ii. Remittance of capitation and HELB funds.
- iii. Introduction of scholarship funds with different funding bands from the government through the state department of TVET.
- iv. Receiving of capitation fourth quarter 2023-2024FY and scholarship arrears 2023-2024FY

Compliance with Statutory Requirements

By the end of the year, the BNP had paid all its statutory requirements in terms of NSSF, NHIF, PAYE and all withholding taxes from contractors payable to KRA. The Polytechnic has been withholding taxes on all payments made to contractors and remitting them to KRA. The Polytechnic is operating under legal frameworks necessary under public sector requirement such as;

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- i. The Constitution of Kenya, 2010
- ii. TVET Act, 2013
- iii. PFM Act, 2012

Procurement and Assets Disposal Act, 2015 □ IPSAS standards.

All other relevant laws in its operation (regular circulars from Treasury and Ministry of Education)

Major risks the Polytechnic is facing;

Operational Risks

The Polytechnic faces competition for resources including; students, staff and financial resources.

The Polytechnic financial assets are trade receivables as well as cash and short term deposits which arise directly from its operations. The Polytechnic has financial liabilities comprising trade and other payables which are all current. The management has ensured timely payment to suppliers, contractors and other service providers, hence no historic debt.

The Polytechnic has exposure to the following risks:

- i) Liquidity risks
- ii) Credit risks

The Board has overall responsibility for the establishment and oversight of the Polytechnic risk management framework.

Liquidity Risk

Liquidity risk is the risk that the Polytechnic will not be able to meet its financial obligations as they fall due. The Polytechnic's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Polytechnic's reputation.

The risk of being unable to pay the salaries, statutory obligations, creditors, contractors and general management of institution.

Credit Risk

Credit risk is the risk of financial loss to the Polytechnic if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the organization's receivables from customers. The Polytechnic receives fees from students as well as capitation and scholarship from the government which minimizes the credit risk exposure.

Market risk

Market risk is the risk arising from changes in market prices such as interest rates, equity prices and foreign exchange rates which will affect Bungoma National Polytechnics income of 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.

Foreign currency risk

Foreign currency risk is a risk that occurs due to transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency.

Section B

Entity's compliance with statutory requirements

Currently BNP fully complies with the statutory requirements that is NSSF, NHIF, PAYE, HELB and NITA

Section C

Key projects and investment decisions the entity is planning/implementing.

The Polytechnic started the construction of plumbing workshop phase two after completion of phase one. The phase two plumbing workshop is now complete and handed over. During financial year 2024-2025 the polytechnic purchased 67 seater bus, started construction of engineering workshop which is currently at 74 % complete, started construction of modern gate which is at 19% complete, it has also done major repairs and renovation of building and purchased more furniture's, computers and information communication technology equipments, the polytechnic is planning to acquire 14 seater Van in the year 2025-2026FY and equip the engineering workshop once its complete.

Section D

Major risks facing the entity

1. Low fee collection from parents
2. Inadequate infrastructure to accommodate increasing number of students.
3. Indiscipline cases among the students.
4. Delays in receiving Government funds

Section E

Material arrears in statutory/financial obligations

Currently, BNP does not have any financial obligation in arrears.

Section F

The entity's financial probity and serious governance issues

There was no conflict of interest by members of Management and the Board of Governors in the running of the Polytechnic.

10. Environmental and Sustainability Reporting Statement

BNP exists to transform lives. This is its purpose; the driving force behind everything done here. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a highlight of strategies and activities that promote the organization's strategic objectives.

a. Sustainability strategy and profile

- i. The Polytechnic have tree planting day which helps in environmental sustainability to curb climate changes, it has collaborated with other neighboring learning institution to plant more trees as its part of Sustainable Development Goals

b. Environmental performance

- i. The Polytechnic has embarked on agro-forestation policies in order to help in maintaining forest and at the same time creating food security
- ii. Through council resolution the management no longer prints reports during council meeting as a way to reduce wastage of papers and has servicing schedule for the Polytechnic vehicles to reduce the emission of carbon dioxides. It has also embraced climate smart technologies by planting drought resistance crops like cassavas and sweet potatoes in the farm.

c. Employee Welfare

- i. The Polytechnic has developed human resource policy and manual to give guidance on hiring staff. Bungoma National polytechnic strives to maintain diversity by recruiting staff of diverse background and ethnic groups, this is evident by recent recruitment of internal audit staffs.

d. Corporate social Responsibility

- i. During the financial year the Polytechnic engaged in various corporate social responsibility by donating trees to 3 primary schools and 2 secondary schools a total of 19,700 trees were planted and constructing a boda boda shed near gate B of the Polytechnic. It also ensured that it hires casual laborers from the community around Polytechnic, it has had several friendly football marches with the community.

11. Report of the Board of Governors

The board members submit their report together with the financial statements for the year ended June 30th, 2025 which show the state of Bungoma National Polytechnic financial.

Principal activities

The principal activities of Bungoma National Polytechnic affairs.

Is to provide quality training, research and innovation culture to middle level men manpower for sustainable development as per the TVET Act 2013.

Results

The results of Bungoma National Polytechnic for the year ended June 30th, 2025 are set out on page 1-42

Board of Governors

The members of the board who served during the year are shown on pages viii to xiii, all Directors were available throughout the year.


Auditors

The Auditor General is responsible for the statutory audit of Bungoma National Polytechnic in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015, office of Auditor General Auditors were nominated by the Auditor General to carry out the audit of the Institution for the year ended June 30th, 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.

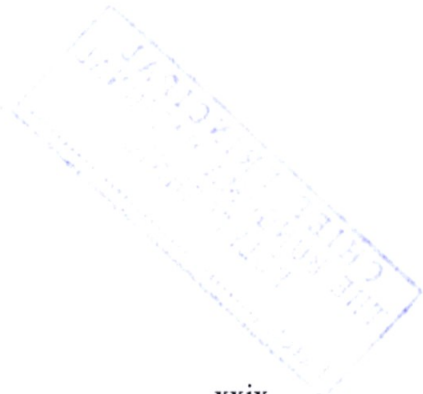
By Order of the Board

.....
Dr. Godfrey S. Muringa Ph.D.
Secretary of the Board

Date:



CHIEF PRINCIPAL
THE BUNGOMA NATIONAL
POLYTECHNIC
Date: 28/12/2025



Bungoma National Polytechnic
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12. Statement of Board Responsibilities

Section 83 of the Public Finance Management Act, 2012 and (*section 14* of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013) require the board of Governors to prepare financial statements in respect of that polytechnic, which give a true and fair view of the state of affairs of the polytechnic at the end of the financial period and the operating results for that period. The Board of Governors are also required to ensure that the *BNP* keeps proper accounting records which disclose with reasonable accuracy of the financial position of Polytechnic. The Board of Governors are also responsible for safeguarding the assets of the Polytechnic.

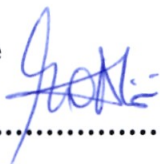
The Board of Governors of BNP are responsible for the preparation and presentation of BNP financial statements, which give a true and fair view of the state of affairs of BNP for and as at the end of the financial period ended on **30th June, 2025**. This responsibility includes: (i) maintaining adequate 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 Board of Governors accept responsibility for Bungoma National Polytechnic's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 . The Board of Governors are of the opinion that Bungoma National Polytechnic's financial statements give a true and fair view of the state of BNP transactions during the period ended **30th June 2025**. The Board of Governors further confirm the completeness of the accounting records maintained for the polytechnic, which have been relied upon in the preparation of the financial statements as well as the adequacy of the systems of internal financial control.

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

Bungoma National Polytechnic financial statements were approved by the full board of Governors on 11th July 2025 and signed on its behalf by:

Signature



Name: Prof. Edwin Ataro

Chairman, Board of Governors

Signature



Name: Dr. Godfrey S. Murunga Ph.D.

Accounting Officer /Chief Principal



REPUBLIC OF KENYA

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NAIROBI

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

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 aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Bungoma National Polytechnic set out on pages 1 to 46, which comprise of the statement of financial position as at 30 June, 2025 and the statement of 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 Bungoma 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 the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Long Outstanding Trade and Other Receivables

The statement of financial position reflects current portion of receivables from exchange transactions balance of Kshs.96,216,069 and as disclosed in Note 20 to the financial statements. However, review of the receivables ageing analysis revealed that debtors totalling Kshs.86,030,428 had been outstanding for a period of more than twelve (12) months and Management did not have a clear framework of recovery. Further, Management did not provide approved debt management policy for audit review.

In the circumstances, the accuracy, completeness and recoverability of the current portion of receivables from exchange balance of Kshs.86,030,428 could not be confirmed.

2. Unconfirmed of Property, Plant and Equipment Balance

The statement of financial position reflects property, plant and equipment balance of Kshs.1,738,394,449 as disclosed in Note 23 to the financial statements. The balance includes cost of computers donated by the Information Communication Technology (ICT) Authority amounting to Kshs.12,000,000 which were not supported by a valuation report to ascertain their accurate value. Further, Note 23 excludes comparative analysis of costs and depreciation of assets for the year ended 30 June, 2025 as required by the reporting template.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.1,738,394,449 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of The Bungoma 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 on comparable basis of Kshs.564,486,738 and Kshs.476,022,390

respectively, resulting to an under-funding of Kshs.88,464,348 or 16% of the budget. Similarly, the Polytechnic spent a total of Kshs.505,527,455 against a budget of Kshs.564,486,738 resulting to under-expenditure of Kshs.58,959,283 or 10% of the budget.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. 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

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in the Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance as detailed in **Appendix 1**. However, Management has not resolved the issues or given any explanation for failure to resolve the issues.

Other Information

Management is responsible for the Other Information set out on page iii to xxx which comprise of Key Entity Information and Management, the Board of Governors, Key Management Team, Chairman's Statement, Report of the Chief Principal, Statement of Performance Against predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting Statement, Report of the Board of Governors and Statement of Board 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 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 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 Remit Statutory Deductions

The statement of financial position and Note 29 to the financial statements reflects a balance of Kshs.1,809,197 for employee benefit obligations. However, review of statutory deductions and remittances records revealed that Management did not remit deductions to the Old mutual pension scheme for thirteen (13) employees contrary to Section 33(1) of the Retirement Benefits Act, 2012, which states that notwithstanding the provisions of any written law for the time being in force, an employer may, with the approval of his employees, pay any statutory contributions in respect of such employees into any scheme fund prescribed for that purpose.

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

2. Noncompliance with Law on Staff Ethnic Diversity

Review of records maintained by Management revealed that the Polytechnic had 288 employees as at 30 June, 2025. However, 252 members of staff or 88% were from one dominant ethnic community. This was contrary to Section 7(1) and (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 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.

3. Delayed completion of Fashion and Design Workshop

Management incurred an expenditure of Kshs.2,857,727 on procurement of materials for construction of fashion and design workshop between 11 October, 2024 and 07 January, 2025 and the project was to be executed by students under practical assignment in the department of building. However, physical verification carried out on 30 November, 2025 showed the project completion was estimated at 80% complete with no sign of works ongoing and had stalled as at the time of audit.

In the circumstances, value for money has not been obtained from the project.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with

the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and the Board of Governors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal 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 control, risk management and overall governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, SBS
AUDITOR-GENERAL

Nairobi

11 December, 2025

Appendices

Appendix 1 – Unresolved Prior Year Matters

Reference No.	Report on the Financial Statements
1	Long Outstanding Trade and Other Receivables
2	Unsupported Property, Plant and Equipment
3	Inaccuracy of Opening Balance on Revaluation Reserve
	Emphasis of Matter
	Budgetary Control and Performance
	Other Matter
	Undisclosed Transition from Science and Technology Institute to The National Polytechnic
	Report on Lawfulness and Effectiveness in Use of Public Resources
1	Noncompliance with Law on ethnic Diversity.
2	Noncompliance with Law on Employment of Persons with Disabilities
	Report on Effectiveness of Internal Controls, Risk Management and Governance
	Information and Communication Technology Internal Control Environment Weaknesses

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


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

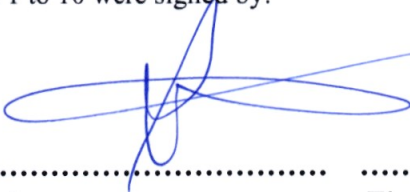
Description	Notes	2024-2025 KShs	2023-2024 KShs
Revenue from non-exchange transactions			
Transfers from National Government Entities	6a	164,595,273	100,865,593
	6b	171,986,000	-
GIZ	7	-	1,895,010
Total		336,581,273	102,760,603
Revenue from exchange transactions			
Rendering of services- Fees from students	8a	80,056,934	210,143,284
Rendering of services-Fees from students accrued	8b	10,185,641	-
Sale of goods	9	3,402,235	9,692,738
Hire of facilities and equipment	10	2,521,188	2,549,798
Miscellaneous Received	11a	40,686,818	30,779,273
Miscellaneous Accrued	11b	1,054,205	-
Interest income	12	1,534,096	501,902
Revenue from Exchange transactions		139,441,117	253,666,995
Total revenue		476,022,390	356,427,598
Expenses			
Use of goods and services Paid	13a	209,750,903	170,091,464
Use of goods and services Accrued	13b	72,907,071	-
Employee costs	14	68,677,518	60,870,759
Remuneration of directors	15	9,843,772	8,736,264
Depreciation and amortization expense	16	35,103,743	30,129,566
Repairs and maintenance paid	17 a	46,010,874	24,064,859
Repairs and maintenance accrued	17b	5,306,716	-
Contracted services paid	18a	6,041,333	5,174,000
Contracted services Accrued	18b	556,000	-
Total expenses		454,197,930	299,066,912
Net Surplus for the Period		21,824,460	57,360,686


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

(The notes set out on pages 11 to 40 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 1 to 10 were signed by:


.....
Chairman of Council.


.....
Principal

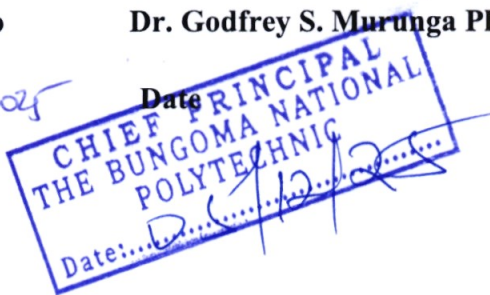

.....
Finance Officer

Prof. Edwin Ataro

Date 5/12/2025

Dr. Godfrey S. Murunga Ph.D.

Date



CPA Penina Ajili

ICPAK No.24379

Date 5/12/2025


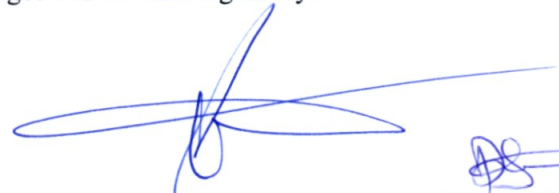

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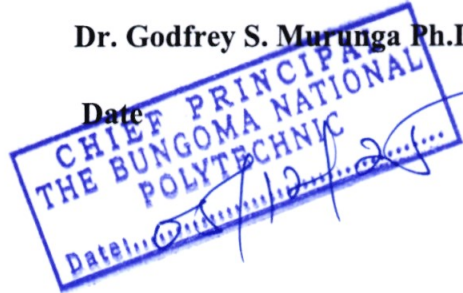
15. Statement of financial Position As At 30th June 2025

Description	Notes	2024-2025	2023-2024
		KShs	KShs
Assets			
Current assets			
Cash and cash equivalents	19	3,557,638	47,730,563
Current portion of receivables from exchange transactions	20	96,216,069	102,922,776
Receivables from non-exchange transactions	21	171,986,000	
Inventories	22	5,540,059	2,909,473
Total		277,299,766	153,562,812
Non-current assets			
Property, plant and equipment	23	1,738,394,449	1,687,235,947
Intangible assets	24	3,803,194	4,225,771
Biological assets	25	3,792,000	3,532,000
Total Non-Current Assets		1,745,989,643	1,694,993,718
Total assets		2,023,289,409	1,848,556,530
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	26	78,769,787	6,897,810
Refundable deposit from customers	27	12,669,210	26,163,654
Payment received in Advance	28	7,959,322	-
Employee benefit obligation	29	1,809,197	4,692,233
Total liabilities		101,207,516	37,753,697
Capital Reserve			
Revaluation Reserves		1,729,506,210	1,729,506,210
Accumulated surplus		62,100,941	40,276,481
Capital Fund		130,474,742	41,020,142
Total capital and reserves		1,922,081,893	1,810,802,833
Total net assets and liabilities		2,023,289,409	1,848,556,530

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

The Financial Statements set out on pages 1 to 10 were signed by:

		
.....
Chairman of Council.	Principal	Finance Officer
Prof. Edwin Ataro	Dr. Godfrey S. Murunga Ph.D.	CPA Peninah Ajili
Date <i>5/12/2025</i>	Date <i>5/12/2025</i>	Date <i>5/12/2025</i>



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

16. Statement of Changes in Net Asset for the year ended 30 June 2025

STATEMENT OF CHANGES IN NET ASSETS				
Description	Revaluation reserves	Accumulated fund	Capital	Total
			Grants/Fund	
At July 1, 2023	930,768,984	(17,084,205)	28,520,142	942,204,921
Surplus/(deficit) for the year		57,360,686	-	57,360,686
Revaluation gain	798,737,226			798,737,226
Capital grants received during year		-	500,000	500,000
Donation from ICT			12,000,000	12,000,000
As at June 2024	1,729,506,210	40,276,481	41,020,142	1,810,802,833
AS AT 1ST JULY 2024	1,729,506,210	40,276,481	41,020,142	1,810,802,833
Revaluation gain				
Surplus/(deficit) for the year	-	21,824,460	-	21,824,460
RMI PENALTY			84,330,000	84,330,000
DEVELOPMENT A/C R			5,124,600	5,124,600
At June 30, 2025	1,729,506,210	62,100,941	130,474,742	1,922,081,893

Note:

1. Following the student riot which led to looting and vandalization of the equipments and properties, the management charged each student KShs 10,000 at a population of 8433 students, this mostly facilitated capital budget.
2. Development fund of 5,124,600 was charged to old students using the old model fee structure

**Bungoma 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
		KShs	KShs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities	6a	164,595,272	100,865,593
Public contributions and donations	7	-	1,895,010
Rendering of services- fees from students	8a	80,056,934	210,143,284
Sale of goods	9	3,402,235	9,692,738
Rental revenue from facilities and equipment	10	2,521,188	2,549,798
Miscellaneous income	11a	40,686,818	30,779,273
Interest income	12	1,534,096	501,902
Total Receipts		292,796,543	356,427,598
Payments			
Use of goods and services	13a	209,750,903	170,091,464
Employee costs	14	68,677,518	60,870,759
Board /Council Expenses	15	9,843,772	8,736,264
Repairs and maintenance	17a	46,010,874	24,064,859
Contracted services	18a	6,041,333	5,174,000
Total Payments		340,324,400	268,937,346
Net Cash Flows from operating activities	Note 30	(47,527,857)	87,490,252
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(86,413,668)	-23,627,699
Purchase of Biological asset		(260,000)	-
Proceeds from sale of property, plant and equipment		574,000	-
Net cash flows used in investing activities		(86,099,668)	-23,627,699
Cash flows from financing activities			
RMI Penalty		84,330,000	-
Development ACC		5,124,600	500,000
Net cash flows used in financing activities		89,454,600	500,000
Increase in Receivables		-	(10,556,876)
Decrease in Payables		-	(20,550,568)

**Bungoma National Polytechnic Annual Report and Financial Statements
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Increase in refundable deposits (Caution money)		-	(5,763,640)
Decrease in inventory		-	(588,241)
Decrease in non –current liability		-	(1,939,337)
Increase in student prepayment		-	(11,867,875)
Decrease in refundable deposits		-	26,163,654
Net changes in working capital		-	(25,102,883)
Net Increase/(Decrease) in Cash and Cash equivalents		(44,172,925)	39,259,670
Cash and Cash equivalents as at 1 JULY 2024	19	47,730,563	8,470,893
Cash and Cash equivalents as at 30 JUNE 2025	19	3,557,638	47,730,563

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

Description	Original	Adjustments	Final Annual Budget	Actual Cumulative to date	Performance Difference	Notes	% of
	annual Budget						Utilization
	a	b	c=a+b	d	e=c-d		f=d/c %
Revenue	KShs	KShs	KShs	KShs			KShs
Transfers from National Government entities	308,959,800	(58,138,285)	250,821,515	336,581,273	(85,759,758)	1	134%
Grants from donors and development partners	5,000,000	(5,000,000)		0		2	0%
Rendering of services- Fees from students and other costs	131,506,000	31,547,570	163,053,570	90,242,575	72,810,995	3	55%
Sale of goods	18,557,950	(4,282,600)	14,275,350	3,402,235	10,873,115		24%
Miscellaneous income	52,183,325	79,312,978	131,496,303	41,741,023	89,755,280	4	32%
Hire of facilities & interest on fixed deposit	5,794,500	(954,500)	4,840,000	4,055,284	784,716	5	84%
Total Revenue	522,001,575	42,485,163	564,486,738	476,022,390	88,464,348		84%
Expenditure							
Use of goods and services	329,025,389	(6,225,735)	322,799,654	282,657,974	40,141,680	6	88%
Employee costs	72,000,000	3,000,000	75,000,000	68,677,518	6,322,482		92%
Remuneration of directors	10,636,248	-	10,636,248	9,843,772	792,476		93%
Repairs and maintenance	27,611,970	22,530,415	50,142,385	51,317,590	(1,175,205)		102%
Contracted services	5,952,000	89,332	6,041,332	6,597,333	(556,001)		109%
Total Expenses	445,225,607	(19,394,012)	464,619,619	419,094,187	45,525,432		92%
capital expenditure	76,785,978	23,080,142	99,866,120	86,433,268	13,432,852		87%
	522,011,585	(42,475,153)	564,486,738	505,527,455	58,959,283		90%
Surplus	-			56,928,203			

Budget notes

1. The polytechnic attained 134% on transfer to national government which includes capitation and scholarship from government because it received capitation and scholarship in arrears which applies to the previous financial year 2023-2024fy of kshs.104,405,822 it is also noted that accrued capitation is 45,734,000 and scholarship is 126,252,000 which is expected for the financial year 2024-2025fy.
2. The polytechnic did not receive any donor funds during the financial year.

3. The polytechnic attained 55% on rendering of service because most students did not receive scholarship and HELB funds for the financial year 2024-2025 ,the government did not remit scholarship for 2024-2025fy while capitation for old students with old model fee structure was only received for first and second quarter.
4. The polytechnic received miscellaneous income of 32% because most students depends on capitation ,scholarships and HELB to help them clear the penalty that was imposed on them during the student strike that was witnessed.
5. The polytechnic attained 88% on use of goods due to non-remittance of capitation third and fourth quarter and scholarship for the whole financial year2024-2025fy
6. The differences between the original budget and final budget is due to reallocations basing on quarter two financial report and also basing on the students strike which witnessed vandalization and looting of the polytechnic properties where the students were billed which kshs.10, 000 for a student population of 8,333 a total of kshs.84, 330,000 was billed and therefore revised on the budget.

Budget Reconciliation

	Actual Surplus Amounts as per the statement of Budget	56,928,203
1	Add development income	89,454,600
2	Less purchase of property plants and equipment's (additional on ppe)	(86,413,668)
3	Add proceed on disposal of idle assets	574,000
4	Less purchase of Biological Asset	(260,000)
5	Less changes in working capital	(104,456,060)
6	Opening cash and cash Equivalent as per the statement of cash flows	47,730,563
7	Closing Cash and Cash Equivalent as per the statement of Cash flows	3,557,638

19. Notes to the Financial Statements

1 General Information

The Bungoma National Polytechnic is established by and derives its authority and accountability from TVET Act, 2013. The Polytechnic is wholly owned by the Government of Kenya and is domiciled in Kenya. The Polytechnic's principal activity is to provide training to artisan, crafts women and men, technicians, technologist's business women and men at artisan, craft and diploma certificate levels.

2 Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at revalued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Bungoma national polytechnics accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of The Bungoma National Polytechnic. The values are rounded off to the nearest shilling.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the periods presented.

3. Adoption of New and Revised Standards

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 cash flows of an Entity. The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities. there is no major impact on the preparation of financial statement of the Polytechnic
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. <i>The standard will affect the statement of financial performance once there is disposal of the non-current assets held for sale</i>

Bungoma National Polytechnic

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<p>IPSAS 45: Property Plant and Equipment</p>	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognized as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>The standard will partly affect the statement of financial performance upon valuation of roads ,bridges, water and sewer system</p>
<p>IPSAS 46: Measurement</p>	<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. The standard has not affected the preparation of financial statement in the year 2024-2025fy</p>
<p>IPSAS 47: Revenue</p>	<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> <p>The standard will affect the statement of financial performance on non-change transactions</p>

<p>IPSAS 48: Transfer Expenses</p>	<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> <p>The standard will not affect the Bungoma National polytechnic reporting since the Polytechnic does not provide resources to other entities.</p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<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. The standard will affect Disclosure of retirement Benefit schemes.</p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration mineral resources. The Standard requires:</p> <p>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</p>
	<p>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</p> <p>The standards does not apply to the Bungoma National polytechnic</p>

Bungoma National Polytechnic
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iii. Early adoption of standards

The Bungoma National Polytechnic did not early-adopt any new or amended standards in year 2024/2025 Financial Year.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the Board on **11th January 2024**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 4 of these financial statements.

c) Taxes

Current income tax

The Bungoma National Polytechnic is exempt from paying taxes as per income tax act 2013 and amendment of 2016

Sales tax/ Value Added Tax

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

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

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

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of years.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

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

e).Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. When there is revaluation, the assets are shown at revalued figure. Likewise, when a major inspection 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.

Asset	Depreciation rates
Building	2%
Motor vehicle	25%
Furniture and fitting	12.5%
Computers	25%
Library books	20%
Plants &equipment	12.5%

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible assets

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

h) Biological Assets

The Bungoma National 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.

i) Research and development costs

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

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

j) 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 Bungoma National Polytechnic does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the polytechnic financial statements.* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

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

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amortized cost or fair value through net assets/ equity unless an entity has made an irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

The Bungoma National Polytechnic assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value

through net assets/equity. The 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.

k) 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 labor 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.

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 Entity.

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

Contingent assets

The Bungoma National Polytechnic does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity 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.

m) 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 Bungoma National Polytechnic does not recognize a social benefit as an expense for the social benefits scheme at the same time that it recognizes a liability.

n) Nature and purpose of reserves

The Bungoma National Polytechnic creates and maintains reserves in terms of revenue and capital reserves as reflected in the statement of changes of net assets.

o) 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.

p) Employee benefits

Retirement benefit plans

The Bungoma National Polytechnic provides retirement benefits for its employees. 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 period 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.

q) Foreign currency transactions

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

r) 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.

s) Related parties

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

t) 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.

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u) Cash and cash equivalents

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

v) Comparative figures

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

w) Subsequent events

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

5. Significant judgments and sources of estimation uncertainty

The preparation of the Bungoma National Polytechnic 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 period, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

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

The condition of the asset based on the assessment of experts employed by the Entity

The nature of the asset, its susceptibility and adaptability to changes in technology and processes

The nature of the processes in which the asset is deployed

Availability of funding to replace the asset

Changes in the market in relation to the asset

Provisions

Provisions were not raised and management did not determine an estimate based on the information available

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6.a Transfers from other National Government entities

Capitation /scholarship received

Description	2024-2025	2023-2024
Government capitation	KShs	KShs
Arrears received 2023-2024	9,699,258	-
Capitation received 2024-2025	60,189,450	35,101,000
Government scholarship		
Scholarship Arrears Received 2023-2024	94,706,565	-
Scholarship Received 2024-2025	-	65,764,593
TOTAL	164,595,273	100,865,593

6. b Capitation /scholarship accrued

Description	2024-2025	2023-2024
Government capitation	KShs	KShs
Capitation accrued 2024-2025	45,734,000	-
Government scholarship		
Scholarship Arrears accrued	126,252,000	-
TOTAL	171,986,000	-

7. Public Contributions and Donations

Description	2024-2025	2023-2024
	KShs	KShs
Other donations(GIZ)	-	1,895,010
Total Donations	-	<u>1,895,010</u>

8a. Rendering of Services Received

Description	2024-2025	2023-2024
	KShs	KShs
Tuition fees	15,312,123	54,670,163
Activity fees	15,161,918	24,662,543
RMI	6,521,101	21,355,580
LTT Fees	8,405,799	25,493,971
Medical fees	4,605,240	7,213,746
Personal Emoluments	23,250,048	62,346,275
EWC income	4,367,682	12,323,660
Registration fees	2,433,022	2,077,346
Total Rendering of Services	80,056,934	210,143,284

8b. Rendering of Services accrued

Description	2024-2025	2023-2024
	KShs	KShs
Tuition fees	10,185,641	-
Total	10,185,641	-

9. Sale of Goods

Description	2024-2025	2023-2024
	KShs	KShs
Catering	-	3,720,700
Sale of farm produce	3,402,235	5,902,438
Bakery sales	-	69,600
TOTAL	3,402,235	9,692,738

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10. Rental revenue from facilities and equipment

Description	2024-2025	2023-2024
	KShs	KShs
Boarding Fees(accommodation)	1,742,000	2,226,298
BUS hire	204,000	20,000
Rent income	298,599	303,500
Safaricom booster	276,589	-
Total rentals	2,521,188	2,549,798

11. a Miscellaneous Income Received

Description	2024-2025	2023-2024
	KShs	KShs
Library fee	42,526	29,500
Contingency	218,950	147,100
Attachment	3,945,271	5,076,893
Centre fees	-	-
Development Fund Income	-	5,784,655
F&B practical fee	55,565	22,360
Student Fines	15,700	3,800
Capacity Building	70,000	390,500
KUCCPS Registration	4,239,800	2,124,700
Student Council Fees	8,451,257	5,268,000
Council membership	1,417,000	1,132,849
Student Insurance fees	1,340,550	2,636,600
Students Id	1,471,520	2,312,700
nys meals income	9,380,773	144,395
Photocopy income	41,770	-
Tender	2,000	9,500
Applied science practical fee	-	144,395
Driving school fee	1,177,157	953,450
ICT fees	91,850	46,000
In –service fees	-	39,000

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TVETA fees	1,376,500	628,500
day care income	19,890	-
Town campus income	7,328,739	4,028,771
Total other income	40,686,818	30,779,273

11. b Miscellaneous Income accrued

Description	2024-2025	2023-2024
	KShs	KShs
Nys meals income	979,205	-
Town campus	75,000	-
Total	1,054,205	-

12. Finance Income

Description	2024-2025	2023-2024
	KShs	KShs
Interest on fixed deposit	1,534,096	501,902
TOTAL	1,534,096	501,902

13. a Use of Goods and Services Paid

Description	2024-2025	2023-2024
	KShs	KShs
Activity Expense	18,831,633	9,368,167
Administration Expenses	11,274,488	8,792,210
Advertisement Expense	2,238,906	2,647,064
Attachment Expense	6,563,368	4,225,235
Bakery Expense	-	623,190
Bank charges	128,704	191,887
Boarding Expense	13,072,358	14,742,174
Caution money Expense	206,000	102,200
Capacity Building	3,797,156	1,341,802
Farm Expense	4,521,249	7,578,004
Electricity ,water &conservancy Exp	3,095,547	3,327,696
Seminar Expenses	3,111,144	2,351,000
Ict Expense	4,119,037	6,114,300

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Insurance Cover Expenses	1,791,743	1,442,155
Katti Registration Expense	-	320,360
Lt&t Expense	24,685,079	19,666,084
Medical Expense	1,415,246	1,749,323
Performance Contract	3,821,800	3,420,080
ISO expenses	183,800	3,561,500
Registration expense	2,156,110	1,343,600
Research And Tvet Fair Expense	2,484,925	1,222,110
Student Council Expense	2,287,180	2,651,195
Town Campus Expense	4,488,471	1,444,582
Examination Expense	41,558,960	-
Service gratuity	-	751,782
Driving school Expense	114,650	105,450
In service Expense	87,710	160,500
Tuition/Ses	53,715,639	68,679,408
Welfare expense	-	7,900
Library	-	139,708
GIZ	-	2,020,798
Total general expenses	209,750,903	170,091,464

13. b Use of Goods and Services Accrued

Description	2024-2025	2023-2024
	KShs	KShs
Tuition expense	44,119,618	-
Examination expense	10,000,000	-
Boarding expense	5,943,597	-
Activity expense	3,423,317	-
farm Expense	3,420,348	-
Ict expense	4,074,848	-
Town campus	1,925,343	-
Total	72,907,071	-

14. Employee Costs

Description	2024-2025	2023-2024
	KShs	KShs
Personal emolument	61,398,163	54,602,267
Employer NSSF	4,460,948	3,508,630
Pension scheme(old mutual)	1,828,491	1,925,858
Employer Housing Levy	989,916	834,004
Total Employee costs	68,677,518	60,870,759

15 .Council Expenses

Description	2024-2025	2023-2024
	KShs	KShs
Chairman's Honoraria	740,000	780,000
Director's emoluments	9,103,772	7,956,264
Total director emoluments	9,843,772	8,736,264

16. Depreciation and Amortization expense

Description	2024-2025	2023-2024
	KShs	KShs
Property, plant and equipment	34,681,166	29,601,345
Intangible assets	422,577	528,221
Total depreciation and amortization	35,103,743	30,129,566

17. a Repairs and Maintenance Paid

Description	2024-2025	2023-2024
	KShs	KShs
RMI (renovation and general repairs)	36,876,787	20,651,271
Motor vehicle repair	9,134,087	3,413,588
Total Repairs and Maintenance	46,010,874	24,064,859

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17.b Repairs and Maintenance Accrued

Description	2024-2025	2023-2024
	KShs	KShs
RMI (renovation and general repairs)	5,306,716	-
Total Repairs and Maintenance	5,306,716	-

18. a Contracted Services paid

Description	2024-2025	2023-2024
	KShs	KShs
Security Expense	6,041,333	5,174,000
Total contracted services	6,041,333	5,174,000

18.b Contracted Services accrued

Description	2024-2025	2023-2024
	KShs	KShs
Security Expense	556,000	-
Total contracted services	556,000	-

19. Cash and Cash Equivalentents

Description	2024-2025	2023-2024
	KShs	KShs
Current account	3,557,638	24,230,563
Fixed deposit account	-	23,500,000
Total	3,557,638	47,730,563

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

		2024-2025	2023-2024
Financial institution	Account number	KShs	KShs
a) Current account			
Kenya Commercial bank-Mohest	1111084513	198,086	3,919,895
Kenya Commercial bank-town campus	1125986816	324,340	1,523,483
Kenya Commercial bank-Main	1102026212	1,373,401	15,600,747
Kenya Commercial bank-Farm	1225047668	589,406	1,208,591
Kenya Commercial bank-development payment	1173149635	300,339	1,278
Fixed Deposit(KCB BANK)	1111084513	-	23,500,000
Equity Bank(HELB)	0480275065202	772,066	1,976,569
Grand total		3,557,638	47,730,563

20 .Current Receivables from Exchange transactions

Description	2024-2025	2023-2024
	KShs	KShs
Interest on fixed Deposits	-	501,902
Student debtors-fees	95,161,864	102,420,874
Sundry debtors	979,205	-
Imprest debtor	75,000	-
Total	96,216,069	102,922,776

20(a) Ageing Analysis of Receivables from Exchange transactions

Description	2024-2025	%	2023-2024	%
	KShs		KShs	
Less than 1 Year	10,185,641	11%	55,765,514	54%
Between 1-2 years	41,571,973	43%	24,322,680	24%
Between 2 -3 Years	36,761,169	38%	12,640,500	12%
Over three years	7,697,286	8%	9,692,180	10%
Total	96,216,069	100%	102,420,874	100%

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21 Receivables from Non-Exchange transactions

Description	2024-2025	2023-2024
	KShs	KShs
Current receivables		
scholarship	126,252,000	-
capitation	45,734,000	-
Total current receivables	171,986,000	-

21 (a) Ageing Analysis on Receivables from Non-Exchange Transactions

Description	2024-2025		2023-2024	
	KShs	% of the total	KShs	% of the total
Less than 1 year	171,986,000	100%	-	-
Total	171,986,000	100%	-	-

22. Inventories

Description	2024-2025	2023-2024
	KShs	KShs
Building Equipment & Consumable stores	2,991,574	2,016,315
Health Unit stores	661,720	219,158
Farm stores	1,886,765	674,000
Total Inventories	5,540,059	2,909,473

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23. Property, Plant and Equipment

Cost	Land	Buildings 2%	Motor vehicles 25%	Motor vehicle(New Bus)1/12*0.25	Furniture and 12.5%fittings	Computers 25%	Library books20%	Plant and Equipment 12.5%	Capital working progress	Total
	KShs	KShs	KShs		KShs	KShs	KShs	KShs	KShs	KShs
At 1 July 2024	1,124,000,000	463,803,720	25,325,000	-	20,629,376	19,089,067	2,004,800	49,936,973	12,048,356	1,716,837,292
Additions	-	-	-	17,866,120	3,260,040	15,851,465	-	1,084,800	48,351,243	86,413,668
Transfers/adjustments during the period	-	13,520,592	-	-	-	-	-	-	(13,520,592)	-
Disposal	-	-	-	-	-	-	-	(574,000)	-	(574,000)
As at 30 June 2025	1,124,000,000	477,324,312	25,325,000	17,866,120	23,889,416	34,940,532	2,004,800	50,447,773	46,879,007	1,802,676,960
ACCUMULATED Depreciation	-	9,276,074	6,331,250	-	2,578,672	4,772,267	400,960	6,242,122	-	29,601,345
Deprecation for the period	-	9,546,486	6,331,250	375,189	2,986,177	8,735,133	400,960	6,305,972	-	34,681,166
Accumulated Depreciation	-	18,822,560	12,662,500	375,189	5,564,849	13,507,400	801,920	12,548,094	-	64,282,511
AT 30 TH JUNE 2024	1,124,000,000	454,527,646	18,993,750	-	18,050,704	14,316,800	1,603,840	43,694,851	12,048,356	1,687,235,947
AT 30 TH JUNE 2025	1,124,000,000	458,501,752	12,662,500	17,490,931	18,324,567	21,433,132	1,202,880	37,899,679	46,879,007	1,738,394,449

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Notes to the plant, property and Equipment Additions

1. Plumbing workshop phase two completed and handed over KShs 13,520,592.
2. 67 Seater bus delivered on 23th may 2025, 17,866,120
3. Furniture purchased of KShs 3,260,040.
4. The Polytechnic purchased Computers, Laptops, printers, Camera, Heavy duty multifunction printer and photocopier and replacement of CCTV camera at a cost of KShs 15,851,465.
5. The Polytechnic replaced equipment at a cost of 1, 084,800

Work In Progress (WIP)

S/NO	DESCRIPTION	AMOUNT(KShs)
1	Fashion and Design Workshops	2,877,327
2	Construction of Modern Gate A	1,681,430
3	Construction of Engineering workshop	27,315,421
4	Construction of Ablution block phase one	2,976,070
5	Plumbing Workshop phase two	13,520,595
	Total	48,370,843

Depreciation on 67 Seater Bus Purchased

The Vehicle was delivered and used one month to the end of the financial year, it was depreciated at 25% for 1 month.
 $25\% \times \frac{1}{12}$ to the cost of the Vehicle.

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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 Geoplan Consultants ltd professional values on 18th January 2024. These amounts were adopted in the financial statements on 30th June 2024

23 (a) 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	1,124,000,000	-	1,124,000,000
Building	477,324,312	18,822,560	458,501,752
Plant and Machinery	50,811,773	12,593,594	38,218,179
Motor Vehicles including Motorcycles	42,827,120	12,946,689	29,880,431
Computers and related Equipment's	34,940,532	13,507,400	21,433,132
Office Equipments, furniture and fittings	23,889,416	5,564,849	18,324,567
Library books	2,004,800	801,920	1,202,880
Total	1,755,797,953	64,237,011	1,691,560,942

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24. Intangible Assets

Description	2024-2025	2023-2024
	KShs	KShs
Cost		
At the beginning of the year	5,282,213	5,282,213
Additions	-	-
Cost end of the year	5,282,213	5,282,213
Amortization and impairment		
At beginning of the year	1,056,442	528,221
Amortization	422,577	528,221
Amortization at end of the year	1,479,019	1,056,442
Less :Impairment loss	-	-
At end of the year	-	-
NBV	3,803,194	4,225,771

The software was obtained in the year 2020 with a value of KShs. 9, 702,200

25. Biological Assets

Description	2024-2025	2023-2024
	KShs	KShs
Cattle	1,050,000	790,000
Banana plantation	2,400,000	2,400,000
Rabbits	52,000	52,000
Poultry	290,000	290,000
Total	3,792,000	3,532,000

26. Trade and Other Payables

Description	2024-2025	2023-2024
	KShs	KShs
Trade payables	78,769,787	5,839,000
Retention	-	1,058,810
Total	78,769,787	6,897,810

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26(a) CREDITORS AGING

Description	2024/2025	PERCENTAGE	2023-2024	
	KShs	%	KShs	%
0-30 days	51,200,262	65%	2,066,319	30%
31-60days	26,781,728	34%	1,365,990	20%
61-90days	787,697	1%	1,390,254	21%
Over 90 days	-	-	2,033,810	29%
Total	78,769,787	100%	6,897,810	100%

27. Refundable Deposits from Customers/Students

Description	2024-2025	2023-2024
	KShs	KShs
Student fees	-	7,160,535
Caution money	11,651,540	8,763,640
Examination fee	-	5,388,799
bursary	791,200	1,691,940
Helb loans	226,470	3,158,740
Total	12,669,210	26,163,654

27(a) Caution Money aging

Description	2024-2025		2023-2024	
		%		%
Under one year	4,660,616	40%	4,150,300	47%
1-2 years	4,194,554	36%	2,357,200	27%
2-3 years	2,796,370	24 %	1,678,000	19%
Over 3 years	-		578,140	7%
Total	11,651,540	100%	8,763,640	100%

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28. Student fees Prepayment

Description	2024-2025	2023-2024
	KShs	KShs
Student Fees	7,959,322	7,160,535
Total	7,959,322	7,160,535

28(a) Students fee prepayment aging

	2024-2025		2023 -2024	
Description				%
Under one year	3,661,288	46%	3,938,294	55%
1-2 years	3,104,136	39%	1,503,712	21%
2-3 years	875, 525	11%	930,870	13%
Over 3 years	318,373	4%	787,659	11%
Total	7,959,322	100%	7,160,535	100%

29. Employee Benefit Obligations

Description	Defined benefit plan	Postemployment medical benefits	Other Provisions	2024-2025	2023-2024
	KShs	KShs	KShs	KShs	KShs
Current benefit obligation	-	-	-	1,809,197	4,692,233
Total	-	-	-	1,809,197	4,692,233

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30. Cash generated from operations.

Description	2024-2025	2023-2024
	KShs	KShs
Surplus for the year before tax	21,824,460	-
Adjusted for:		
Depreciation	35,103,743	-
Non-Cash grants received	-	-
Contributed assets	-	-
Impairment	-	-
Gains and Losses on Disposal of Assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Finance Income	-	
Finance Cost	-	-
Working Capital Adjustments	-	
Increase in Inventory	(2,630,586)	-
Increase in Receivables	(165,279,293)	-
Decrease in non-current liability	(2,883,036)	-
Increase in Payables	71871977	-
Increase in Payments received in advance	7,959,322	-
Decrease in refundable deposits	(13,494,444)	-
Net Cash Flow from Operating Activities	(47,527,857)	-

(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)

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20. Related Party Balances

Nature of related party relationships

Entities and other parties related to The Bungoma 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.

21. Government of Kenya

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

- i) The National Government
- ii) The Parent Ministry
- iii) Top Management
- iv) Polytechnic Council

22. Events after the Reporting Period

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

23. Currency

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

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24. Appendices

Appendix 1: Implementation Status of Auditor - General Recommendations

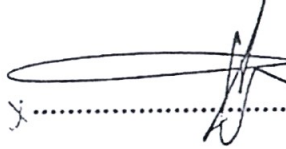
Reference no on the external Audit Report	Issue/observation from auditors	Management comments	Status: resolved/not resolved	Time frame
2023-2024-1	1.Outstanding Trade and Other Receivables	Management has clear Policy on fees collection Management has encouraged the students to apply HELB. bursaries and scholarships to help clear the	Not resolved	June 2026
2023-2024-2	Unsupported Property, Plant and Equipment	Management to value assets to ascertain the value of assets	Not resolved	June 2026
2023-2024-3	1. Undisclosed transition from Science and Technology institute to The National Polytechnic	The transition was disclosed in the Key entity information under the Background information on non-financial report	resolved	June 2025

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2023-2024-4	Inaccuracies of Opening Balances on Revaluation Reserves	The opening balance of revaluation reserve 2023/2024fy has been amended to reflect true opening balance of 930,768,980 subsequently revaluation gain has been adjusted accordingly.	resolved	June 2025
2023-2024-6	Budgetary Control and Performance	Management has put measures such as enhancement of IGU to gap budget shortfall	Not resolved	June 2026
2023-2024-7	Non-compliance with law on staff ethnic Diversity	Management is making an effort to recruit staff of diverse ethnic through replacement or new posts.	Not resolved	June 2026
2023-2024-8	Non-compliance with law on employment of persons with disabilities	Recent examination of persons living with disability the polytechnic has made the threshold of 5% as per the population.	resolved	April 2025

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2023-2024-9	Information technology internal control environment	The management has appointed the IT steering committee to spearhead the ICT strategic plan and risk mitigation strategies which includes purchase of server backup	Partially resolved	June 2026
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 CHIEF PRINCIPAL
 THE BUNGOMA NATIONAL
 POLYTECHNIC

Name
 Dr. Godfrey S. Murunga PhD
 Chief Principal/Secretary to the Board
 Date

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Appendix II: Projects Implemented by Bungoma National Polytechnic

Status of Projects completion

SN	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Plumbing Workshop phase 2	13,520,595	13,520,595	100%	13,520,595	13,520,595	Appropriation In Aid(A.I.A)
2	Fashion and Design workshop	4,000,000	2,877,327	72%	4,000,000	2,877,327	Appropriation In Aid(A.I.A)
3	Purchase of 67 Seater Bus	17,866,120	17,866,120	100%	17,866,120	17,866,120	Appropriation In Aid(A.I.A)
4	Construction of modern gate	8,026,035	1,513,287	19%	9,000,000	1,513,287	Appropriation In Aid(A.I.A)
5	Construction of engineering workshop	36,964,340	27,315,420	74%	37,000,000	11,364,084	Appropriation In Aid (A.I.A)

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Appendix III: Recording of Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received	Nature: Recurrent/Development/ Others	Total Amount - KES	Where Recorded/recognized		
	As per bank statement			Statement of Financial Performance	Capital Fund	Total Transfers during the Period
Ministry of Education	27/9/2024	Capitation 2023/2024	9,215,425	9,215,425	-	9,215,425
Ministry of Education	27/9/2024	Scholarship 2023/2024	35,723,816.3	35,723,816.3	-	35,723,816.3
Ministry of Education	26/9/2024	Scholarship 2023/2024	7,746,316.70	7,746,316.70	-	7,746,316.70
Ministry of Education	25/9/2024	Scholarship 2023/2024	537,339	537,339	-	537,339
Ministry of Education	24/9/2024	Capitation quarter one 2024-2025	14,456,025	14,456,025	-	14,456,025
Ministry of Education	25/9/2024	Scholarship 2023/2024	23,300,570	23,300,570	-	23,300,570
Ministry of Education	24/9/2024	Scholarship 2023/2024	10,124,807.3	10,124,807.3		10,124,807.3
Ministry of Education	23/9/24	Scholarship 2023/2024	17,273,716.90	17,273,716.90		17,273,716.90
Ministry of education	19/2/2025	Capitation quarter two 2024-2025	45,733,425	45,733,425		45,733,425

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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 N. Godfrey Mwangi Sign [Signature] Date 08/12/25

CHIEF PRINCIPAL
THE BUNGOMA NATIONAL
POLYTECHNIC
Date:.....