


REPUBLIC OF KENYA



 <b>THE NATIONAL ASSEMBLY</b> <b>PAPERS LAID</b>	
<b>DATE:</b> 08 APR 2026	<b>DAY:</b> WEDNESDAY
<b>TABLED BY:</b>	HON. DADO RASO, MP ON BEHALF OF LOM
<b>CLERK-AT-TABLE:</b>	J. LEMERELLE

**REPORT**

PARLIAMENT  
OF KENYA  
LIBRARY

**THE AUDITOR-GENERAL**

**ON**

**RIFT VALLEY NATIONAL  
POLYTECHNIC**

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



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**RIFT VALLEY NATIONAL POLYTECHNIC**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

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



**Rift Valley National Polytechnic**  
**Annual Report and Financial Statements for The Year Ended 30 June 2025**



## TABLE OF CONTENTS

	<b>Page</b>
1 Acronyms & Glossary of Terms .....	ii
2 Key polytechnic information and management .....	iii
3 The Governing Council .....	vii
4 Management Team.....	ix
5 <b>Chairman's statement</b> .....	x
6 Report of the Principal.....	xiii
7 Statement of Performance against Predetermined Objectives .....	xix
8 Corporate Governance Statement .....	xxv
9 Management Discussion and Analysis.....	xxx
10 Environmental and Sustainability Reporting Statement .....	xxxv
11 Report of the Governing Council .....	xxxviii
12 <b>Statement of Governing Council Members' Responsibilities</b> .....	xxxix
13 Report of the Independent Auditors on Rift Valley National Polytechnic.....	xl
14 Statement of Financial Performance for the Year Ended 30 June 2025 .....	1
15 Statement of Financial Position as at 30 June 2025.....	2
16 Statement of Changes in Net Assets for the Year ended 30 June 2025 .....	3
17 Statement of Cash flows for the Year ended 30 June 2025 .....	4
18 Statement of Comparison of Budget & Actual amounts for the year ended 30 June 2025 ..	6
19 Notes to the Financial Statements .....	7
Appendix 1: Progress on Follow up of Auditor Recommendations .....	37
Appendix II: Projects Implemented by RVNP .....	40
Appendix III- Inter-Entity Confirmation Letter.....	41



## 1 Acronyms & Glossary of Terms

BOG	Board of Governors
GC	Governing Council
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
TVET	Technical, Vocational Education and Training
RVNP	Rift Valley National Polytechnic
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
RVNP	Rift Valley National Polytechnic
Fiduciary Management	Key management personnel who have financial responsibility in the entity
CDACC	Curriculum Development Assessment and Certification Council
SHA	Social Health Authority
NSSF	National Social Security Fund
NITA	National Industrial Trading Authority
HELB	Higher Education Loans Board
NGCDF	National Government Constituencies Development Fund
DTC	Dairy Training Centre
CICAN	Colleges and Institutes Association of Canada
Institute	Refers to RVNP

## **2 Key Polytechnic information and management**

### **General information**

The Rift Valley National Polytechnic is established by and derives its authority and accountability from TVET Act 2013. The Polytechnic is owned by the Government of Kenya and is domiciled in Kenya. The Polytechnic's principal activity is Education and Training.

### **Background information**

The idea of establishing Rift Valley National Polytechnic (RVNP) was to create an institution that could meet the educational and development needs of the Rift Valley Community.

The leaders in the region have consistently supported development of the Polytechnic.

RVNP is now a recognized public Technical Training Polytechnic, that is mandated to offer Technical, Industrial, Vocational and Entrepreneurship Training as spelt out in the TVET Act. The long-term Vision at its inception was to develop a strong technological institution to play a leading role, in development of the immense resources and potential of Rift Valley region and beyond, and in so doing contribute to National Development.

The Polytechnic prides itself in having attained the ISO 9001:2015 certification. The road to certification has given us the impetus to develop home grown quality objectives and to improve service to our customers. Through the achievement of these objectives, we continuously make tremendous progress, in contributing to the realization of our strategic plan, the Kenya Vision 2030 and BETA (Kenya's Bottom-Up Economic Transformative Agenda)

The Polytechnic is also in Performance Contracting.

In addition to providing academic and technical skills, we seek to develop in our students, creativity and innovativeness, that enables them to integrate successfully in all technical and management areas in public and private sectors.

### **Location**

RVNP is built on a land donated by Rift Valley Development Trust properties (RVDTP) and located about 11 kilometres from Nakuru town along the Nakuru -Njoro road in a quiet environment conducive for learning.

### **Vision:**

To be a centre of excellence in providing quality technical training, research and development for self-reliance and industrialization in the region.

### **Mission:**

To develop competent, dependable, innovative, creative and ICT compliant human resource that suits dynamic technological trends for sustainable development.

## Mandate

The mandate of RVNP is to promote advancement of education and development in the region and the country at large through technical training, research, innovation and community service.

### (a) Key Management

The TVET day-to-day management is under the following key organs:

- Principal
- Deputy Principal Administration
- Deputy Principal Academic Affairs
- Registrar
- Dean of Students
- Head of Finance
- Head of Human Resource
- Head of supply chain management
- Academic Heads of departments

### (b) Fiduciary Management

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

No.	Designation	Name
1.	Principal	Mr. Sammy K. Chemoiwa
2.	Head of Finance	Mrs. Susan Koech
3.	Head of Procurement	Mr. Andrew Wangila

### (c) Fiduciary Oversight Arrangements

To ensure the efficient running of the Agency's operations, the Governing Council has established Committees to meet and make recommendations to the Council, who are mandated to provide policy direction for the Institute on issues delegated to them. Each Committee has a Charter that guides its operations.

The following are the sub-committees of the Council: -

<b><i>Finance and Human Resource Management Committee</i></b>	
Winfred Munyaka	Chair
Eng. Job Tomno	Member
Eng Esther Ruto	Member
James Muchiri (PS Rep.)	Member

<b>Audit and Risk Management Committee</b>	
Dr. Julius Tangu	Chair
Maureen Nyabochoa	Member
Jepi Lentoijoni	Member
James Muchiri (PS Rep.)	Member

<b>Academic and Infrastructure Committee</b>	
Eng. Esther Ruto	Chair
Jepi Lentoijoni	Member
Eng. Job Tomno	Member
Winfred Munyaka	Member
Mr. James Muchiri (PS Rep.)	Member

**(d) Address**

**Rift Valley National Polytechnic**  
P.O. Box 7182 – 20100  
Nakuru – Njoro Road.  
Tel: 020-2079754,  
Mobile No. 0720668238  
E-mail: [principal@RVNP.ac.ke](mailto:principal@RVNP.ac.ke)

**(e) Contacts**

Telephone :( 254)0720 668 238  
E-mail: [Principal@RVNP.ac.ke](mailto:Principal@RVNP.ac.ke)  
Website: [www.RVNP.ac.ke](http://www.RVNP.ac.ke)

**(f) Bankers**

1. Cooperative Bank of Kenya  
Nakuru Branch  
P.O. Box 2982 - 20100  
Nauru, Kenya  
Savings account      01100087643400  
Development account   01136087643401  
Business main account 01136087643400  
Kessp                      01139087643400  
Fees collection account 0112908743400
2. Kenya Commercial Bank

Kenyatta Avenue  
P.O. Box 18 – 20100  
Nakuru, Kenya  
ACC NO. 1101786221

3. Equity Bank  
Gatehouse Branch  
P.O. Box 12568 - 20100  
Nakuru, Kenya  
ACC NO. 1460261269263

4. Access Bank Limited  
Seguton Building, Kenyatta Avenue  
P.O. Box 148 – 20100  
Nakuru, Kenya  
ACC NO. 0040100000246

5. Family Bank  
Kenyatta Avenue  
P.O. Box 519 – 20100  
Nakuru, Kenya  
ACC NO. 018000058186


**(g) Independent Auditors**





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

**(h) Principal Legal Adviser**



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

3 The Governing Council

Name of Council member	Biography
 <p>1. Dr. Richard Moindi Chairman Council</p>	<p><b>Date of Birth:</b> 1968  <b>Qualification:</b> PhD in Educational Management  <b>Institution:</b> Egerton University  <b>Work experience:</b>                      Director Group of SME's – 23 years</p>
 <p>2. Dr. Julius Rotich Tangus Council Member</p>	<p><b>Date of Birth:</b> 1954  <b>Qualification:</b> PhD, MSc, MBA and BCom  <b>Institution:</b> University of Nairobi  <b>Work experience:</b> Lecturer UON, Director KCCT, Assistant Director KACA, MD NCPB, Deputy Secretary General EAC, Chairman Chuka University Council– 40 years</p>
 <p>3. Eng. Job K. Tomno Council Member</p>	<p><b>Date of Birth:</b> 1960  <b>Qualification:</b> BSc. (Civil Engineering) and MBA  <b>Institution:</b> University of Nairobi &amp; Mount Kenya University  <b>Work experience:</b> Worked in the Water sector - 39 years</p>
 <p>4. Eng. Esther Ruto Council Member</p>	<p><b>Date of Birth:</b> 1961  <b>Qualification:</b> MSC. in Energy Management, BSc. Electrical Engineering  <b>Institution:</b> University of Nairobi  <b>Work experience:</b> - General Manager REREC 13Years, Registered EBK – 20 Years</p>
 <p>5. Jepi Lentoijoni Council Member</p>	<p><b>Date of Birth:</b> 1962  <b>Qualification:</b> MSC. Agriculture, BA Development Studies  <b>Institution:</b> University of London &amp; University of South Africa (UNISA)  <b>Work experience:</b> - Programme Manager</p>

	UNDP – Ministry of Environment over 30 years
<b>Name of Council Member</b>	<b>Biography</b>
 6. Ms. Maureen Nyabochoa Council Member	<b>Date of Birth:</b> 1978 <b>Qualification:</b> Bachelor of Laws Diploma in Law <b>Institution:</b> Moi University (Eldoret) and Kenya School of Law <b>Work experience:</b> State Counsel, Office of the Attorney General and Department of Justice, 18 years
 7. Ms. Winfred Munyaka Council Member	<b>Date of Birth:</b> 1962 <b>Qualification:</b> MA Arts in Biblical Studies <b>Institution:</b> Washington Baptist Theological Seminary <b>Work experience:</b> Co-ordinator Women Group – 11 Years
 8. Mr. James Muchiri Council Member	<b>Date of Birth:</b> 1973 <b>Qualification:</b> Masters in Education Planning <b>Institution:</b> Kenyatta University <b>Work experience:</b> Ministry of Education - 20 Years
 9. Sammy K. Chemoiwa Principal/Council Secretary	<b>Date of birth:</b> 1967 <b>Qualification:</b> BSc Agricultural Engineering University of Nairobi, PGDE Mount Kenya University. <b>Work experience:</b> Trainer in Public Service – 31 years

#### 4 Management Team

Name of the Staff	Responsibility
 1. Sammy K. Chemoiwa Principal/Council Secretary	<p><b>Principal</b> is in charge of day to day running of RVNP. He is the Chief Executive Officer who reports to all stakeholders. He is also the mandatory signatory to all RVNPs bank accounts and Secretary to Board of Governors</p>
 2. Mr. Anton Agesa	<p><b>Deputy Principal Academic Affairs</b> In-charge of curriculum implementation and academic affairs</p>
 3. Mr. Paul Komen	<p><b>Deputy Principal</b> In-charge of Administration</p>
 4. Mr. Paul Cheptum	<p><b>Registrar</b> In-charge of student admissions and management of examinations.</p>
 5. Mr. Joseph Keraro	<p><b>Dean of Students</b> In-charge of student affairs,</p>
 6. Mrs. Susan Koech	<p><b>Finance Officer</b> In-charge of finance section of administration</p>

## 5 Chairman's statement

To Stakeholders of RVNP,

It is my pleasure to present this report on behalf of the Council of RVNP for the fiscal year ending 30<sup>th</sup> June 2025. This year has been marked by significant achievements, notwithstanding some challenges, and I am proud of the collective efforts that have driven our institution forward.

### Key Projects and Achievements

Throughout the year, RVNP successfully launched several key infrastructure projects, aimed at improving technical education and skills development. Notably, we undertook the following projects:

SN	Major Projects	Cost FY 2024/2025	Source Of funds
1	Construction of 16 Classrooms	1,614,333	AiA
2	Construction of 20 Classrooms (Phase 1 & 2)	16,052,542	AiA
3	Ancillary Works at RVIST Health Centre	2,350,610	AiA
4	Water Tower ,Incinerator, Landscaping & Drainage works at Dispensary	495,614	AiA
5	Proposed Construction of RVIST Health Centre	858,603	AiA
6	Construction of Two water Bore holes	6,621,253	AiA
7	Construction of walkways, pavement and cabro work	2,123,383	AiA
8			
9	<b>TOTAL</b>	<b>30,116,338</b>	

These initiatives have contributed to elevating the quality of training and expanding our outreach.

### Student Enrolment Growth

We are pleased to report a steady increase in student enrolment, with current numbers reaching approximately 12,587 students, representing a 0.1% growth compared to the previous year. This growth underscores the increasing demand for technical and vocational education in the region and affirms our role as a pivotal institution in skills development.

### Student performance

I am pleased to report a significant improvement in our students' academic performance this year. The average student score has increased from 62% in the previous year to 78%, reflecting the dedication of our students, the commitment of our teaching staff, and the effectiveness of our ongoing initiatives to enhance learning outcomes. This progress is a testament to our collective efforts to provide a

supportive and challenging educational environment, and we remain committed to further improving student achievement in the years ahead.

### **Strengths of RVNP**

Our key strengths include a dedicated and skilled management team, a committed faculty, and strong industry linkages that facilitate practical training and employment opportunities for our students. Additionally, our strategic location and state-of-the-art facilities position us favourably in the technical education sector.

### **Challenges Faced**

Despite these successes, we faced notable difficulties in meeting our financial targets and strategic objectives. The Government has remitted KSh. 273,864,067 for Capitation and Scholarships for students fees during the financial year. However, lack of sufficient funds due to partial remittances and partial payment of fees by students, has remained a significant challenge, which has impacted our ability to fully implement planned projects and maintain operational efficiency. This financial gap has necessitated adjustments to our strategic plans and has constrained some of our expansion initiatives.

### **Future Plans**

Looking ahead, we are committed to strengthening our financial sustainability through diversifying our funding sources, including exploring private partnerships and grants. We also plan to enhance our curriculum to better match industry demands, expand our facilities, and improve student support services. Additionally, we will expand on our other income generating units to ensure the full realization of our strategic goals.

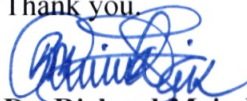
### **Acknowledgements**

I wish to extend my sincere gratitude to the management team, whose dedication and professionalism has been instrumental in navigating this challenging year. I also thank all the Governing Council members for their unwavering commitment and valuable contributions towards fulfilling our mandate. Your collective efforts have kept RVNP on a steady path of growth and development.

In conclusion, while we acknowledge the hurdles faced, I remain optimistic about the future of RVNP. With continued collaboration and strategic focus, I am confident we will achieve our vision of becoming a leading training centre for technical and vocational excellence in Kenya.

**Rift Valley National Polytechnic  
Annual Report and Financial Statements for The Year Ended 30 June 2025**

Thank you.



**Dr. Richard Moindi  
CHAIRMAN, GOVERNING COUNCIL  
28<sup>th</sup> November 2025.**

## **6 Report of the Principal**

Dear Stakeholders,

It is with great pride and a sense of achievement that I present this year's report on the progress and performance of Rift Valley National Polytechnic (RVNP). The past year has been trans-formative, marked by notable successes, strategic initiatives, and some challenges that have shaped our path forward.

### **Key Successes**

#### **- Student Enrolment and Growth:**

This year, we experienced a significant increase in student numbers, with enrolment reaching approximately 12,587 students, representing a 0.1% growth compared to the previous year. This upward trend reflects the increasing recognition of RVNP as a premier institution for technical and vocational training.

#### **- Academic Performance and Participation:**

I am pleased to report a significant improvement in our students' academic performance this year. The average student score has increased from 62% in the previous year to 78%, reflecting the dedication of our students, the commitment of our teaching staff, and the effectiveness of our ongoing initiatives to enhance learning outcomes. This progress is a testament to our collective efforts to provide a supportive and challenging educational environment, and we remain committed to further improving student achievement in the years ahead.

#### **- Status elevation**

I am pleased to inform you that during the year, our college was officially promoted to the status of a National Polytechnic. This milestone reflects the remarkable progress we have made in enhancing the quality of our programs, expanding our facilities, and strengthening our partnerships. Achieving this status positions us to offer higher-level technical and vocational training, attracting students from across the country and beyond and contributing significantly to the development of skilled professionals in Kenya. We remain committed to upholding the standards associated with this prestigious designation and to continuing our mission of excellence in technical education and training.

**Key Projects Implemented:**

During the year, we successfully completed several key projects, including:

S/N	Major Projects	Cost FY 2024/2025	Source Of funds
1	Construction of 16 Classrooms	1,614,333	A in A
2	Construction of 20 Classrooms (Phase 1 & 2)	16,052,542	A in A
3	Ancillary Works at RVIST Health Centre	2,350,610	A in A
4	Water Tower ,Incinerator, Landscaping & Drainage works at Dispensary	495,614	A in A
5	Proposed Construction of RVIST Health Centre	858,603	A in A
	Construction of Two water Bore holes	6,621,253	A in A
	Construction of walkways, pavement and cabro work	2,123,383	A in A
6	<b>TOTAL</b>	<b>30,116,338</b>	

**AWARDS RECIEVED BY RIFT VALLEY NATIONAL POLYTECHNIC (RVNP) IN THE FINANCIAL YEAR 2024/2025**

During the Financial Year 2024/2025, RVNP continued to demonstrate excellence in Technical and Vocational Education and Training (TVET), innovation, and institutional performance. The institution was recognized with the following awards:

**i) Excellence in Dual TVET Implementation – Awarded by GIZ**

RVNP was honoured with this award in recognition of its outstanding efforts in implementing the dual TVET training model, which effectively combines classroom instruction with hands-on industry experience. This recognition underscores the institution’s commitment to producing industry-ready graduates through strong collaborations with partners and stakeholders.

**ii) 1st Position – Best Tertiary Level Education Institution (Other than University) – Awarded by ASK Show Nakuru**

At the Nakuru National Agricultural Society of Kenya (ASK) Show, RVNP was ranked first in this category. The award reaffirmed the Polytechnic’s strong academic programs, infrastructure growth, student empowerment, and impactful role in advancing TVET as an alternative to university education.

**iii) 3rd Position – Best Stand in Innovation and Development – Awarded by the Agricultural Society of Kenya (ASK) Nakuru Show**

At the Nakuru National ASK Show, RVNP secured 3rd position for its outstanding exhibition in innovation and development. The institution showcased creative and impactful projects developed by staff and students, demonstrating its role as a hub of innovation, research, and problem-solving solutions relevant to the community and the nation at large.

**Awards at the World Skills Competition**

RVNP trainees showcased their talents on the international stage, earning top honours and medals for the Polytechnic as analysed below:

**i) Automatic Security System – Gold Medal (Position 1)**

Presented by *Trainee Edwin Kibet Too*

Mentored by *Mr. Leonard Bii (Trainer, Electrical Department)*

**ii) Home-Made Plastic Beehive – Gold Medal (Position 1)**

Presented by *Trainee George Githu (Mr. Bee)*

Mentored by *Mr. Ezra Malatit (Trainer, Agricultural & Environmental Sciences Department)*

**iii) Electronics Skill Area – Silver Medal (Position 2)**

Presented by *Trainee Lee Wamalwa Namurwa*

Mentored by *Mr. Leonard Bii (Trainer, Electrical Department)*

**iv) Recycling of Waste Paper (Trash to Treasure) – Silver Medal (Position 2)**

Presented by *Trainee Susan Wambui*

Mentored by *Ms. Josephine Mirango*

**Award by the World Federation of Colleges and Polytechnics (WFCP)**

**Gold Award in Indigenous Education – WFCP Awards of Excellence**

RVNP was honored with the Gold Award in Indigenous Education by the World Federation of Colleges and Polytechnics (WFCP). This prestigious recognition highlighted the institution's role in preserving and promoting indigenous knowledge, culture, and sustainable education models on the global stage.

**Co-Curricular Achievements of Rift Valley National Polytechnic (RVNP) in the Financial Year 2024/2025**

In addition to academic and innovation excellence, Rift Valley National Polytechnic (RVNP) excelled in co-curricular activities, showcasing talent and competitiveness in sports, music, drama, and cultural events at regional and national levels.

**1. KATTI Sports Regionals 2024**

i) Hockey Men – **2nd Position**

ii) Hockey Women – **2nd Position**

iii) Netball – **2nd Runners Up**

iv) Rugby Men – **1st Position**

v) Handball Men – **3rd Position**

vi) Handball Women – **3rd Position**

vii) Basketball Men – **1st Position**

viii) Basketball Women – **2nd Position**

**2. KATTI Sports Nationals 2024**

Hockey Women – **3rd Position**

**3. RVNP Principal’s Cup Handball Tournament 2024**

i) Handball Men – **1st Runners Up**

ii) Handball Women – **1st Runners Up**

**4. Kenya Music and Cultural Festival 2024 – Taita Taveta**

i) Class 909Y – **Participation/Recognition**

ii) Class 709Z – **Participation/Recognition**

iii) Class 1404A – **Participation/Recognition**

**5. Nyeri Polytechnic TVET Tournament 2025**

i) Handball Men – **2nd Position**

ii) Handball Women – **1st Position**

iii) Table Tennis (Doubles Men) – **1st Position**

iv) Basketball Men – **1st Position**

**6. Kenya Drama and Film Festivals 2025 (South Rift Region)**

i) Modern Dance – **2nd Position**

ii) Choral Verse – **2nd Position**

iii) Cultural Creative Dance – **2nd Position**

iv) English Play – **2nd Position**

v) Solo Dance – **1st Position**

vi) Comedy – **1st Position**

**Best Overall Institution – 1st Runners Up**

## **7. KATTI South Rift Regional Athletics and Indoor Championships 2025**

- i) Table Tennis – **1st Position**
- ii) Badminton – **1st Position**
- iii) Athletics Men – **2nd Position**
- iv) Athletics Women – **3rd Position**
- v) Athletics Overall – **2nd Position**

### **Challenges Faced**

#### **Delayed or partial remittance of Government Fund:**

One of the primary challenges has been the delayed remittance of government funds, which impacted our operational capacity and delayed some planned maintenance and project activities. We are engaging with relevant authorities to address this issue and ensure timely funding in the future.

#### **Implementation of the New CBET Curriculum:**

The transition to the Competency-Based Education and Training (CBET) curriculum has posed some implementation challenges, including staff training and curriculum adaptation. Nevertheless, our dedicated staff has made commendable progress, and we continue to refine our approach to fully embed the CBET framework.

### **Future Outlook**

In the coming year, we plan to make RVNP even more attractive to prospective students by enhancing our facilities, expanding industry partnerships, and integrating innovative teaching methodologies. To stay competitive, management is investing in digital infrastructure, upgrading our learning environments, and strengthening linkages with industry players for practical placements and job opportunities.

### **Collaborations and Partnerships**

We have established fruitful collaborations with local industries, NGOs, and development partners, which have facilitated internship opportunities, resource sharing, and joint projects. These partnerships are vital in aligning our training with industry needs and improving graduate employ-ability.

### **Financial Performance**

Financially, the Institute maintained a stable position this year, with revenue generated from student fees, government grants, and industry partnerships. Despite the delays in government remittance, prudent financial management enabled us to meet our operational expenses and invest in key projects. We remain committed to improving our financial sustainability through diversified income streams and efficient resource management.

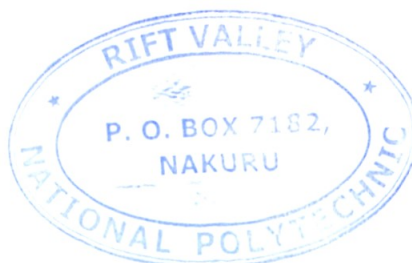
### **In Conclusion**

I extend my heartfelt appreciation to the Governing Council, management team, staff, students, and partners for their unwavering dedication and hard work. Their collective efforts have been instrumental in achieving the milestones outlined in this report. We are confident that, with continued collaboration and strategic focus, RVNP will grow stronger and remain a leading institution in technical education in Kenya.

Thank you for your continued support.



**Mr. S.K Chemoiwa**  
**PRINCIPAL/ GOVERNING COUNCIL SECRETARY**  
28<sup>th</sup> November 2025



## 7 Statement of Performance against Predetermined Objectives

- Rift Valley National Polytechnic has eleven strategic pillars and objectives within its Strategic Plan for the FY 2022/2023- 2027/2028. These strategic pillars are as follows:



Rift Valley National Polytechnic develops its annual work plans based on the above eleven pillars. Assessment of the Governing Council performance against its annual work plan is done on a quarterly basis. The Institute achieved its performance targets set for the FY 2024/2025 period based on its eleven strategic pillars, as indicated in the diagram below: -

Strategic Pillars	Objective	Key Performance Indicators	Activities	Achievements
<b>Pillar 1: ACCESS AND EQUITY</b>	❖ Enhance Access, Equity and Quality Assurance	❖ Improved training programmes in SME sector. ❖ Expansion of facilities	❖ Improve training programmes in MSE sector. ❖ Offer higher level programmes ❖ Expand facilities based on government priorities ❖ Support TVET trainees ❖ Promote affirmative action for TVET trainees ❖ Reform and enhance education, training,	❖ 103 TVET/CDACC courses have been launched ❖ Expanded facilities has been achieved: 16 new classrooms, Masonry Workshop. Catering and accommodation workshop, Pavement and Ramps, Health Unit ❖ The Institute has appointed Gender Mainstreaming

			and guidance services. ❖	committee to check on affirmative action
<b>The Strategic Pillars</b>	<b>Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
<b>Pillar 2: INFRASTRUCTURE</b>	Improving and increasing physical facilities	<ul style="list-style-type: none"> <li>❖ Completion of buildings under construction,</li> <li>❖ Successfully complete the projects for institutions being mentored</li> </ul>	<ul style="list-style-type: none"> <li>❖ Develop a framework for improving and increasing physical facilities</li> <li>❖ Improve TVET equipment, information and communication systems</li> </ul>	<ul style="list-style-type: none"> <li>❖ Various blocks have been constructed including 16 classrooms, 2 workshops, ablution block, multipurpose hall, health unit and 5 access roads.</li> <li>❖ 400 computers have been purchase and networking has been done.</li> </ul>
<b>Pillar 3: TECHNOLOGY AND ICT INFRASTRUCTURE</b>	Promote effective application of ICT	<ul style="list-style-type: none"> <li>❖ Complete ICT infrastructures ,</li> <li>❖ Installation of Management Information System</li> <li>❖ ICT courses</li> </ul>	<ul style="list-style-type: none"> <li>❖ Develop adequate ICT capacity and infrastructure</li> <li>❖ Institutionalized Management Information System (MIS)</li> <li>❖ Promote the use of ICT in Curriculum delivery and management systems</li> </ul>	<ul style="list-style-type: none"> <li>❖ ICT equipment have been procured i.e. 400 Desktop computers</li> <li>❖ Internet facilities have been improved and expanded to 300 Mbps</li> <li>❖ MIS is in the process of being upgraded and it is at 50% to completion</li> <li>❖ ICT courses are being offered in all courses the institution</li> </ul>
	Enhance Equipment and Technology	<ul style="list-style-type: none"> <li>❖ Institution incubator and use of modern equipment and Technology</li> </ul>	<ul style="list-style-type: none"> <li>❖ Develop institution incubator</li> <li>❖ Promote use of modern equipment and Technology</li> </ul>	<ul style="list-style-type: none"> <li>❖ Process has been initiated i.e. Baking Technology</li> </ul>
<b>Pillar 4: RESEARCH AND DEVELOPMENT</b>	Institutionalize effective research and development	<ul style="list-style-type: none"> <li>❖ Research and development infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>❖ Develop mechanisms for R&amp;D collaboration among TVET institutions.</li> <li>❖ Promote the use of research results in</li> </ul>	<ul style="list-style-type: none"> <li>❖ The Institute has a Research and Development department</li> </ul>

			<p>technology, development and transfer</p> <ul style="list-style-type: none"> <li>❖ Develop R&amp;D infrastructure.</li> </ul>	<ul style="list-style-type: none"> <li>❖ Research and development department is allocated a budget of at least 5% of total Institute budget annually</li> <li>❖ Institute students and staff participates in research forums, workshops, TVET fairs and exhibitions of science technology and innovations</li> </ul>
<b>Strategic Pillars</b>	<b>Objective</b>	<b>❖ Key Performance Indicators</b>	<b>❖ Activities</b>	<b>❖ Achievements</b>
<b>Pillar 5: COLLABORATIONS AND LINKAGES</b>	Enhance collaboration and linkages	<ul style="list-style-type: none"> <li>❖ Development partners on board</li> <li>❖ Mentorship</li> </ul>	<ul style="list-style-type: none"> <li>❖ Establish collaborations and linkages</li> <li>❖ Strengthen existing collaboration and linkages</li> <li>❖ Establish benchmarks and joint cooperation networks with international TVET institutions</li> </ul>	<ul style="list-style-type: none"> <li>❖ Currently the Institute has the following collaborations and linkages: - Cooperative Bank, KCB, Equity bank, Kenya power and Delta college in Michigan who donate computers, Science equipment, text books, Naivasha level 5 Hospitals for attachment of medical students, CICAN and UK for</li> </ul>

				<p>student's attachment and dual learning.</p> <ul style="list-style-type: none"> <li>❖ The Institute allocates a budget for strengthening collaborations and linkages.</li> </ul>
<b>Strategic Pillars</b>	<b>Objective</b>	❖ <b>Key Performance Indicators</b>	❖ <b>Activities</b>	❖ <b>Achievements</b>
<b>Pillar 6: COMPETITIVENESS</b>	Enhance competitiveness	<ul style="list-style-type: none"> <li>❖ Increased students' numbers</li> </ul>	<ul style="list-style-type: none"> <li>❖ Strengthen existing competitiveness benchmarks</li> <li>❖ Establish new competitiveness benchmarks</li> </ul>	<ul style="list-style-type: none"> <li>❖ Benchmarking with other Institutes is done when need arises</li> <li>❖ Best students and best trainers are awarded annually.</li> <li>❖ The Institute has established a publicity and marketing section that markets the Institute products, activities and key strategies and successes.</li> <li>❖ Allocates a budget line for publicity and marketing</li> </ul>
<b>Pillar 7: INSTITUTIONAL GOVERNANCE</b>	<b>Improve Institutional Corporate Governance</b>	<ul style="list-style-type: none"> <li>❖ Constant review of courses offered</li> <li>❖ Improved result-based management in the training system</li> <li>❖ Improved budget accuracy level</li> </ul>	<ul style="list-style-type: none"> <li>❖ Develop and implement institutional policies, strategies and programmes</li> <li>❖ Embrace results-based management systems in training</li> <li>❖ Develop and implement M&amp;E systems</li> <li>❖ Fast track institutional expenditure review</li> </ul>	<ul style="list-style-type: none"> <li>❖ Examination moderation and adherence Institute examination guidelines is implemented.</li> <li>❖ A Board of Governors and its committees have been appointed Management team have been appointed including various management committees.</li> </ul>

				<ul style="list-style-type: none"> <li>❖ Improved budget accuracy and review is in place</li> <li>❖ Review of financial statements is done by the board every quarter and annually.</li> <li>❖ 17 Institute policies have been developed and its awaiting Board approval e.g. academic , ICT, risk and audit, procurement, finance, human resource</li> </ul>
<b>Pillar 8: HUMAN RESOURCE</b>	<ul style="list-style-type: none"> <li>❖ Harness Human resource</li> </ul>	<ul style="list-style-type: none"> <li>❖ Increased number of staff to match the increasing number of students</li> </ul>	<ul style="list-style-type: none"> <li>❖ Increase staff at PSC and BoG levels</li> <li>❖ Capacity building in staff</li> </ul>	<ul style="list-style-type: none"> <li>❖ 9 New BoG staff and 157 trainers have been employed</li> <li>❖ Staff trainings and development are in place</li> </ul>
	<ul style="list-style-type: none"> <li>❖ Improve and sustain relevance of skills</li> </ul>	<ul style="list-style-type: none"> <li>❖ Undertake training needs assessment</li> <li>❖ Identify areas of innovation</li> </ul>	<ul style="list-style-type: none"> <li>❖ Ensure quality assurance and standards</li> <li>❖ Promote innovativeness in ST&amp;I</li> <li>❖ Establish the Centre of excellence</li> <li>❖ Improve the quality of work culture Strategy</li> <li>❖ Encourage investment in the development and commercialization of TVET products and services including ICT</li> </ul>	<ul style="list-style-type: none"> <li>❖ HR policy has been developed and implemented</li> <li>❖ ISO quality management system 9001:2015 is in place to assure quality of work.</li> </ul>
<b>Pillar 9: FINANCIAL RESOURCES</b>	<ul style="list-style-type: none"> <li>❖ Diversify sources and increase funding</li> </ul>	<ul style="list-style-type: none"> <li>❖ New development partners</li> <li>❖ Enhanced existing partners' relationship</li> </ul>	<ul style="list-style-type: none"> <li>❖ Increase GoK funding</li> <li>❖ Exploit external funding possibilities through developed criteria</li> </ul>	<ul style="list-style-type: none"> <li>❖ Income generating activities have been started e.g. farm, hosting of seminars and catering, Dairy, Bakery and welding</li> <li>❖ There are development</li> </ul>

		❖ Increase in government development funds	❖ Expand income generation at institutional level	partners funding development projects such as Netherlands Dairy group developing a Dairy Training Centre (DTC) at the Institute, CICAN funding electrical and electronics students training ❖ GOK, HELB, CDF and County governments provide funding to Students.
<b>Strategic Pillars</b>	<b>Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
<b>Pillar 10: COMMUNICATION AND PUBLIC RELATIONS</b>	❖ To develop an effective and efficient communication system internally and externally at all levels and to enhance the image and visibility of RVNP.	❖ Improved visibility	❖ Improve the image of TVET Institute	❖ Public relations department provides PR functions and communication. ❖ Institute website is in place, with Institute information and functioning well. ❖ Signages are positioned strategically to visibility of the Institute.
<b>Pillar 11: Perception towards TVET</b>	❖ Inculcate appreciative culture in the community for TVET services and products	❖ Increased student enrollment ❖ Community involvement ❖ Increased cohesion ❖ Increased security ❖ Community economic support (hostels)	❖ Sensitizing society on the role of TVET ❖ Sensitize society on the new technologies	❖ Holding of TVET fairs, agribusiness fairs, ASK show and community outreach visits to showcase TVET products and services.

## **8 Corporate Governance Statement**

The corporate governance structure ensures that we act with high standards of corporate behaviour and in the best interest of our stakeholders. The Council has the authority to perform the functions and determine the policies that control the TVET's activities.

The Council is responsible for our overall corporate governance and approves strategic directions and budgets. On the other hand, the management ensures that all statutory requirements are complied with, internal control systems are in place and operate effectively, in addition to ensuring that Governing Council decisions are fully implemented.

RVNP is committed to good corporate governance, which promotes the long-term interests of the Government of Kenya and any other stakeholder, strengthens Council and management accountability and helps build public trust in the Institute.

The Council is appointed by the Government of Kenya through the Cabinet Secretary, State Department for Technical, Vocational Education and training, to oversee their interest in the long-term health and the overall success of the business and its financial strength in order to discharge its mandate in training. The Board serves as the ultimate decision-making body of the Institute, except for those matters reserved to or shared with the Government of Kenya. The Council selects and oversees the members of senior management, who are charged by the Council with conducting the business of the Institute in line with the Technical, Vocational, Education & Training Act of 2013 and the constitution of the Republic of Kenya.

The Council, in consultation with management, develops strategic direction for the annual and long-term period activities.

The Council also prepares for Council Meetings and determines the agenda in which annual audited accounts are presented.

At its regular meetings, the Council considers:

- i) Implementation of Academic programmes
- ii) Institute resources, Infrastructure and general management
- iii) Quarterly reports and Financial Statements
- iv) Annual reports and Financial Statements

### Composition of the Governing Council

The Council members are listed below:

S/NO.	NAME	DESIGNATION
1	Dr. Richard Moindi	Chair Person
2	Dr. Julius Tangus	Member
3	Eng. Job Tomno	Member
4	Eng. Esther Ruto	Member
5	Mr. Lepi Letoijoni	Member
6	Ms. Maureen Nyabochoa	Member
7	Ms Winfred Munyaka	Member
8	Mr. James Muchiri	Member
9	Mr. Sammy Chemoiwa	Principal/Council Secretary

Mr. Bundi was appointed as a member of the Governing Council in April 2025

### Council meetings attendance

The council members held the following Full council meetings during the year

#### FULL COUNCIL MEETINGS

MEMBERS	12TH JULY 24	26TH JULY 24	5TH AUG 24	24TH SEPT 24	18TH FEB 25	25TH FEB 25	17TH APRIL 25	13TH JUNE 25
DR. RICHARD MOINDI	Present	Present	Present	Present	Present	Present	Present	Present
MS.WINFRED MUNYAKA	Present	Present	Present	Present	Present	Present	Present	Present
ENG. JOB TOMNO	Present	Present	Present	Present	Present	Present	Present	Present
MR. JEPI LENTOIJONI	Present	Present	Present	Present	Present	Present	Present	Present
DR. JULIUS TANGUS	Present	Present	Present	Present	Present	Present	Present	Present
MS.MAUREEN NYABOCHOA	Present	Present	Present	Present	Present	Present	Present	Present
ENG. ESTHER RUTO	Present	Present	Present	Present	Present	Present	Present	Present
MR. JAMES MUCHIRI	Present	Absent	Present	Present	Present	Present	Present	Present
MR. SAMMY CHEMOIWA	Present	Present	Present	Absent	Present	Present	Present	Present

**COMMITTEE MEETINGS**

The following committee meetings were held during the year  
**FINANCE AND HUMAN RESOURCE COMMITTEE**

<b>MEMBERS</b>	<b>29TH JULY 24</b>	<b>23RD SEPT 24</b>	<b>9TH OCT 24</b>	<b>11TH FEB 25</b>	<b>17TH FEB 25</b>	<b>25TH FEB 25</b>
MS. WINFRED MUNYAKA	Present	Present	Present	Present	Present	Present
ENG. JOB TOMNO	Present	Present	Present	Present	Present	Present
ENG. ESTHER RUTO	Present	Present	Present	Present	Present	Present
MR. JAMES MUCHIRI	Present	Present	Absent	Present	Present	Present
MR. SAMMY CHEMOIWA	Present	Absent	Present	Present	Absent	Absent

**ACADEMIC & INFRASTRUCTURE COMMITTEE MEETING**

<b>MEMBERS</b>	<b>4TH JULY 2024</b>	<b>3RD OCT 24</b>	<b>12TH FEB 25</b>	<b>8TH APRIL 25</b>	<b>10TH JULY 25</b>
ENG. ESTHER RUTO	Present	Present	Present	Present	Present
MR. JEPI LENTOIJONI	Present	Present	Present	Present	Present
ENG. JOB TOMNO	Present	Present	Present	Present	Present
MS. WINFRED MUNYAKA	Present	Present	Present	Present	Present
MR. JAMES MUCHIRI	Present	Present	Present	Present	Present
MR. SAMMY CHEMOIWA	Present	Absent	Present	Present	Present

**AUDIT AND RISK COMMITTEE**

<b>MEMBERS</b>	<b>5TH JULY 24</b>	<b>24TH SEPT 24</b>	<b>4TH OCT 24</b>	<b>14TH FEB 25</b>	<b>11TH APRIL 25</b>
DR. JULIUS TANGUS	Present	Present	Present	Present	Present
MS. MAUREEN NYABOCHOA	Present	Present	Present	Present	Present
MR. JEPI LENTOIJONI	Present	Present	Present	Present	Present
MR. JAMES MUCHIRI	Present	Present	Present	Present	Present

The term of the Governing Council which was appointed on 7<sup>th</sup> November 2023 and inaugurated on 8<sup>th</sup> December 2023, for a term of three years is expiring on 7<sup>th</sup> November 2026.

On expiry of the tenure, the process of appointment of a new board as laid out in the TVET act of 2013 will be followed.

Under the TVET act of 2013, the functions of the Governing Council as set out under section 28 (1) shall include: -

- (a) Overseeing the conduct of education and training in the institutions in accordance with the provisions of this Act and any other written law.
- (b) Promoting and maintaining standards, quality and relevance in education and training in the institutions in accordance with this Act and any other written law.
- (c) Administering and managing the property of the institutions.
- (d) Developing and implementing the institutions' strategic plan.
- (e) Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institutions
- (f) Receiving, on behalf of the institution, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institution or other bodies or persons.
- (g) 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 this Act.
- (i) Developing and reviewing programmes for training and to make representations thereon to the Board
- (j) Regulating the admission and exclusion of students from the institution, subject to a qualifications framework and the provisions of this Act
- (k) Approving collaboration or association with other institutions and industries in and outside Kenya subject to prior approval by the Council
- (l) Recruiting and appointing trainers from among qualified professionals and practising trade's persons in relevant sectors of industry.
- (m) Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institutions, in consultation with the Authority.
- (n) Making regulations governing organization, conduct and discipline of the staff and students.
- (o) Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submits the same to the Council
- (p) Providing for the welfare of the students and staff of the institution.
- (q) Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institution.
- (r) Discharging all other functions conferred upon it by this Act or any other written law.

The Council, in the period it has been in existence, has endeavored to discharge its functions independently with vigour and passion. Their diligence and prudent management of resources has been result oriented and much has been achieved during their term in office. They have been able to interpret government policies and TVET Act as well as other relevant laws in existence, making the institution to move forward as we actualize the strategic plan. Moving forward, the Council is aligning the discharge of duties by improving on its operations while surpassing the set targets where possible. In the interest of quality service delivery, the board is able to read from the same script as they render their duties above board.

This has been attained with the incorporation of team spirit and self-sacrifice that is deep within them.

## 9 Management Discussion and Analysis

### Rift Valley National Polytechnic operational and financial performance

Management Discussion and Analysis (MD&A) Report for Rift Valley National Polytechnic (RVNP) – FY 2024/2025

#### Introduction

This MD&A provides a comprehensive review of RVNP's financial and operational performance for the fiscal year ending June 2025. It aims to assess our key performance indicators, analyze financial health, contextualize results within industry and strategic frameworks, and identify challenges and opportunities impacting our future outlook.

#### Key Performance Indicators (KPIs)

- **Total Income for FY 2024/2025:** KShs. 961.2 million, representing a significant increase from KShs. 758 million in the prior year, indicating growth driven by increased student enrolment and diversified revenue sources.
- **Government Funds Received** KShs. 273.86 million, which accounts for a portion of total income and reflects the ongoing reliance on government support.
- **Total Expenses:** KShs. 862.7 million, including depreciation of KShs. 45.4 million, higher than the previous year's KShs. 768 million, primarily due to increased student numbers and expanded operational activities.
- **Profitability:** The significant increase in income coupled with controlled expenses suggests improved financial performance, although the net profit or loss would depend on detailed income statement analysis.
- **Cash & Cash Equivalents:** KShs. 183 million as at June 2025, forming part of total current assets of KShs. 773 million.
- **Total Assets:** KShs. 2.98 billion, with non-current assets at KShs. 2.215 billion, indicating a solid asset base.
- **Liabilities:** Short-term liabilities stand at KShs. 197 million, manageable relative to assets and equity.

#### Observations & Financial Statement Analysis

##### Revenue & Income:

Total income for FY 2024/2025 increased by approximately 26.8% compared to the prior year, driven by higher student enrolment and expanded programs. However, government funding, which totalled KShs. 273.86 million over the year, was delayed and below the budgeted amounts, impacting cash flows and operational planning.

**Expenses & Depreciation:**

Expenses rose in line with increased activity levels, with depreciation charges reflecting ongoing investments in infrastructure and equipment. The higher expenses underscore our commitment to expanding capacity but also highlight the importance of maintaining cost discipline.

**Profitability & Cash Flows:**

While detailed profit figures are not provided, the rising income levels and controlled expenses suggest positive earnings trends. Cash flow management remains critical, especially considering delayed government disbursements, but the current cash and cash equivalents of KShs. 183 million provide a buffer for ongoing operations.

**Assets & Liabilities:**

Total assets of KShs. 2.989 billion, primarily non-current, demonstrate significant investment in facilities and equipment. Short-term liabilities of KShs. 197 million are well within manageable limits and do not threaten financial stability.

**External Environment & Strategic Context**

**Industry Trends & Growth Opportunities:**

The Kenyan technical and vocational education sector continues to grow, driven by government policies targeting skills development, youth employment, and industry partnerships. RVNP is well-positioned to capitalize on these trends through curriculum innovation, industry collaborations, and expanding outreach.

**Challenges:**

- Funding Delays & Underfunding: The late and below-budget disbursement of government funds hampers operational efficiency, delays project implementation, and constrains strategic initiatives.
- Operational Costs & Expansion Pressures: Rising expenses from increased student numbers necessitate efficient resource management to sustain quality and financial health.

**Opportunities:**

- Diversification of Revenue: Expanding fee-generating programs, leveraging industry partnerships, and seeking donor support can reduce dependence on government funding.
- Enhancing Financial Flexibility: Improving revenue collection, cost management, and strategic investments will bolster our resilience against external shocks.
- Adoption of Technology & Innovation: Embracing digital learning and administrative tools can improve operational efficiency and competitiveness.

### Growth & Strategy Outlook

RVNP’s growth trajectory remains positive, with increased income and expanding assets signaling strategic success. Our focus on aligning with national development policies, industry demands, and technological innovation positions us for sustained growth. However, external funding uncertainties require us to enhance financial independence and operational efficiency.

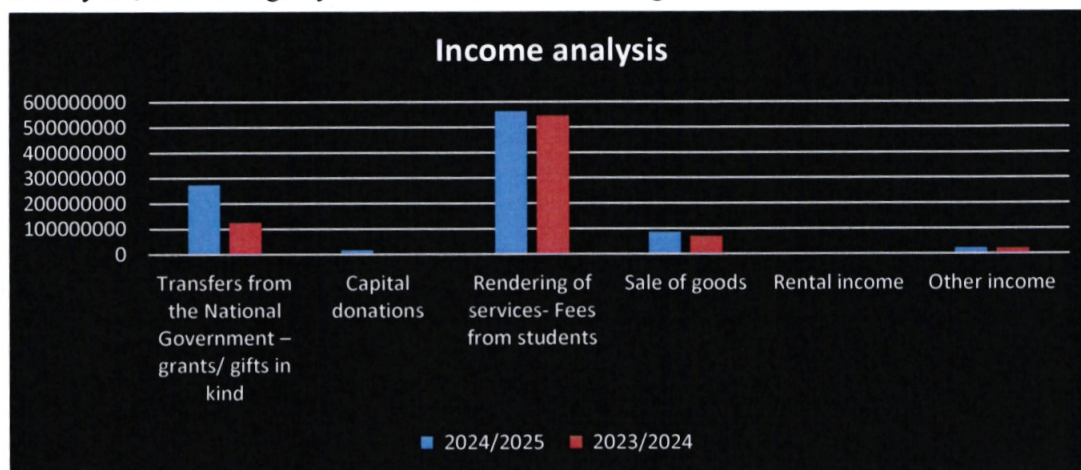
The sector’s evolving landscape presents opportunities for expansion, curriculum modernization, and enhanced industry engagement, which are integral to our long-term strategy.

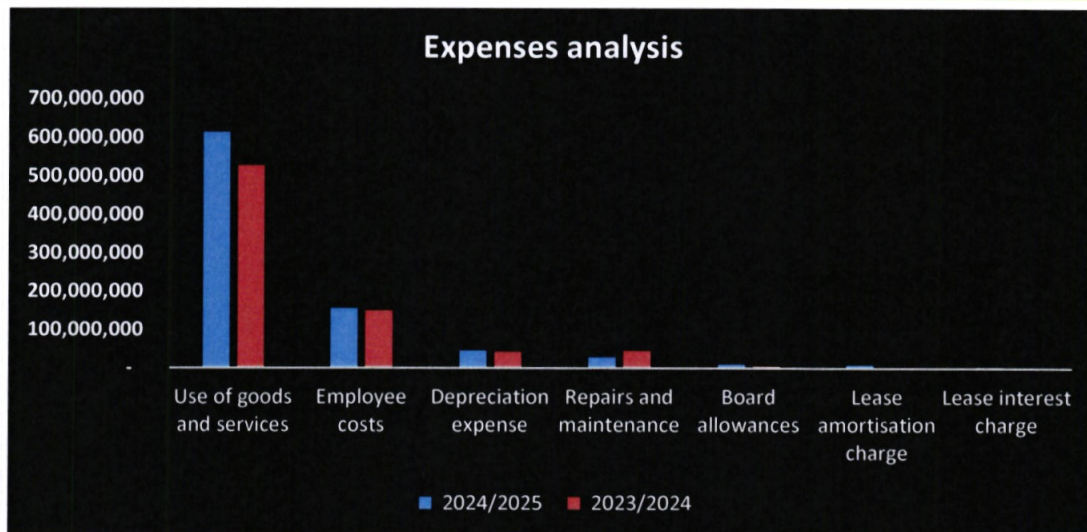
### Conclusion

In FY 2024/2025, RVNP demonstrated substantial growth and resilience despite external funding challenges. The increased income, healthy asset base, and manageable liabilities provide a strong foundation for future development. Continued emphasis on financial discipline, diversification, and strategic partnerships will be essential to sustain growth and achieve our mandate of delivering quality technical education aligned with Kenya’s national objectives.

We remain committed to monitoring industry trends, optimizing operations, and leveraging opportunities to enhance our contribution to national development.

The following graphs and pie charts provide a detailed analysis of the institution’s revenues and expenses for the year, illustrating key trends and areas for strategic focus:





### Rift Valley National Polytechnic compliance with statutory requirements

Rift Valley National Polytechnic complies with deduction and remittance of statutory deductions such as NSSF, SHA, SHIF, Housing Levy, HELB, PAYE and NITA levies.

Major risks facing the organisation: -

The institutes' major risks are mainly related to its core business which is training and human resource development. Some of the identified risks include: -

- i. Low student enrolment.
- ii. Student turnover
- iii. Inadequate infrastructure for training e.g. classrooms, workshops, laboratories and equipment.
- iv. Inadequate student accommodation and support facilities
- v. Financial instability due to delayed disbursement of capitation, HELB bursaries and HEF fees for students
- vi. Staff turnover due to inability to retain them because of poor remuneration.

### Key projects and investment decisions

The projects under consideration in the FY 2024/2025 are summarised in the table below: -

<b>S/N</b>	<b>NAME OF PROJECT</b>	<b>TOTAL AMOUNT PAID KSh.</b>	<b>COMPLETION RATE (%)</b>
1	Construction of 16 Classrooms	1,614,333	100
2	Construction of 20 Classrooms (Phase 1 & 2)	16,052,542	100
3	Ancillary Works at RVIST Health Centre	2,350,610	100
4	Water Tower, Incinerator, Landscaping & Drainage works at Dispensary	495,614	100
5	Proposed Construction of RVIST Health Centre	858,603	100
6	Construction of Two water Bore holes	6,621,253	100
7	Construction of walkways, pavement and cabro work	2,123,383	100
	<b>TOTAL</b>	<b>30,116,338</b>	

## 10 Environmental and Sustainability Reporting Statement

Rift Valley National Polytechnic exists to transform lives, and this is our purpose and the driving force behind everything we do. It is what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar: -

### 1. Sustainability strategy and profile -

The triple Bottom Line concepts analyses the sustainability of an organization based on three concepts; Profits, people (social) and Planet (environment).

**Profit:** The Institute is a nonprofit making institution.

The institute has adopted a transformation strategy aimed at ensuring that she remains financially sound. The institution has expanded its capacity for internally generated income like farm, bakery and dairy unit and hosting of seminars, workshops and catering.

**Social:** The institute has initiated the process to develop a succession management policy to address the welfare of employees in the future and ensure that the organization is sustainable.

**Environment:** The Institute has undertaken initiatives to improve and sustain the environment such as removal and replacement of asbestos roofing sheets, planting of trees and landscaping.

In addition, the board of governors has plans to undertake an environmental sustainability audit and develop an environmental policy to address the issues of environmental sustainability that will be identified during the audit.

### 2. Employee welfare

At RVNP, we value our employees and our many stakeholders, including the wider community where the training of our students has the potential to bring positive social and environmental change. We value the contribution that individuals and external entities make to our Institute through community consultation process.

We integrate the principles of social responsibility into our core mandate internally by exhibiting the behaviors of good corporate governance, ethical decision making, and providing our personnel with opportunities to develop and excel. We integrate the principles of social responsibility into our training activities externally by minimizing our environmental impact and seeking to enhance the amenity of residential communities.

Activity	Description
Better training	<ul style="list-style-type: none"> <li>❖ Optimizing training operations to meet ongoing social and sustainability objectives.</li> <li>❖ Providing opportunities for us to grow as an Institute by becoming involved in our local community.</li> </ul>
Enhanced community	<ul style="list-style-type: none"> <li>❖ Focusing on good urban design and empowering members for healthy, happy and resilient community.</li> </ul>

- Supported Staff
- ❖ Promoting initiatives that support staff and their families, beyond the provision of employment.
  - ❖ Promoting initiatives that recognize the contribution of the students to the community.

**a) Policies guiding hiring process**

The following are the RVNP Board policies that guide hiring process;

S/no	Title	Review Period	Remarks
1	Career Progression	3 years	Vacant positions are filled competitively both internally and externally.  This largely depends on availability of funds
2	Human Resource Manual	3 years	Terms and conditions of service governing employees are applied across the board without discrimination
3	Internship Policy and guidelines	3 years	Intern positions are filled competitively and without discrimination
5	Gender Mainstreaming	3 years	RVNP observes equal employment opportunities during staff recruitment across all genders
6	Disability Mainstreaming	3 years	The institute offers equal employment opportunities to officers living with disability. The institute also offers rights and privileges as provided in the PWDs Act and Board employment policies

**3. Market place practices**

**Responsible Supply Chain and Supplier relations**

The institute has maintained good business practice by complying with the government policy and Section 227 of The Constitution of Kenya. And Public Procurement and disposal Act.

All procurement activities have continuously been carried out where Supply Chain ensured that there are sufficient funds to meet the obligations of the resulting contract and are reflected in the approved budget estimates. Knowledge of available funds acts as a guide in knowing what to procure and when to procure.

The organization has maintained and continuously updated list of registered suppliers, contractors and consultants in various specific categories of goods, works or services according to its procurement needs.

RVNP has at all-time ensured responsible treatment of the suppliers in various ways as featured below:

- i) Ensuring proper communication channels e.g. Telephone lines and emails are open so as to make sure information is passed across efficiently and effectively between the procurement department and the suppliers.
- ii) Providing customer support when and where required. This entails listening keenly to suppliers, contractors and consultants and responding appropriately.
- iii) When doing procurement planning the institute has complied with preference and reservation requirements.

- iv) Supply Chain function has ensured timely submission of the suppliers' invoices to facilitate payment process by the finance department after delivery of goods, services or works is completed. This helps in making sure that the payment process is not delayed. Timely payment of suppliers helps in maintaining a good relationship with the supplier and also avoiding of penalties that may arise from delayed payment.
- v) Supply Chain also makes follow ups of invoices issued to finance for payment process to ensure timely payments of suppliers.

**4. Community Engagement: -**

During the year under review, RVNP carried out various Corporate Social Responsibility (CSR) activities to impact the society as highlighted below: -

Corporate Social Responsibilities are: -

- i) Holding Agribusiness Expo to educate farmers on modern farming technologies and showcase farming products, materials, machinery and business partners
- ii) Sponsorship of 76 (Seventy-six) students at RVNP, who are talented in sports
- iii) Donation of 10 (ten) desk top Computers to Ndunyu Njeru Primary School in Nyandarua County and 20 (twenty) desk top computers to Ibissil Primary School in Kajiado County
- iv) Provided uniforms to Ktomwony primary school in West Pokot
- v) Partnered with friends to provide connection of electricity to RVIST primary school
- vi) Provided Point to Point equipment for internet connection to RVIST Primary School
- vii) Set up a computer laboratory for RVIST primary school
- viii) Provided chairs and tables for RVIST Primary School Computer Laboratory
- ix) Partnered with friends to provide classroom chairs for RVIST primary school
- x) Donated tree seedlings to Njoro Precious school in Njoro Constituency
- xi) Allowed neighbouring community to access health care at RVNP well equipped Health Centre at subsidize rates.
- xii) Hosting health education forums for staff and neighbouring community such as mental health in collaboration with Mathari National Teaching and referral Hospital

## **11 Report of the Governing Council**

The Council members submit their report together with the audited report for the year ended June 30, 2025, which shows the state of Rift Valley National Polytechnic affairs.

### **Principal activities**

The principal activities of the Institute are training and development of human resource in various fields

### **Results**

The results of RVNP, for the year ended June 30, 2025 are set out on page 1 to 36

### **Board of governance**

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

### **Auditors**

The Auditor General is responsible for the statutory audit of RVNP in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Council.



**Mr. S.K Chemoiwa**

**Principal/ Governing Council Secretary**

**28<sup>th</sup> November 2025**



## **12 Statement of Governing Council Members' Responsibilities**

Section 81 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013) require the board of governance to prepare financial statements in respect of that Institute, which give a true and fair view of the state of affairs of the Institute at the end of the financial year/period and the operating results of the Institute for that year. The board of governance are also required to ensure that the Institute keeps proper accounting records which disclose with reasonable accuracy the financial position of the Institute.

The board of governance are also responsible for safeguarding the assets of the Polytechnic.

The council members are responsible for the preparation and presentation of Polytechnic's financial statements, which give a true and fair view of the state of affairs of the Institute for and as at the end of the financial year (period) ended on June 30, 2025.

This responsibility includes: -

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time of the financial position of the Institute
- (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) Safe guarding the assets of the Institute
- (v) Selecting and applying appropriate accounting policies
- (vi) Making accounting estimates that are reasonable in the circumstances.

The council members accept responsibility for the Institute's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012, the State Corporations Act and the TVET Act.

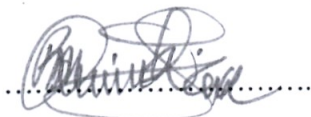
The council members are of the opinion that the Institute's financial statements give a true and fair view of the state of Institute's transactions during the financial year ended June 30, 2025, and of the Polytechnic's financial position as at that date.

The council members further confirm, the completeness of the accounting records maintained for the Polytechnic, which have been relied upon in preparation of the Polytechnic's financial statements as well as the adequacy of the systems of internal financial control.

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

### **Approval of the financial statements**

The Polytechnic's financial statements were approved by the Council on 28th August 2025 and signed on its behalf by: -



**Chairperson of the Council**



**Accounting officer/Principal**

# REPUBLIC OF KENYA

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NAIROBI

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

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Rift Valley National Polytechnic set out on pages 1 to 39 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 effects 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 Rift Valley National Polytechnic 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 Training Act, 2013 (Revised 2014) and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Inaccurate Statement of Changes in Net Assets**

The statement of changes in net assets reflects net assets of an amount of Kshs.2,791,995,686 which includes transfers of depreciation from accumulated surplus to capital funds amounts of Kshs.16,740,392 and negative amount of Kshs.16,740,392 in respect of accumulated and capital funds respectively. However, the amounts were not supported with schedules of the assets depreciated.

In the circumstances, the accuracy and completeness of the net assets of an amount of Kshs.2,791,995,686 as at 30 June, 2025 could not be confirmed.

#### **2. Long Outstanding Receivables**

The statement of financial position reflects receivables from exchange transactions balance of Kshs. 569,669,042 and as disclosed in Note 18 to the financial statements. However, review of the ageing analysis to the Notes in respect of the receivables revealed balance of Kshs.254,697,775 which have been outstanding for over three (3) years. Further, there was no debt management policy. This is contrary to Regulation 64 (1)(a) of the Public Finance Management (National Government) Regulations, 2015 states that an accounting officer and a receiver of revenue are personally responsible for ensuring that adequate safeguards exist and are applied for the prompt collection and proper accounting for, all national government revenue and other public moneys relating to their Ministries, departments or agencies.

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

In the circumstances, the accuracy, completeness and recoverability of the receivables from exchange transactions balance of Kshs. 254,697,775 as at 30 June, 2023 could not be confirmed

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Rift Valley National Polytechnic Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe

that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs. 1,229,985,000 and Kshs 961,273,237 respectively resulting to a shortfall of Kshs 268,71,763 or 22% of the budget. Similarly, the statement reflects actual expenditure of an amount of Kshs 806,969,850 against an actual receipt of Kshs.961,273,237 resulting to an under-utilization of Kshs.154,303,387 or 16% of the actual receipts.

Under-funding and under-utilization negatively affect the day-to-day operations of the institution and planned activities and 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 effects 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.

My opinion is not modified in respect of this matter

### **Other Matter**

#### **Unresolved Prior Year Matters**

In the prior years' audit reports, thirteen (13) issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the Polytechnic in 2024/2025 revealed that the following thirteen (13) issues remained unresolved:

<b>No.</b>	<b>Financial Year</b>	<b>Audit Issue</b>
1.	2023/2024	Irregularities in the Rendering of Services – Fees from Students
2.	2023/2024	Unsupported Expenditure on Staff Training
3.	2023/2024	Unsupported Repairs and Maintenance Expenses
4.	2023/2024	Unsupported Cash and Cash Equivalents Balance
5.	2023/2024	Unsupported Motor Vehicles Balance
6.	2023/2024	Budgetary Control and Performance
7.	2023/2024	Lack of an Approved Strategic Plan
8.	2023/2024	Lack of Ownership Documents
9.	2023/2024	Payroll Deductions in Excess of Two-thirds of Basic Pay

*Report of the Auditor-General on Rift Valley National Polytechnic for the year ended 30 June, 2025*

No.	Financial Year	Audit Issue
10.	2023/2024	Understaffing of the Internal Audit Department
11.	2023/2024	Lack of a Risk Management and Fraud Policy
12.	2023/2024	Lack of Updated Fixed Asset Register
13.	2023/2024	Lack of an Approved Staff Establishment

### Other Information

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

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

### REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

#### Conclusion

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

#### Basis for Conclusion

##### 1. Lack of Ownership Documents

The statement of financial position reflects property, plant and equipment balance of Kshs.2,176,078,603 and as disclosed in Note 22 to the financial statements. The balance includes land measuring approximately two hundred (200) acres valued at Kshs. 1,080,000,000. However, the land ownership documents including title deeds were not provided for audit review. This is in breach of Section 26. (1) of the Land Registration Act, 2012 states that the certificate of title issued by the Registrar upon

registration, or to a purchaser of land upon a transfer or transmission by the proprietor shall be taken by all courts as prima facie evidence that the person named as proprietor of the land is the absolute and indefeasible owner.

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

## **2. Non-Compliance with Ethnic Composition in Recruitment of Staff**

Review of human resource records including appointment records for the polytechnic staff revealed that, out of a total of 414 staff members, only 80 were not from the dominant ethnic community. This is contrary to Section 7(2) of the National Cohesion and Integration Act states that no public establishment shall have more than one third of its staff from the same ethnic community.

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

## **3. Payroll Deductions in Excess of Two-thirds of the Basic Pay**

Review of the monthly payrolls for the administration staff revealed that a total of twelve (12) officers earned net pay lower than a third of their basic salary at some point during the year under review. This is contrary to Section C.1 (3) of Human Resource Policies and Procedures Manual for the Public Service (2016) states that public officers shall not over-commit their salaries beyond two thirds (2/3) of their basic salaries and Heads of Human Resource Units should ensure compliance.

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

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

## **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

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

### **Basis for Conclusion**

#### **Fees Paid into Wrong Accounts**

The statement of financial position reflects receivables from exchange transactions balance of Kshs. 569,669,042 which includes balance of Kshs.556,218,949 in respect of student debtors and as disclosed in Note 18 to the financial statements. However,

review of the student fees records revealed unallocated fees in respect of incorrect student registration numbers, years of study and payable fees. However, there were no Council Minutes explaining measures put in place to prevent and/or minimize instances of unreconciled student fees.

In the circumstances, the effectiveness of internal controls in student fees could not be confirmed.

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

### **Responsibilities of the Management and Governing Council**

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

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

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

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

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

### **Auditor-General's Responsibilities for the Audit**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial

statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**08 December, 2025**


**Rift Valley National Polytechnic**  
**Annual Report and Financial Statements for The Year Ended 30 June 2025**

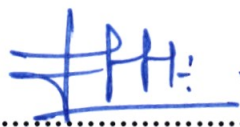
**14 Statement of Financial Performance for the Year Ended 30 June 2025**

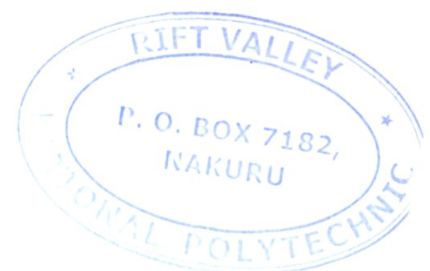
	Notes	2024/2025	2023/2024
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the National Government – grants/ gifts in kind	6	273,864,067	124,892,547
Capital donations	7	15,000,000	-
<b>Total Revenue from non-exchange transactions</b>		<b>288,864,067</b>	<b>124,892,547</b>
<b>Revenue from exchange transactions</b>			
Rendering of services- Fees from students	8	562,578,343	545,212,270
Sale of goods	9	85,261,700	68,449,715
Rental income	10	1,993,970	946,271
Other income	11	22,575,158	19,119,049
<b>Revenue from exchange transactions</b>		<b>672,409,171</b>	<b>633,727,305</b>
<b>Total revenue</b>		<b>961,273,237</b>	<b>758,619,852</b>
<b>Expenses</b>			
Use of goods and services	12	613,565,394	526,925,447
Employee costs	13	156,042,386	149,763,267
Depreciation and amortization expense	14	45,427,955	42,311,473
Repairs and maintenance	15	27,930,720	44,476,369
Remuneration of the council members	16	9,431,350	4,713,511
Lease amortization charge	27 (iii)	7,411,428	-
Lease interest charge	27(iv)	2,891,346	-
<b>Total expenses</b>		<b>862,700,579</b>	<b>768,190,067</b>
<b>Net Surplus for the year</b>		<b>98,572,658</b>	<b>(9,570,215)</b>

The notes set out on pages'6 to 36 form an integral part of the Annual Financial Statements.

Sign   
**Dr. Richard Moindi**  
**Chairman Council**  
**Date: 28<sup>th</sup> November 2025**

Sign   
**Susan Koech**  
**Finance Officer**  
**Date: 28<sup>th</sup> November 2025**

Sign   
**S.K. Chemoiwa**  
**Chief Principal**  
**Date: 28<sup>th</sup> November 2025**





15 Statement of Financial Position as at 30 June 2025

	Notes	2024/2025	2023/2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	17	183,847,623	215,471,644
Receivables from exchange transactions	18	569,669,042	526,132,779
Receivables from non-exchange transactions	19	12,140,944	1,596,251
Inventories	20	8,324,798	8,762,094
<b>Total Current Assets</b>		<b>773,982,407</b>	<b>751,962,768</b>
<b>Non-current assets</b>			
Biological assets	21	7,521,000	6,939,500
Property, plant and equipment	22	2,176,078,603	2,168,195,605
Intangible assets	23	9,200,000	
Right of use asset	27 (i)	22,234,285	
<b>Total Non-current Assets</b>		<b>2,215,033,888</b>	<b>2,175,135,105</b>
<b>Total assets</b>		<b>2,989,016,295</b>	<b>2,927,097,873</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	24	268,693	236,263
Deferred income	25	116,502,048	189,239,411
Refundable deposits from customers	26	36,704,009	44,199,171
Lease liability	27 (ii)	43,545,859	
<b>Total Current Liabilities</b>		<b>197,020,609</b>	<b>233,674,845</b>
<b>Non-current liabilities</b>			
<b>Total liabilities</b>		<b>197,020,609</b>	<b>233,674,845</b>
<b>Capital and Reserves</b>			
<b>Reserves</b>			
Accumulated surplus	28	901,431,077	786,118,027
Capital Grants	30	750,663,523	767,403,915
Revaluation reserve	29	1,139,901,086	1,139,901,086
<b>Total Reserves</b>		<b>2,791,995,686</b>	<b>2,693,423,028</b>
<b>Total Liabilities and Reserves</b>		<b>2,989,016,295</b>	<b>2,927,097,873</b>

The Financial Statements set out on pages 1 to 36 were signed on behalf of the Council by: -

Sign   
Dr. Richard Moindi  
Chairman Council  
Date: 28<sup>th</sup> November 2025

Sign   
Susan Koech  
Finance Officer  
Date: 28<sup>th</sup> November 2025

Sign   
S.K. Chemoiwa  
Chief Principal  
Date: 28<sup>th</sup> November 2025



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

	Notes	Revaluation reserve	Accumulated surplus	Capital Grants	Total
		Kshs.	Kshs.	Kshs.	Kshs.
<b>At July 1, 2023</b>		<b>1,139,901,086</b>	<b>777,087,807</b>	<b>786,004,350</b>	<b>2,702,993,243</b>
Surplus for the year		-	(9,570,215)	-	(9,570,215)
Transfer of depreciation from accumulated surplus to capital fund		-	18,600,435	(18,600,435)	-
<b>At June 30, 2024</b>		<b>1,139,901,086</b>	<b>786,118,027</b>	<b>767,403,915</b>	<b>2,693,423,028</b>
<b>At July 1, 2024</b>		<b>1,139,901,086</b>	<b>786,118,027</b>	<b>767,403,915</b>	<b>2,693,423,028</b>
Surplus for the year		-	98,572,658	-	98,572,658
Transfer of depreciation from accumulated surplus to capital fund	31	-	16,740,392	(16,740,392)	-
<b>At June 30, 2025</b>		<b>1,139,901,086</b>	<b>901,431,077</b>	<b>750,663,523</b>	<b>2,791,995,686</b>

17 Statement of Cash flows for the Year ended 30 June 2025

		2024/2025	2023/2024
	Note	Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
<b>Transfers from other National Government entities</b>		273,864,067	124,892,547
Rendering of services- fees from students		542,726,939	526,207,599
Sale of goods		85,261,700	68,449,715
Rental income		1,993,970	946,271
Staff advances recovered		377,150	-
Funds received for Subukia		21,999,312	-
Funds received for Njoro TVC		-	3,281,193
Other income		22,575,158	19,119,049
Caution Fees received		3,000	1,500
KUCCPs funds received		(13,922,669)	-
Prepaid fees		(84,871,177)	40,520
Student deposits received		6,424,507	2,092,781
<b>Total Receipts</b>		<b>856,431,956</b>	<b>745,031,175</b>
<b>Payments</b>			
Compensation of employees		156,042,386	149,763,267
Use of goods and services		613,296,701	533,879,465
Board expenses		9,431,350	4,713,511
Repairs and maintenance		27,930,720	44,476,369
Payment to Subukia TVC		26,565,503	1,279,000
Payment to Njoro TVC		7,042,100	3,598,444
Creditors paid during the year		236,263	290,400
<b>Total Payments</b>		<b>840,545,023</b>	<b>738,000,456</b>
Net cash flows (used in)/ from operating activities	32	<b>15,886,933</b>	<b>7,030,719</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment	22	(38,310,954)	(51,123,483)
Purchase of intangible assets	23	(9,200,000)	-
Net cash flows used in investing activities		(47,510,954)	(51,123,483)
Net decrease in cash and cash equivalents		(31,624,021)	(44,092,764)
Cash and cash equivalents at start of period		215,471,644	259,564,408
<b>Cash and cash equivalents at end of year</b>	<b>17</b>	<b>183,847,623</b>	<b>215,471,644</b>
Cash and cash equivalents as per the Balance Sheet		<b>183,847,623</b>	<b>215,471,644</b>

**Reconciliation between the statement of financial performance and statement of cash flows**

<b>Total income as per the statement of financial performance</b>	<b>961,273,237</b>
Less: income receivable (increase in debtors)	(46,985,219)
Add: Staff advances recovered	377,150
Add: Funds received for Subukia	21,999,312
Add: Caution Fees received	3,000
Less: KUCCPs funds paid back	(13,922,669)
less: Prepaid fees from prior year now utilized	(84,871,177)
Add: fees paid in advance	12,133,814
Add: Student deposits received	6,424,507
<b>Total receipts as per statement of cash flows</b>	<b>856,431,955</b>

<b>Total expenses as per the statement of financial performance</b>	<b>862,700,579</b>
Less: depreciation	(45,427,955)
Less: lease amortization	(7,411,428)
Less: Interest on lease	(2,891,346)
Less: expenses payable	(268,693)
prior year payables	236,263
Add: Payment to Subukia TVC	26,565,503
Add: Payment to Njoro TVC	7,042,100
<b>Total payments as per statement of cash flows</b>	<b>840,545,023</b>

18 Statement of Comparison of Budget & Actual amounts for the year ended 30 June 2025

	Original annual Budget	Adjustments	Final Annual Budget	Actual on a comparable basis	Budget utilization difference	% of Utilization	
	2024-2025	2024-2025	2024-2025	2024-2025	2024-2025		
	A	B	C=(a+b)	D	E=c-d	F=d/c	
<b>Revenue</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>		
Transfers from government - Capitation	322,100,000		322,100,000	155,257,625	166,842,375	48%	i
Transfers from government - Scholarships	200,000,000		200,000,000	118,606,442	81,393,558	59%	ii
Capital donations	-		-	15,000,000	(15,000,000)	-100%	
Rendering of services- Fees from students	621,583,500		621,583,500	562,578,343	59,005,158	91%	
Sale of Goods	60,871,500		60,871,500	85,261,700	(24,390,200)	140%	iii
Rental Income	1,200,000		1,200,000	1,993,970	(793,970)	166%	iv
Other Income	24,230,000		24,230,000	22,575,158	1,654,842	93%	
<b>Total income</b>	<b>1,229,985,000</b>		<b>1,229,985,000</b>	<b>961,273,237</b>	<b>268,711,763</b>		
<b>Expenses</b>			-				
Compensation of employees	205,877,700		205,877,700	156,042,386	49,835,314	76%	v
Use of Goods and services	673,258,445		673,258,445	613,565,394	59,693,051	91%	
Repairs and maintenance	29,950,000		29,950,000	27,930,720	2,019,280	93%	
Remuneration of directors	9,640,000		9,640,000	9,431,350	208,650	98%	
<b>Total expenditure</b>	<b>918,726,145</b>		<b>918,726,145</b>	<b>806,969,850</b>	<b>111,756,295</b>		
<b>Surplus for the period</b>	<b>311,258,855</b>		<b>311,258,855</b>	<b>154,303,387</b>	<b>156,955,468</b>		
<b>Capital expenditure</b>	<b>311,258,855</b>		<b>311,258,855</b>	<b>38,310,954</b>	<b>272,947,901</b>	12%	vi
<b>Surplus for the period after capital expenditure</b>	<b>-</b>		<b>-</b>	<b>115,992,433</b>	<b>115,992,433</b>		

**Reconciliation of the surplus**

Surplus as per the statement of financial performance	98,572,658
Add back depreciation which is non cash	45,427,955
Add back lease amortization which is non cash	7,411,428
Add back lease interest charges	2,891,346
Less: capital expenditure not included in financial performance	(38,310,954)

**Surplus per the statement of budget vs actual**

**115,992,433**

**Notes on variances**

- i& ii. The under-utilization is due to un-remittance of capitation and scholarship by government
- iii. The high sales are due to increased seminars and workshops during the year
- iv. The high rental income is due to increase in hire of facilities during the year
- v. The polytechnic was not able to hire more employees as budgeted due lack of remittance of funds by the government.
- vi. The Polytechnic was not able to undertake all the capital projects due to limited funds.



## **19 Notes to the Financial Statements**

### **1. General information**

Rift Valley National Polytechnic is established by and derives its authority and accountability from the TVET Act 2013. The Institute is wholly owned by the Government of Kenya and is domiciled in Kenya. The Institute's principal activity is to offer technical skills and knowledge.

### **2. Statement of compliance and basis of preparation**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Institute's 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 5.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Institute.

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

### 3. Adoption of New and Revised Standards

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

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	<b>Applicable 1<sup>st</sup> January 2025</b> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. <b><i>The Polytechnic has adopted IPSAS 43 and, as a result, has recognized both the lease liability and the Right of Use assets.</i></b>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<b>Applicable 1<sup>st</sup> January 2025</b> 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. <b><i>There is no impact impact of the standard to the Entity</i></b>
IPSAS 45: Property Plant and Equipment	<b>Applicable 1<sup>st</sup> January 2025</b> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets. <b><i>There is no impact of the standard to the Entity</i></b>
IPSAS 46:	<b>Applicable 1<sup>st</sup> January 2025</b>

Measurement	<p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ol> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>There is no impact of the standard to the Entity</i></p>
IPSAS 47: Revenue	<p><b>Applicable 1<sup>st</sup> January 2026</b></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><i>There is no impact of the standard to the Entity</i></p>
IPSAS 48: Transfer Expenses	<p><b>Applicable 1<sup>st</sup> January 2026</b></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><i>There is no impact of the standard to the Entity</i></p>
IPSAS 49: Retirement Benefit Plans	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>There is no impact of the standard to the Entity</i></p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><b>Applicable 1<sup>st</sup> January 2027</b></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> </ol>

	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul> <p style="color: red; text-align: center;"><i>There is no impact of the standard to the Entity</i></p>
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**iii. Early adoption of standards**

RVNP has early adopted both IPSAS 43 on Leases and IPSAS 45 on Property, plant and equipment and as a result, has recognized both the lease liability and the Right of Use assets in line with IPSAS 43 and capital donation income in line with IPSAS 45.

#### **4. Summary of Significant Accounting Policies**

##### **a) Revenue recognition**

##### **i) Revenue from non-exchange transactions**

##### **Transfers from other government entities**

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

##### **ii) Revenue from exchange transactions**

##### **Rendering of services**

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

##### **Sale of goods**

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

##### **Interest income**

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

##### **Rental income**

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

**a) Budget information**

The original budget for FY 2024/2025 was approved by the council in 28<sup>th</sup> June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities.

The Institute'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.

**b) Taxes**

**i) Current income tax**

RVNP is exempt from paying taxes.

**ii) 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.

**c) Property, plant and equipment**

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

Depreciation on all other assets is calculated on the reducing balance basis method to write down the cost of each asset, or the revalued amount, to its

residual value over its estimated useful life using the following annual rates:

	<u>Rate %</u>
Buildings	2
Plant and machinery	10
Motor vehicles	25
Furniture and fittings	12.5
Computers	30
Bakery, office equipment and farm implements	20
Borehole	2

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating profit/loss. On disposal of revalued assets, amounts in the revaluation reserve relating to that asset is transferred to retained earnings in the statement of changes in equity.

#### **d) Leases**

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

#### **e) Intangible assets**

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in

surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is 5 years.

**f) Research and development costs**

The Institute expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Institute 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.

**g) Financial instruments**

**h) Financial assets**

• **Initial recognition and measurement**

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Institute determines the classification of its financial assets at initial recognition.

• **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

• **Held-to-maturity**

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Institute has the positive intention and ability

to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

- **Impairment of financial assets**

The Institute assesses at each reporting date whether there is objective evidence that a financial asset or an Institute of financial assets is impaired. A financial asset or a Institute of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the Institute of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or an Institute of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

**ii) financial liabilities**

- **Initial recognition and measurement**

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Institute determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

- **Loans and borrowing**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

**i) Inventories**

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

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

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

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

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 Institute.

**j) Provisions**

Provisions are recognized when the Institute 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 Institute 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 Institute 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.

**k) Nature and purpose of reserves**

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

**l) Changes in accounting policies and estimates**

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

**m) Employee benefits**

• **Retirement benefit plans**

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

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

**n) 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.

**o) Related parties**

The Institute regards a related party as a person or an Institute with the ability to exert control individually or jointly, or to exercise significant influence over the Institute, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO/principal, senior managers and Rift Valley Institute of Science and Technology production unit which is a 100% subsidiary of RVNP.

**p) 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.

**q) Comparative figures**

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

**r) Biological assets**

The biological assets have been stated at their fair values less estimated point-of-sale costs. The fair value is determined based on market prices.

**s) Subsequent events**

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



**5. Significant Judgments and Sources of Estimation Uncertainty**

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

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Institute 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 Institute. 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 Institute
- 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

Notes to the Financial Statements (Continued)

6. Transfers from National Government Ministries

Description	2024-2025	2023-2024
	KShs	KShs
<b>Unconditional grants</b>		
Capitation	155,257,625	114,424,500
Scholarships	118,606,442	10,468,047
<b>Total Government grants and subsidies</b>	<b>273,864,067</b>	<b>124,892,547</b>

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognized in capital fund.	Total grant income during the year	Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
State department of Vocational and Training	273,864,067	-	-	273,864,067	124,892,547
<b>Total</b>	<b>273,864,067</b>	<b>-</b>	<b>-</b>	<b>273,864,067</b>	<b>124,892,547</b>

**Note:** The scholarships relate to Government funding for the students who joined from September 2023 under the new funding model. Capitation is only for the students who were admitted before September 2023.

7. Capital donations

Description	2024-2025	2023-2024
	KShs	KShs
Computers donated by the government under Jitume digital project	15,000,000	-
<b>Total Capital donations</b>	<b>15,000,000</b>	<b>-</b>

8. Rendering of Services

Description	2024-2025	2023-2024
	KShs	KShs
Facilities and materials	105,348,798	104,203,244
Tuition fees	367,337,543	367,049,399
Activity fees	34,056,376	33,023,186
Registration	7,889,994	2,020,434
Examination income	47,945,632	38,916,007
<b>Total Rendering of Services</b>	<b>562,578,343</b>	<b>545,212,270</b>

### 9. Sale of Goods

Description	2024-2025	2023-2024
	KShs	KShs
Boarding	30,063,008	21,132,354
Afforestation	19,715	65,440
Agribusiness	819,345	815,810
Garden income	491,595	1,231,030
Bakery unit	3,131,330	3,348,172
Driving school	3,241,105	2,368,230
Dairy	452,620	441,540
Farm	-	1,999,500
Welding	950,000	4,160,700
Pig/Sheep Production Unit	20,000	424,370
Carpentry	1,000	3,000
Seminars and catering	46,065,982	32,459,569
Tractor income	6,000	-
<b>Total Sale of goods</b>	<b>85,261,700</b>	<b>68,449,715</b>

### 10. Rental Revenue from Facilities and Equipment

Description	2024-2025	2023-2024
	KShs	KShs
Hire of Buses	1,172,922	576,062
Hire of facility	263,033	45,000
Hire of gowns	48,171	-
Rental Houses & Safari-com booster	420,244	189,959
RVNP Nursery	89,600	135,250
<b>Total rentals</b>	<b>1,993,970</b>	<b>946,271</b>

### 11. Other Income

Description	2024-2025	2023-2024
	KShs	KShs
Medical	10,746,769	3,719,998
T-shirts	6,500	19,950
Contingent Income	24,500	549,816
Misc-Collection	587,380	480,530
Centre Fees	5,571,849	4,333,174
Graduation	4,863,040	3,732,656
Tender	-	2,000
Jitume	44,000	155,500
Fair value gain on biological assets	581,500	2,175,100
KETTISO Games	-	2,573,875
Tvet fair income	-	1,376,450
WCK Card -Hats	2,000	-
F&B training	147,620	-
<b>Total other income</b>	<b>22,575,158</b>	<b>19,119,049</b>

Notes to the Financial Statements (Continued)

12. Use of Goods and Services

Description	2024-2025	2023-2024
	KShs	KShs
Electricity and Water	9,093,069	9,910,762
Admin expenses	12,265,418	15,017,541
Accommodation Prod Unit	8,315,275	21,059,441
Activity	12,552,143	11,903,043
Tuition	122,828,349	117,235,007
Boarding	40,067,261	37,916,593
Afforestation Project	-	1,151,500
Garden expenses	356,250	498,515
Attachment	7,204,404	6,311,240
Agribusiness	3,094,977	-
Bakery Unit	2,727,283	2,043,900
Bank Charges	762,506	841,085
Contingencies	786,250	834,500
Dairy Unit	1,129,761	3,139,945
Farm expenses	60,000	3,419,660
Exams Material fee	49,191,539	54,056,424
Cleaning services Town Campus	1,800,000	2,894,334
Licenses & Statutory Charges	240,000	120,000
Local transport and travel	40,983,735	38,232,001
Medical	3,281,001	2,309,634
Postage & Registration	47,394	451,608
Publicity & Advertising	10,314,591	9,971,690
Rent expenses	13,801,692	13,127,216
Student ID expense	-	1,360,885
Student Union	7,923,296	5,755,194
Graduation Expense	11,432,579	8,591,846
Guidance & Counselling	154,000	51,353
ASK Show	1,793,739	1,851,523
Fire Fighting equipment & Services	139,473	453,908
Printing & Stationery	11,676,362	6,560,217
Community Outreach	504,452	-
Newspaper & Periodicals	526,103	384,560
Telephone & Tel Ext.	1,310,000	1,991,892
Staff Uniform & Protective gear	71,980	270,495
Membership & Subscription	127,200	68,500
Poultry Unit	-	3,180
TIVET Fair	-	1,016,710
Legal Fees	1,185,875	4,000
ISO Processes	382,952	535,657

**Rift Valley National Polytechnic**  
**Annual Report and Financial Statements for The Year Ended 30 June 2025**

Garment Production Unit	26,490	807,389
Cutlery & Utensils	99,947	-
Welding expenses	5,262,400	587,000
Human Resource Development	9,523,895	17,373,025
RVNP nursery expense	438,450	79,640
Research and development	269,300	-
Science technology & innovation	4,788,150	8,545,496
Centre expenses	4,021,675	7,007,895
Insurance expense	5,925,561	4,013,405
Satellite campus expense	-	21,640
Collaborations and strategic Alliance	2,799,042	443,408
Examination fee expense	135,948,157	103,986,190
KATTI Games	-	2,514,250
NITA Levy	-	200,550
PC Expenses, Policies, Manuals & Guidelines	11,338,609	-
Seminars and Catering	15,278,498	-
IGA Honoraria	8,348,893	-
ICT Expenses	19,254,023	-
RVNP Alumni Association	925,000	-
Library	78,694	-
Sponsorship	98,900	-
Computer lease expense for 2023/2024	11,008,800	-
<b>Total good and services</b>	<b>613,565,394</b>	<b>526,925,447</b>

**13. Employee Costs**

	<b>2024-2025</b>	<b>2023-2024</b>
	<b>KShs</b>	<b>KShs</b>
Salaries and wages	135,028,310	120,790,099
Facilitators allowance	18,884,454	26,416,608
NITA Levy	229,350	-
Gratuity & staff benefits	1,900,272	2,556,560
<b>Total Employee costs</b>	<b>156,042,386</b>	<b>149,763,267</b>

**14. Depreciation and Amortization Expense**

<b>Description</b>	<b>2024-2025</b>	<b>2023-2024</b>
	<b>KShs</b>	<b>KShs</b>
Property, plant and equipment	45,427,955	42,311,473
<b>Total depreciation and amortization</b>	<b>45,427,955</b>	<b>42,311,473</b>

**15. Repairs and Maintenance**

<b>Description</b>	<b>2024-2025</b>	<b>2023-2024</b>
	<b>KShs</b>	<b>KShs</b>
Buildings repairs	22,304,181	40,526,391
Motor vehicles repairs	5,626,539	3,949,978
<b>Total Repairs and Maintenance</b>	<b>27,930,720</b>	<b>44,476,369</b>

#### 16. Remuneration of council members

Description	2024-2025	2023-2024
	KShs	KShs
Chairman honoraria	840,000	-
Other council allowances	8,591,350	4,713,511
<b>Board allowances</b>	<b>9,431,350</b>	<b>4,713,511</b>

#### 17. Cash and Cash Equivalents

Description	2024-2025	2023-2024
	KShs	KShs
Current account	183,654,932	215,463,285
Others (Cash on hand)	9,691	1,201
Pay Bill (M - Pesa) No.557642	183,000	7,158
<b>Total cash and cash equivalents</b>	<b>183,847,623</b>	<b>215,471,644</b>

#### (a) Detailed Analysis of Cash and Cash Equivalents

Financial institution	Account number	KShs	KShs
Family	18000058186	457,071	388,280
Access Bank Kenya Ltd	0040100000246	884,214	1,734,534
KCB	1101786221	2,603,744	571,673
Equity	1460261269263	45,703,689	24,095,876
COOP – KESSP	01139087643400	1,063,598	7,910
COOP Development	01136087643401	13,952,213	8,754,540
COOP Current Account	01136087643400	16,477,916	268,170
COOP Savings Account	01100087643400	33,390,622	53,390,909
COOP-Collection Account	01129087643400	69,121,865	126,251,394
<b>Sub-Total</b>		<b>183,654,932</b>	<b>215,463,285</b>
Cash -in –Hand		9,691	1,201
M-pesa Pay Bill	557642	183,000	7,158
<b>Sub-Total</b>		<b>192,691</b>	<b>8,359</b>
<b>Total</b>		<b>183,847,623</b>	<b>215,471,644</b>

#### 18. Receivables from Exchange Transactions

Description	2024-2025	2023-2024
	KShs	KShs
<b>Current receivables</b>		
Student debtors	556,218,949	519,915,629
Rent deposit	2,176,000	2,176,000
Other exchange debtors	10,244,346	3,893,800
Prepaid expenses	505,247	-
Advances	524,500	147,350
<b>Total current receivables</b>	<b>569,669,042</b>	<b>526,132,779</b>

c) Ageing Analysis of Receivables from Exchange transactions

Description	FY 2024/2025		FY 2023/2024	
	Kshs	%	Kshs	%
Less than 1 year	6,294,947	1%	7,471,266	1%
Between 1- 2 years	158,619,398	28%	145,553,956	28%
Between 2-3 years	150,056,922	26%	130,056,922	25%
Over 3 years	254,697,775	45%	243,050,635	46%
<b>Total</b>	<b>569,669,042</b>	<b>100%</b>	<b>526,132,779</b>	<b>100%</b>

19. Receivable from non-exchange transactions

Description	2024-2025	2023-2024
	KShs	KShs
<b>Receivable from mentees</b>		
<b>Njoro Technical Training Institute</b>		
At start of period	(317,251)	-
Receipts from the state department	-	3,281,193
Funds transferred to Njoro TTI by RVNP	(5,542,100)	(2,754,544)
Expenses on-behalf of Njoro TVC and transfers to Njoro TTI in Q3	(1,500,000)	(843,900)
	<b>(7,042,100)</b>	<b>(3,598,444)</b>
At end of period	<b>(7,359,351)</b>	<b>(317,251)</b>
<b>Subukia TTI</b>		
At start of period	(1,279,000)	-
Receipts from the state department for Subukia TVC in Q1 to Q4	21,999,312	-
Expenses on-behalf of Subukia TVC and transfers to Subukia TVC in Q1 to Q3		(1,279,000)
Expenses on-behalf of Subukia TVC and transfers to Subukia TVC in Q4	(26,565,503)	-
Total transfers to and expenses for Subukia	<b>(26,565,503)</b>	<b>(1,279,000)</b>
Add: Payable to Subukia being Subukia bank balance held in RVNP bank account - KESSEP	1,063,598	
At end of period	<b>(4,781,593)</b>	<b>(1,279,000)</b>
<b>Total receivable from third parties (mentees)</b>	<b>(12,140,944)</b>	<b>(1,596,251)</b>

**20. Inventories**

<b>Description</b>	<b>2024-2025</b>	<b>2023-2024</b>
	<b>KShs</b>	<b>KShs</b>
Stationery	678,036	4,702,923
Perishables	5,859,726	2,898,865
House keeping	334,402	663,335
Hardware	449,741	197,245
Lubricants	184,466	90,896
Electrical materials	818,427	208,830
<b>Total Inventories</b>	<b>8,324,798</b>	<b>8,762,094</b>

**21. Biological Assets**

<b>Description</b>	<b>2024-2025</b>	<b>2023-2024</b>
	<b>KShs</b>	<b>KShs</b>
Cows	6,196,000	5,010,000
Calves	280,000	380,000
Sheep	507,000	1,090,000
Pigs	538,000	459,500
<b>Total Biological assets</b>	<b>7,521,000</b>	<b>6,939,500</b>

Rift Valley National Polytechnic  
Annual Report and Financial Statements for The Year Ended 30 June 2025

Notes to the Financial Statements (Continued)

22. Property, Plant and Equipment

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 Index Africa Limited professional valuers on July 2021. These amounts were adopted in the financial statements on 30<sup>th</sup> June 2022.

	Land	Buildings	Borehole and steel tank	Pave ways and parking	Motor vehicles	Computers and Accessories	Office Equipment & Furnitures	Plant and machinerites and generator	Bakery equipment	Other office equipment	W.I.P	Total
Cost	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
	0%	2%	2%	5%	25%	30%	12.5%	10%	20%	20%		
At 30th June 2023	1,080,000,000	917,107,168	14,679,954	20,236,108	60,099,099	8,509,500	51,195,505	69,165,000	814,000	8,082,020	38,313,270	2,268,201,624
Additions		47,053,982			-	-	4,069,500					51,123,482
At 30th June 2024	1,080,000,000	964,161,150	14,679,954	20,236,108	60,099,099	8,509,500	55,265,005	69,165,000	814,000	8,082,020	38,313,270	2,319,325,106
Additions		21,371,699	6,621,253	2,123,383	-	4,451,019	3,743,600	-	-	-		38,310,954
Transfer of WIP		38,313,270	-	-	-	-	-	-	-	-	(38,313,270)	-
Capital donations						15,000,000						15,000,000
At 30th June 2025	1,080,000,000	1,023,846,119	21,301,207	22,359,491	60,099,099	27,960,519	59,008,605	69,165,000	814,000	8,082,020	-	2,372,636,060
<b>Comprising</b>												
Cost	600,000,000	442,137,924	21,301,207	22,359,491	60,099,099	23,723,019	31,625,631	356,700,000	6,734,000	14,580,000	-	1,579,260,370
Valuation	480,000,000	581,708,196	-	-	-	4,237,500	27,382,974	(287,535,000)	(5,920,000)	(6,497,980)	-	793,375,690
	1,080,000,000	1,023,846,120	21,301,207	22,359,491	60,099,099	27,960,519	59,008,605	69,165,000	814,000	8,082,020	-	2,372,636,060
<b>Depreciation and impairment</b>												
At 30th June 2023	-	50,592,791	814,967	2,740,927	22,372,993	4,339,845	11,536,238	13,141,350	293,040	2,909,527	-	108,741,680
Depreciation	-	18,271,367	277,300	874,759	9,431,526	1,250,897	5,466,096	5,602,365	104,192	1,034,499	-	42,313,000
At 30th June 2024	-	68,938,980	1,092,267	3,615,686	31,804,520	5,590,742	17,002,334	18,743,715	397,232	3,944,026	-	151,129,502
Depreciation	-	19,098,143	404,179	937,190	7,073,645	6,710,933	5,250,784	5,042,129	83,354	827,599	-	45,427,955
At 30th June 2025	-	88,037,123	1,496,446	4,552,876	38,878,165	12,301,675	22,253,118	23,785,844	480,586	4,771,625	-	196,557,456
Net book values												
At 30th June 2025	1,080,000,000	935,808,996	19,804,761	17,806,615	21,220,934	15,658,844	36,755,487	45,379,157	333,414	3,310,395	-	2,176,078,603
At 30th June 2024	1,080,000,000	895,222,170	13,587,687	16,620,422	28,294,579	2,918,759	38,262,671	50,421,285	416,768	4,137,994	38,313,270	2,168,195,604

Notes to the Financial Statements (Continued)

23. Intangible assets - Work in Progress

Description	2024-2025	2023-2024
	KShs	KShs
Optimum Ultimate ERP	9,200,000	-
<b>Total trade and other payables</b>	<b>9,200,000</b>	<b>-</b>

24. Trade and Other Payables from Exchange Transactions

Description	2024-2025	2023-2024
	KShs	KShs
Trade payables	268,693	236,263
<b>Total trade and other payables</b>	<b>268,693</b>	<b>236,263</b>

Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one month	268,693	100%	236,263	100%
<b>Total (to tie to totals deposits above)</b>	<b>268,693</b>	<b>100%</b>	<b>236,263</b>	<b>100%</b>

25. Deferred Income

Description	2024-2025	2023-2024
	KShs	KShs
Fees paid in advance	104,368,234	189,239,411
Undistributed funds - control accounts	12,133,814	-
	<b>116,502,048</b>	<b>189,239,411</b>

Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	72,133,814	62%	108,000,948	57%
1-2 years	35,422,451	30%	59,491,571	31%
2-3 years	8,945,783	8%	21,746,892	11%
<b>Total (to tie to totals deposits above)</b>	<b>116,502,048</b>	<b>100%</b>	<b>189,239,411</b>	<b>100%</b>

26. Refundable Deposits from Customers/Students

Description	2024-2025	2023-2024
	KShs	KShs
Caution money	10,147,752	10,144,752
Student deposits	21,580,611	15,156,104
Customers Retention Account	4,174,615	4,174,615
KUCCPs	801,031	14,723,700

<b>Total deposits</b>	<b>36,704,009</b>	<b>44,199,171</b>

	<b>Current FY</b>	<b>% of the Total</b>	<b>Comparative FY</b>	<b>% of the Total</b>
<b>Ageing analysis:</b>				
Under one year	6,427,507	18%	18,786,093	43%
1-2 years	15,156,104	41%	9,491,571	21%
2-3 years	10,945,783	30%	11,746,892	27%
Over 3 years	4,174,615	11%	4,174,615	9%
<b>Total (to tie to totals deposits above)</b>	<b>36,704,009</b>	<b>100%</b>	<b>44,199,171</b>	<b>100%</b>

## 27. Leased computers

The lease agreement between KoTDA and RVNP stipulates that RVNP will pay for 600 computers installed by KoTDA and will lease these assets over a period of five years. The first lease year runs from July 1, 2023, to June 30, 2024. In accordance with IPSAS 43, the policy will be applied prospectively, meaning no adjustments will be made for prior periods.

The year 1-year payment was 11,008,800 using the rate of 152.9 per dollar. For the second year, from July 1, 2024, to June 30, 2025, the average exchange rate is assumed to be KES 129.2 per US dollar. Consequently, the annual lease payment is calculated as follows: 10 (computers) x 600 x 12 (months) x 129.2 = KES 9,302,400. We will assume this as the standard annual payment for the remaining lease period, with the exchange rate reviewed annually. Additionally, payments are made in advance at the beginning of each lease year.

Since the 1st year passed and there was no invoice from the lessor, and also Ipsas 43 was not applicable by then, we will treat the 1st year payment as an accrual. for prior year.

Also, to compute the lease liability and Right of Use Asset, we have assumed the incremental borrowing rate and discount rate of 9.753% which is equivalent to for 365 days Treasury bills rate.

### Present Value

<b>Year</b>	<b>Annual expense</b>	<b>Discount factor</b>	<b>PV</b>
1	9,302,400	0.911136825	8,475,759
2	9,302,400	0.830170315	7,722,576
3	9,302,400	0.756398745	7,036,324
4	9,302,400	0.689182751	6,411,054
<b>Total</b>	<b>37,209,600</b>		<b>29,645,713</b>

**Interest on lease**

Year	Beginning bal. A	Lease payment B	Interest 9.753% C	Ending balance, A-B+C
1	29,645,713	9,302,400	2,891,346	23,234,659
2	23,234,659	9,302,400	2,266,076	16,198,336
3	16,198,336	9,302,400	1,579,824	8,475,759
4	8,475,759	9,302,400	826,641	0.00

**Amortization of the lease**

Year	Opening NBV	Depreciation	Closing NBV
1	29,645,713	7,411,428	22,234,285
2	22,234,285	7,411,428	14,822,856
3	14,822,856	7,411,428	7,411,428
4	7,411,428	7,411,428	-

**Notes to the Financial Statements (Continued)**

**27(i) Right of use asset**

Description	2024-2025	2023-2024
	KShs	KShs
Present Value for the lease	29,645,713	-
Less Annual lease amortization	(7,411,428)	-
Net book Value (ROUA)	<b>22,234,285</b>	-

**27(ii) Lease liability**

Description	2024-2025	2023-2024
	KShs	KShs
Present Value of the lease for four years	29,645,713	-
Add year 1 interest not paid	2,891,346	-
Lease liability as per IPSAS 43	<b>32,537,059</b>	-
Add lease rentals for year 2023/2024 not paid	11,008,800	-
Total lease liability	<b>43,545,859</b>	-

**27(iii) Lease amortization charge**

Description	2024-2025	2023-2024
	KShs	KShs
Present Value of the lease	29,645,713	-
Lease period since the application of IPSAS 43	4	-
	<b>7,411,428</b>	-

27(iv) Lease interest charge

Description	2024-2025	2023-2024
	KShs	KShs
Present Value of the lease	29,645,713	-
Discounted rate	9.753%	-
	<b>2,891,346</b>	

Notes to the Financial Statements (Continued)

28. Accumulated Surplus

Description	2024-2025	2023-2024
	KShs	KShs
At start of year	786,118,027	777,087,807
Surplus/(deficit) for the year	98,572,658	(9,570,215)
-Add: Capital donations charge for the year	16,740,392	18,600,435
<b>At end of year</b>	<b>901,431,077</b>	<b>786,118,027</b>

29. Revaluation Reserve

Description	2024-2025	2023-2024
	KShs	KShs
<b>Land:</b>		
Cost	600,000,000	600,000,000
Revalued amount	1,080,000,000	1,080,000,000
<b>Revaluation reserve</b>	<b>480,000,000</b>	<b>480,000,000</b>
<b>Buildings:</b>		
Cost	251,291,805	251,291,805
Less: depreciation	(11,946,921)	(11,946,921)
Net book value	239,344,884	239,344,884
Revalued amount	833,000,000	833,000,000
<b>Revaluation reserve</b>	<b>593,655,117</b>	<b>593,655,117</b>
<b>Computers</b>		
Cost	4,272,000	4,272,000
Less: depreciation	(3,246,293)	(3,246,293)
Net book value	<b>1,025,707</b>	<b>1,025,707</b>
Revalued amount	8,509,500	8,509,500
<b>Revaluation reserve</b>	<b>7,483,793</b>	<b>7,483,793</b>
<b>Motor vehicles</b>		
Cost	37,990,499	37,990,499
Less: depreciation	(24,862,523)	(24,862,523)
Net book value	13,127,976	13,127,976
Revalued amount	37,990,499	37,990,499
<b>Revaluation reserve</b>	<b>24,862,523</b>	<b>24,862,523</b>
<b>Office Equipment &amp; Furniture</b>		
Cost	12405926	12405926
Less: depreciation	(4,406,627)	(4,406,627)
Net book value	7,999,299	7,999,299
Revalued amount	39,788,900	39,788,900

<b>Revaluation reserve</b>	<b>31,789,601</b>	<b>31,789,601</b>
<b>Other equipment</b>		
Cost	14,580,000	14,580,000
Less: depreciation	(8,608,032)	(8,608,032)
Net book value	5,971,968	5,971,968
Revalued amount	8,082,020	8,082,020
<b>Revaluation reserve</b>	<b>2,110,052</b>	<b>2,110,052</b>
<b>Total Revaluation reserve</b>	<b>1,139,901,086</b>	<b>1,139,901,086</b>

### Notes to the Financial Statements (Continued)

**Note:**

The institution conducted a revaluation of all its assets during the fiscal year 2020/2021, resulting in an overall revaluation reserve of KShs. 1,139,901,086. The provided note outlines the calculation of reserves for assets that experienced an increase in value due to the revaluation.

### 30. Capital Grants

Description	2024-2025		2023-2024	
	KShs	KShs	KShs	KShs
Land cost		600,000,000		600,000,000
Plant and machinery cost	350,000,000		350,000,000	
Less: accumulated depreciation brought forward	(182,596,085)		(163,995,650)	
Less: depreciation for the year on machinery	(16,740,392)		(18,600,435)	
Net book value for donated Plant and machinery		<b>150,663,524</b>		<b>167,403,915</b>
<b>Total capital grants</b>		<b>750,663,524</b>		<b>767,403,915</b>

**Note:**

- ◆ Capital grant reserves pertain to the costs of assets that have been donated by external parties. The depreciation transfer involves moving the depreciation of these donated assets from the accumulated surplus, where the total depreciation is previously recorded through the annual surplus, to the capital grant reserves. This adjustment ensures that the reserve for donated assets is depreciated at the same rate as the donated fixed assets on the balance sheet.
- ◆ The depreciation charge for donated plant and machinery is on reducing balance method and the rate of depreciation is 10%.

Notes to the Financial Statements (Continued)

31. Transfer of Depreciation from accumulated surplus to capital grants

Description	2024-2025	2023-2024
	KShs	KShs
Plant and machinery	350,000,000	350,000,000
Accumulated depreciation Brought forward	(182,596,085)	(163,995,650)
<b>Charge for the year at 10% reducing balance</b>	<b>16,740,392</b>	<b>18,600,435</b>

32. Cash Generated from Operations

	2024/2025	FY/2023/2024
	KShs	KShs
(Deficit) for the period	98,572,658	(9,570,215)
<b>Adjusted for:</b>		
Depreciation and amortisation	45,427,955	42,311,473
Fair value gain on biological assets	(581,500)	(2,175,100)
Capital donations	(15,000,000)	-
Working Capital adjustments		
(Increase) in receivables	(76,315,240)	(51,188,839)
Decrease/(increase) in inventories	437,296	(5,966,558)
(Decrease)/increase in payables	(36,654,236)	33,619,957
Net cash flow from operating activities	<b>15,886,933</b>	<b>7,030,719</b>

33. Financial Risk Management

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

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

(i) Credit risk

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

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for

doubtful receivables, estimated by the Institute's management based on prior experience and their assessment of the current economic environment.

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

<b>At 30 June 2025</b>	<b>Total amount Kshs</b>	<b>Fully performing Kshs</b>	<b>Past due Kshs</b>	<b>Impaired Kshs</b>
Cash and cash equivalents	183,847,623	183,847,623	-	-
Receivables from exchange transactions	569,669,042	331,121,247	238,697,795	-
Receivable from mentored institutions	12,140,944	12,140,944	-	-
<b>Total</b>	<b>765,657,609</b>	<b>527,109,814</b>	<b>238,697,795</b>	<b>-</b>
<b>At 30 June 2024</b>				
Cash and cash equivalents	215,471,644	215,471,644	-	-
Receivables from exchange transactions	526,132,780	7,471,266	518,661,514	-
Receivable from mentored institutions	1,596,251	1,596,251	-	-
<b>Total</b>	<b>743,200,675</b>	<b>224,539,161</b>	<b>518,661,514</b>	<b>-</b>

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

**(ii) Liquidity risk management**

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

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

iii) **Capital Risk Management**

The objective of the Institute's capital risk management is to safeguard the Board's ability to continue as a going concern.

**34. Related Party Balances**

**Nature of related party relationships**

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

**Government of Kenya**

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

- i) The National Government;
- ii) The Parent Ministry;
- iii) Key management;
- i) Board of Governors;
- ii) Rift Valley Institute of Science and Technology Production unit 100% ownership

The transactions and balances with related parties during the year are as

	2024-2025	2023-2024
	Kshs	Kshs
<b>Transactions with related parties</b>		
<b>Grants /Transfers from the Government</b>		
Grants from National Government	273,864,067	124,892,547
Capital donations	15,000,000	-
<b>Total</b>	<b>288,864,067</b>	<b>124,892,547</b>
<b>Key Management Compensation</b>		
Directors' emoluments	9,431,350	4,794,311
Compensation to Key Management	10,513,504	8,513,504
<b>Total</b>	<b>19,944,854</b>	<b>13,307,815</b>
<b>Purchases from related parties</b>		
Purchases of electricity from KPLC	9,093,069	9,886,447

**35. Events After the Reporting Period**

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

**36. Ultimate and Holding Institute**

RVNP is a Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

**37. Currency**

The financial statements are presented in Kenya Shillings (Kshs).

### Appendix 1: Progress on Follow up of Auditor Recommendations

The audit for the 2022/2023 fiscal year had not been completed by the time the financial statements for 2023/2024 were finalized; therefore, there were no issues from the previous year.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
1	Irregularities in the rendering of services - Fees from students Review of a sampled of examination income revealed that some students shared the same student number	The issue of duplicate numbers arose during the transfer of examination income data from the receipting system to Excel, resulting in some student registration numbers being truncated.	Resolved	Finance officer
2	Unsupported expenditure on staff training -Lack of training needs assessment	In the fiscal year 2023/2024, the majority of employee training sessions were prompted by invitations from the Ministry and the National Treasury. However, in the following year, management ensured that each department prepared a training needs assessment for staff training planned during the year.	Resolved	Finance officer
3	Unsupported repairs and maintenance expenses	All the requested supporting documents for repairs and maintenance were availed for verification during the audit	Resolved	Finance officer
4	Unsupported cash and cash equivalents balance - issue of receipts in bank statement not in cashbook	The receipts in the bank statements but not in the cashbook relates to fees paid in the bank by students and full details were not indicated in the bank statement and the students	Resolved	Finance officer

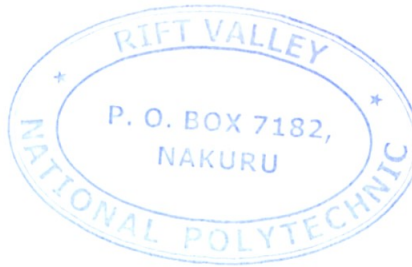
**Rift Valley National Polytechnic**  
**Annual Report and Financial Statements for The Year Ended 30 June 2025**

		have not submitted banking slips for receipting.		
5	Unsupported motor vehicles balance	These assets have not been included in the financial statements because they have been dismantled and are considered obsolete. The cost of valuing them exceeds their potential value for use as parts in training.	Resolved	Finance officer
6	Budgetary control and performance - Lack of notes explaining the variances between the budget and actual	We have included notes on all significant budget overruns or under-runs in relation to the actual figures. For more details, please refer to page 5 of the updated financial statements	Resolved	Finance officer
7	Lack of an approved strategic plan	The strategic plan document was provided for the auditor's review	Resolved	Principal
8	Lack of ownership documents	The council members are in the process of obtaining the Polytechnic land title deed	Unresolved	Principal
9	Payroll deductions in excess of two-thirds of basic pay	Staff have advised to review their loans with financial institutions	Resolved	Principal
10	Under-staffing of the internal audit department	The internal audit department was established during the year under review and the deputy Internal Auditor has been deployed as of 13th March 2025	Resolved	Principal
11	Lack of risk management fraud policy	The fraud management policy which had not been developed by the time of the audit, subsequently has now been developed. Both policies are in place	Resolved	Principal
12	Lack of updated fixed asset register	The management is in the process of ensuring that	Resolved	Finance officer

**Rift Valley National Polytechnic**  
**Annual Report and Financial Statements for The Year Ended 30 June 2025**

		fixed assets register is amended to adhere to the prescribed format.		
13	Lack of an approved staff establishment	Management has initiated the process of preparation of an approved staff establishment	Resolved	Principal

  
 Sign .....  
**S.K. Chemoiwa**  
**Chief Principal**



**Appendix II: Projects Implemented by RVNP**

**Status of Projects completion**

S/ N	NAME OF PROJECT	BUDGET KSh.	TOTAL AMOUNT PAID KSh.	COMP LETIO N RATE (%)
1	Construction of 16 Classrooms	33,000,000	1,614,333	100
2	Construction of 20 Classrooms (Phase 1 & 2)	18,500,000	16,052,542	100
	Ancillary Works at RVIST Health Centre	3,000,000	2,350,610	100
3	Water Tower, Incinerator, Landscaping & Drainage works at Dispensary	1,000,000	858,603	100
4	Proposed Construction of RVIST Health Centre	1,000,000	495,614	100
5	Construction of Two water Bore holes	9,200,000	6,621,253	100
6	Construction of walkways, pavement and cabro work	2,500,000	2,123,383	100
	<b>TOTAL</b>	<b>68,200,000</b>	<b>30,116,338</b>	

**Rift Valley National Polytechnic**  
**Annual Report and Financial Statements for The Year Ended 30 June 2025**

**Appendix III- Inter-Entity Confirmation Letter**

**Rift Valley National Polytechnic**  
**P.O. Box 7182 – 20100**  
**Nakuru**

The *Ministry of Education, Science and Technology, state department Vocational and Technical Training* wishes to confirm the amounts disbursed to you as at 30<sup>th</sup> June 2025 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

<b>Confirmation of amounts received by RVNP as at 30<sup>th</sup> June 2025</b>							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30th June 2025				Amount Received by (KShs) as at 30 <sup>th</sup> June 2025 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
463984	20-Sep-24	19,390,170.40			19,390,170.40	19,390,170.40	-
463985	20-Sep-24	14,377,871.00			14,377,871.00	14,377,871.00	-
464730	20-Sep-24	8,935,562.00			8,935,562.00	8,935,562.00	-
464732	23-Sep-24	167,972.50			167,972.50	167,972.50	-
464747	25-Sep-24	60,470.10			60,470.10	60,470.10	-
468985	24-Sep-24	75,674,395.50			75,674,395.50	75,674,395.50	-
468986	24-Sep-24	28,347,000.00			28,347,000.00	28,347,000.00	-
468987	23-Sep-24	32,193,200.00			32,193,200.00	32,193,200.00	-
		94,717,425			94,717,425	94,717,425	-
<b>Total</b>		<b>273,864,067</b>			<b>273,864,067</b>	<b>273,864,067</b>	-

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

**Head of Accounting department of beneficiary Entity:**

Name Susan Koach ..... Sign [Signature] ..... Date 28th November 2025