

REPUBLIC OF KENYA



*Enhancing Accountability*

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 04 JUN 2024	DAY: TUESDAY
TABLED BY: HON. KIMANI ICHUNGWAH, MP	MAJORITY LEADER
OF: INZOPU	MWALE

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**REPORT**

**THE AUDITOR-GENERAL**

**ON**

**KABETE NATIONAL POLYTECHNIC**

**FOR THE YEAR ENDED  
30 JUNE, 2023**



OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
REGISTRY

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# KABETE NATIONAL POLYTECHNIC

## Annual Report and Financial Statements

For The Year Ended  
30 June 2023

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

**KABETE NATIONAL POLYTECHNIC  
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**I. Acronyms & Glossary of Terms**

EACE	East Africa Certificate of Education
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
KNP	Kabete National Polytechnic
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College
TVET	Technical Vocational Education and Training
NITD	Native Industrial Training Depot
Fiduciary Management	Key management personnel who have financial responsibility in the entity

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**II. Key Polytechnic Information and Management**

**(a) Background information**

Kabete National Polytechnic was established in 1924 as a Native Industrial Training Depot (NITD) offering trade courses. It was later converted into a military barrack to accommodate the 2<sup>nd</sup> World War soldiers (1939 - 1945). After the 2<sup>nd</sup> World War, it reverted to offering Trade courses for Primary level graduates (Standard 8) under the Ministry of Education.

The then trade courses were, Artisan in Masonry and Carpentry, Fitters, Mechanics, Welders and Electricians. These courses took three years. In 1956 a Secondary school section was introduced in addition to the artisan courses. These programmes took five (5) years, one year was meant for orientation and the four years for pursuing a General Certificate of Education (GCE London).

In 1963, the secondary section was transferred to the current Nakuru High on August 2016, issued a legal notice No. 92 known as Kabete National Polytechnic Order, 2016. This gave rise to a new legal Polytechnic known as The Kabete

School and the Technical School remained to offer only Government Trade Tests, which took a duration of two years. From 1968-1972, the Native Industrial Trade Depot (NITD) offered City and Guilds of London Examination and the East Africa Pre-technician Certificate Examination of Kenya. The courses took three years. Later these programmes were stopped and the Technical School adopted a four years' programme on basic Engineering and Building Trade course (unit 820) leading to the former East Africa Certificate of Education (EACE). The last group in this category took their examinations in 1987. In 1985, the school was converted into a Technical Training Institute at the advent of the then 8-4-4 system of education.

In exercising the powers conferred by Section 26(2) of the Technical and Vocational Education and Training Act 2013, the Cabinet Secretary for Education Science and Technology

National Polytechnic with a broader mandate anchored in the laws of the Republic of Kenya.

**Statement of Strategic Intent by the Council**

Kabete National Polytechnic will help in the achievement of the national goals of education as stipulated in the Constitution of Kenya 2010, the Education Act 2012, the TVET Act 2013, the Polytechnic Order 2016, Vision 2030, and

Sector Plan for Science Technology and Innovation through;

- (1) Improved policy and corporate governance for enhancing accountability and decision making.

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| (2) Expanded resource base partnership and linkages.  | (4) Enhanced excellence in resource and infrastructure management.   |
| (3) Improved access, equity, quality, competence-based education and training in certificate and diploma courses. | (5) Increased visibility of Kabete National Polytechnic nationally and globally as a model TVET institution. |

**(b) Principal Activities**

The core business of the Polytechnic is provided for by a legal notice No. 92 for Kabete National Polytechnic known as Kabete National Polytechnic *Order, 2016*. The Notice provides in Part II section 4 (1) the functions and objectives of the Polytechnic, which include;

The objects and functions of the National Polytechnic shall be to: -

1. Provide, directly or in collaboration with other institutions of higher learning, facilities for technical trainers in technological, professional, scientific education;
2. Participate in technological innovation and in the discovery, transmission and enhancement of knowledge for economic, social, cultural, scientific, and technological development;
3. Contribute to industrial and technological development of Kenya, in collaboration with the industry and other organizations, through transfer of technology;
4. Promote and establish a culture of innovation in engineering and technology and technology transfer amongst staff and trainees;
5. Develop an institution with excellence in teaching, training, scholarship, entrepreneurship, research, consultancy, community service, among other educational services and products, with emphasis on technology and its development, impact and application within and outside Kenya;
6. Provide a multi-level system of post-secondary school education and training programmes relevant to the needs of the community, covering a wide range of fields and levels with provision for recognition of prior learning and flexibility of transition between programmes;
7. Provide high quality education, research, residential, commercial, cultural, social, recreational, sporting and other facilities;
8. Advance knowledge and its practical application by research and other means, the dissemination of outcome of research by various means and the commercial exploitation of research results;
9. Promote critical inquiry within the Polytechnic and in the general community;
10. Participate in commercial ventures and activities;
11. Foster the general welfare of all staff and trainees;

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12. Provide opportunities for development and further training for staff of the Polytechnic;
13. Develop and provide educational, cultural, professional, technical and vocational services to the community and in particular, foster corporate social responsibility;
14. Provide programmes, products and services in ways that reflect the principles of equity and social justice;
15. Facilitate Trainees mobility between different programmes at different technical training institutions and other national polytechnics;
16. Conduct examinations and grant such academic awards as may be provided under this Order; and
17. Collaborate with recognized universities for the conduct and award of degree programmes in technology.

**Strategic Objective**

- i. To promote excellence in TVET through creative and innovative curriculum design and development, modern instructional methods, and assessment practices in accordance with the highest quality management principles.
- ii. To
- iii. modernize and develop infrastructural facilities that support services designed around the current and future needs of trainees in all their diversity while maintaining appropriate stewardship of resources and continual growth and expansion of the Polytechnic.
- v. To enhance collaboration and linkages in research and innovation by positioning the Polytechnic to contribute through knowledge to the prosperity, sustainability and nation-building, by connecting with and committing ourselves to the global communities we serve.
- iv. To establish and maintain an efficient governance and organizational structure, effective management systems and processes that provide a caring and responsive service to meet internal and external needs in a pragmatic and flexible manner.
- vi. To establish the Polytechnic as an institution of choice that attracts and retains staff of the highest calibre by creating an enabling environment that fosters and stimulates academic life, and a climate of professionalism
- vii. in which all staff recognize and understand their role in ensuring the success of the Polytechnic.

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**Vision**

*A premier Polytechnic recognized globally for the advancement of Knowledge and Skills for Sustainable Development.*

**Mission**

*To provide demand driven quality Training, Research and Innovation for Sustainable Development.*

**Core Values**

- i. Creativity
- ii. Integrity
- iii. Professionalism

- iv. Social Responsibility
- v. Team Work
- vi. Equity

**(c) Key Management**

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

- i. Management Board.
- ii. Academic Board
- iii. The Principal who is the Accounting Officer and Secretary to the Governing Council.

**(d) Fiduciary Management**

The key management personnel who are members of the Management Board during the financial year ended 30 June

2023 and who had direct fiduciary responsibility were:

Name of the Staff	Responsibility
Mr. Okumu JW Odhiambo	Principal - Chairman to Management Board/Secretary to the Council
Ms. Ernestine W. Kiragu	Deputy Principal - Administration & Finance
Mr. Geoffrey Mutune	Deputy Principal - Academics and Trainees Affairs
Ms. Violet N. Kithumbu	Registrar
Mr. Shandrack M. Mweu	Dean of Students
Mr. Moses M. Ndung'u	Finance Officer
Mrs Joan R. Adoyo	Procurement Officer
Mrs. Caroline Wamaitha Kimani	Human Resource Officer.

**(e) Fiduciary Oversight Arrangements**

In order to facilitate the smooth running of its affairs, the Polytechnic Council establishes such committees with the membership and with such terms of reference as it may deem fit.

The following committees were in place during the year 2022/2023:

- i. Academic, Research, Innovation and Trainees Affair Committee (ARITA)
- ii. Administration, Finance, Human Resource and Resource Mobilisation Committee (AFHRRM)

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iii. Planning, Enterprise and  
Infrastructure Committee (PEI)

iv. Audit and Risk Management  
Committee. (ARM)

The Polytechnic Council nominates the Chairperson of each committee of the Council provided that in the absence of the Chairperson of any committee, the members present and constituting a quorum may elect one person from among them to chair the meeting. The Chairperson of the Polytechnic Council and the Principal are ex-officio members of every committee of the Council.

**(i) Academic, Research, Innovation and Trainees Affairs Committee**

*Roles and functions*

- a) Monitor and oversee institutional excellence in teaching, training, scholarship, entrepreneurship, research, consultancy, community service, among other educational services and products, with emphasis on technology and its development, impact and application within and outside Kenya;
- b) To oversee the management of scholarships, bursaries and prizes which may be provided for by the Academic Policy;
- c) To submit regular reports to the Council on all matters related to education, training and research;
- d) Evaluate regular reports on academic progress, conduct of examinations and consider academic awards as provided under the KNP Order 2016;
- e) Consider proposals for collaboration with recognized universities for the conduct and award of degree programmes in technology;

**(ii) Administration, Finance, Human Resource and Resource Mobilisation Committee**

*Roles and functions*

- a) Check and determine that annual estimates have made provision for all the estimated expenditure, and in particular the following:
  - i. Payment of the salaries, allowances and other charges in respect of the staff of the Polytechnic;
  - ii. Payment of the pensions, gratuities and other charges in respect of retirement benefits which are payable out of the funds of the Polytechnic;
  - iii. Funding of the cost of teaching, research and outreach activities of the Polytechnic; and

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- iv. Creation of such funds to meet future or contingent liabilities in respect of retirement benefits, insurance or replacement of building or equipment and in respect of such other matters as the Council may think fit.
- b) Review the policies, processes and programs management has put in place to prepare, prevent and protect the Polytechnic from financial risk.
- c) Monitor and review procurement of works, goods and services at the Polytechnic to ensure compliance with established laws, regulations, policies and procedures.
- d) Receive and consider proposals for the participation of the Polytechnic in commercial ventures and activities.
- e) Receive and consider proposals for investment of any of the funds of the Polytechnic in securities in which for the time being trustees may, by law, invest trust funds or in any other securities which the National Treasury may, from time to time, approve for the purpose.
- f) Consider proposals for placement on deposit with such banks as it may determine any moneys not immediately required for the purposes of the Polytechnic.
- g) Monitor and review all appropriation-in-aid to ensure compliance with donor and / or government guidelines, legal and regulatory requirements, policies and procedures.
- h) Monitor and evaluate the systems of the Polytechnic to ensure compliance with the Public Procurement and Asset Disposal Act, 2015 and all related legislations, regulations, guidelines, policies and procedures.

**(iii) Planning, Enterprise and Infrastructure Committee**

*Roles and functions*

- a) Provide directly, or in collaboration with other industry players, facilities for income generation;
- b) Promote and establish a culture of productivity in engineering and technology, and technology transfer amongst staff and trainees;
- c) Oversee the advancement of knowledge and its practical application by commercialization and exploitation of research outcomes at the Polytechnic;
- d) Oversee Polytechnics participation in commercial ventures and activities;

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- e) Oversee proper maintenance of the buildings and grounds, repair and replacement of equipment and other

movable property of the Polytechnic;

**(iv) Audit and Risk Management Committee**

The audit committee shall play a key role with respect to the integrity of the KNP's financial information, its system of governance, risk and internal controls, Assets Register and the legal and ethical conduct of management and employees.

The functions undertaken by an audit committee shall generally encompass the following:

- a) Evaluating whether proper procedures are in place to address key roles and responsibilities in relation to risk management.
- b) Evaluating the adequacy of the control environment to provide reasonable assurance that the systems of internal control for accountability are of a high standard and functioning as intended.
- c) Performing an independent review of the financial statements to ensure the

integrity and transparency of the financial reporting process.

- d) Monitoring the effectiveness of KNP performance information and compliance with the performance management framework and performance reporting requirements.
- e) Evaluating the quality of the internal audit function, particularly in the areas of planning, monitoring and reporting.
- f) Engaging with external audit and assessing the adequacy of management response to any issues identified by audit.
- g) Reviewing the effectiveness of how the Polytechnic monitors compliance with relevant legislative and regulatory requirements and promotes a culture committed to lawful and ethical behaviour.

**(f) Polytechnic Headquarters**

Kabete National Polytechnic  
Off Waiyaki Way  
P.O. Box 29010 - 00625  
Nairobi

**(g) Polytechnic Contacts**

Telephone :( 254) 790 000 001, 790 000 022, 790 000 033, 790 000 044, 790 000 055 &

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790 006 666

E-mail : [info@kabetepoly.ac.ke](mailto:info@kabetepoly.ac.ke)

: Website: [www.kabetepoly.ac.ke](http://www.kabetepoly.ac.ke)

**(h) Polytechnic Bankers**

- a. Standard Chartered bank  
P.O. Box 48231-00100  
Nairobi, Kenya.
- b. Co-operative Bank of Kenya  
P.O. Box 48231- 00100  
Nairobi, Kenya
- c. Equity Bank of Kenya  
P.O. Box 75104-00200  
Nairobi, Kenya
- d. NCBA Bank  
P.O. Box 44599-00100  
Nairobi, Kenya

**(i) Independent Auditors**

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

**(j) Principal Legal Adviser**

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

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**III. THE POLYTECHNIC COUNCIL**



**Prof. Elijah I. Omwenga - Chairperson**

Professor Elijah I. Omwenga, FICTAK was appointed the Chairperson of the Kabete National Polytechnic Council on 2<sup>nd</sup> October, 2019 up to 1<sup>st</sup> October 2022.

Professor Omwenga holds a PhD in Computer Science from the University of Nairobi in the area of Information Systems. He also has a Masters degree in Computer Science from the National University of Science and Technology, Bulawayo; a Post-Graduate Diploma in Computer Science, Nairobi; and a Bachelor of Education (Sc.) degree from Kenyatta University. Prof. Omwenga has published over fifty scholarly articles in high impact journals and academic platforms. He has written three University level books. Professor Omwenga has previously served in several other boards including the Kisumu National Polytechnic, ICT Authority, NACOSTI, KENET, AVOIR and Child Fund International. He is the President of the African Association for Teacher Educators and the African representative to the World Forum for Associations of Teacher Educators (WFATE) in Ohio, USA. Professor Omwenga is currently serving as the Deputy Vice Chancellor, Academic and Student Affairs at the University of Kabianga.



**Dr. Kenneth L. Chelule**

Dr. Chelule was appointed a member of the Kabete National Polytechnic Council on 2<sup>nd</sup> October 2019 up to 1<sup>st</sup> October 2022. Dr Kenneth Chelule is currently a Chief Research Scientist (CRS) at Kenya Industrial Research and Development Institute and immediate former Deputy Director in charge of Research, Technology and Innovation. He holds an aPhD and a MSc in Computer Aided Engineering and Mechanical Engineering respectively from Staffordshire University, UK, Executive MBA from Jomo Kenyatta University of Agriculture and Technology (JKUAT) as well as Bachelor of Education (Technology) from Moi University. He has over 20 years' international experience in Product Development (R&D), Product Certification (CE Marking) and Product Commercialization. Dr. Chelule is a former Member of the Board of Governors of Bureti Technical Training Institute and Advisory Board Member of Emerging Africa Innovation leaders. He is a member of the Association of Medical Engineering of Kenya (MAMEK) and Member of Institution of Engineering Technologists and Technicians of Kenya (MIET)



**Mr. Henry H. Duba**

Mr. Duba was appointed a member of the Kabete National Polytechnic Council on 2<sup>nd</sup> October, 2019.

Mr Henry Huka Duba is a Public Health Professional and a Humanitarian expert. He has served in a number of International Non-Governmental Organizations for over 20 years in various capacities including as Chief of Party for ACDI/VOCA, USAID funded Development Food Aid Program (DFAP) in Uganda; Country Director for Food for the Hungry Uganda; Program Director at Mercy Corps, Uganda and Country Program Manager for Health Poverty Action in Somalia. He also worked as Emergency Health Program Manager with World Vision in South Darfur State, Sudan and Program Manager for Development Food Aid Program in Kenya with Food for the Hungry International. Prior to joining the humanitarian sector. Mr. Huka worked as a Public Health Officer with the Ministry of Health Kenya for about 10 years. He is currently the Executive Director for Health and Social Transformation Initiative (HASTIN), a national NGO working in Marsabit and Isiolo Counties of Kenya and occasionally manages a private consultancy firm, Chariot Supplies and Consult. Mr. Huka holds a Master of Public Health Degree from the University of Maastricht, the Netherlands and Diplomas in Public Health, Community Health, Environmental Health and Postgraduate Certificate in Health Management from the Health Services Management Centre, University of Birmingham, UK as well as Certificate in Health Emergencies in Large Population from the Centre for Excellence in Disaster Management and Humanitarian Assistance, in Honolulu, Hawaii.



**Ms. Purity S. Karariet**

Ms. Purity was appointed a member of the Kabete National Polytechnic Council on 2<sup>nd</sup> October, 2019

She is currently the Vice Chairperson of the Kajiado Public Service Board on Part time basis. She holds a Bachelor of Science degree in the area of Chemistry and Zoology from Agra University in India and specialised in Forensic Science. She has in depth skills in Auditing and Investigation having worked as an Anti-Corruption Officer. She previously worked as a Director National Housing Corporation and chairing Audit & Risk Committee.

Purity served as a National Security Committee Member (CPS) and a Trustee with Commodities Fund; Ministry of Interior and Agriculture respectively.

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**Ms. Phyllis E.N Wangwe**

Ms. Phyllis was appointed a member of the Kabete National Polytechnic Council on 2<sup>nd</sup> October, 2019 up to 1<sup>st</sup> October 2022.

Ms. Phyllis is an Advocate of the High Court of Kenya (Arbitrator & Mediator) and a practicing consultant in development, management and financial literacy.

She holds a Bachelor of Laws Degree (LL.B) from Moi University and a Post Graduate Diploma from the Kenya School of Law and further training at United States International University (USIU). She has an MSc. Management in Organizational Development and Project Management from Kenya Institute of Management.

Ms. Phyllis is a member of the Chartered Institute of Arbitrators (CI Arb - London & Kenya), Kenya National Chamber of Commerce and Industry, Law Society of Kenya, East African Law Society, FIDA, Women on Boards Network and KEPSA (Kenya Private Sector Alliance) through the Global Innovators Society of Kenya.

She is a Director on several Boards and the Founder of CEED (Centre for Economic Empowerment and Development).



**Mr. John K. Tuwei**

Mr. John K. Tuwei is a holder of MSc (Organic Chemistry) from the University of Nairobi (2007) and Graduate Certificate in TVET reforms and Project Management (2011) from Chisholm Institute of TAFE in Australia and B.Ed (Science) (1996) from Kenyatta University.

Mr. Tuwei who has over 20 years' experience in Public Service, is currently The Deputy Director of Technical Education in Charge of Projects and Partnerships at the State Department for Vocational and Technical Training and the Liaison Officer for the Joint Subsector Working Group (JSSWG), a forum which brings together the State Department of VTT and all Development Partners (Multilateral and Bilateral) which support the TVET sector in Kenya. Mr. Tuwei has initiated, managed and oversighted a number of donor funded TVET projects which include, The GoK/Netherlands TVET project, GoK/AfDB TVET 1, 2 and 3 Projects, World Bank Eastrip Project, GoK/KfW TVET 1 and 2 projects and GoK/MasterCard TVET Blue Prints projects whose collective aim is to provide equitable access to quality and relevant skills to Kenyans.

Mr. Tuwei has also participated in the development and implementation of TVET Act 2013 and number of policy documents which include the TVET Blue Print and the Workforce Blue print. Mr. Tuwei is currently The PS VTT alternate member for The Kabete National Polytechnic Council and Ramogi Institute of Advanced Technology (RIAT) Board of Governors.



**Eng. Sarah W. Ngure**

Eng. Sarah was appointed a member of the Kabete National Polytechnic Council on 2<sup>nd</sup> October, 2019 up to 1<sup>st</sup> October 2022. She is a lecturer at the Technical University of Kenya (TUK) school of Mechanical and Manufacturing Engineering. She is a Member of Institution of Engineers of Kenya (M.I.E.K), a member of Kenya Renewable Energy Association of Kenya (KEREK), and a trainer with GIZ. She holds MSc in Mechanical Engineering and BSc in Mechanical Engineering from Jomo Kenyatta University of Agriculture & Technology (JKUAT).

**Mr. Robert Murithi**



Mr. Murithi was appointed a member of the Kabete National Polytechnic Council on 2<sup>nd</sup> October 2019 up to 1<sup>st</sup> October 2022. He holds a Masters of Arts degree in economics, BA degree in Economics and Finance and is Part qualified accountant. He is currently a PhD candidate in Economics at University of Nairobi having completed the course work and finalising on the dissertation. He has over 20 years' experience in development finance within East Africa Region with specialization in corporate and project finance



**CPA Patrick Mbehi Stom**

Mr. Patrick was appointed a member of the Kabete National Polytechnic on 10<sup>th</sup> March, 2022. He is an accountant and a financial analyst. He is the alternate director to the Cabinet Secretary, National Treasury. He has worked at the National Treasury for over period of 12 years and is currently deployed in the directorate of Public Investment and Portfolio Management.

Mr Stom holds a Master of Science degree in Finance, from Jomo Kenyatta University, a Bachelor degree in Business Administration (Accounting option) from Moi University, Certified Public Accountants of Kenya and Certified Securities and Investment Analysts Part II. He is a member of the Institute of Certified Public Accountant of Kenya (ICPAK) with wealth of experience in Public Sector Financial Management. He has undertaken several work improvement skills, development training, workshops and seminars on management and governance.

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**Mr. Okumu JW Odhiambo**

Mr. Okumu was the Principal from 21<sup>st</sup> September to 8<sup>th</sup> August, 2023. He is a full member of the Institution of Engineering Technologists and Technicians of Kenya (MIET) and has over 32 years' experience as a Vocational and Technical Education Trainer in which he has taught Engineering Drawing and Metal/Mechanical Technology. His wealth of Administrative experience in public TVET institutions in the Republic of Kenya transcends a number of positions some of which as Head of Department, Registrar, Deputy Principal and Principal across several institutions in Kenya. Mr. Okumu holds a Certificate IV in Training and Assessment from the University of Technology, Sydney, Australia. He has attended and trained in several Executive Management, Corporate Governance and Leadership Programs. He represented National Polytechnics in the TVET Curriculum Development, Assessment and Certification Council (TCDACC) from 2014 to 2020 as a Council Member where he chaired the Technical Committee. Currently he is the Chairman of Kenya National Polytechnics Principal's Forum and also Chairman of the Kenya Association of Technical Training Institutions (KATTI) Nairobi Regions comprising of five Counties in Kenya.

**NEW COUNCIL MEMBERS**



**Agnes W. Kamiri - Chairperson**

Agnes was appointed as the Chairperson of the Kabete National Polytechnic Governing Council on 17th March, 2023. She holds a Bachelor of Education from Kenyatta University, Diploma in Marketing from London Chamber of Commerce & Industry, MBA in Strategic Management from USIU-Africa.

Board Directorships in several Parastatals, and Learning institutions including the Central Bank of Kenya, and Kenyatta International Conference Centre. She has risen from a High School teacher, TV News reporting heading the Commercial Advertising division of the first independent TV station-KTN. She also headed the Corporate Communications at AAR where she created the Brand Identity. She consequently set up an Insurance intermediary. As an avid golfer, she initiated a Corporate Golf Marketing Company at the same time as industry. She's passionate about excellence in whatever she does.

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**Isabella N. Mwangi**

Madam Isabella was appointed a member of the Kabete National Polytechnic on 17<sup>th</sup> March, 2023. She is an accountant and an economist. She holds masters in Economic Policy Analysis and Design from University of Nairobi and a Bachelor of Art in Economics and Business Studies from Kenyatta University.

Isabella is a Certified Public Accountant with a wealth of experience in the private sector and the public sector, where she has undertaken numerous trainings, workshops and seminars to improve her productivity.



**Honey A Mohamud**

Ms Mohamud was appointed a member of the Kabete National Polytechnic on 17<sup>th</sup> March 2023. She is a holder of Masters in Diplomacy and Foreign Policies Analysis from Moi University and a Bachelor of Business Administration from Kenya Methodist University. She has several certificates and Diplomas from different Institutions in regards to Administration and Diplomacy.

Ms Mohamud previously worked at the US Embassy in Nairobi as the Unit Chief from Immigrant Visa Unit covering eight (8) countries. She also worked with Arid Lands and CRS Kenya which is an American International Organisation.



**Gilbert Nyongi**

Mr. Gilbert K. Nyongi was appointed a member of the Kabete National Polytechnic on 17<sup>th</sup> March 2023. He holds a Master and a Bachelor of Arts degree from University of Nairobi. He is a lecturer of Kiswahili, Linguistics at Maseno University since 2003.

Mr. Gilbert has served as a member and chair of Boards of several educational Institutions and currently serving as the Chair of ETRI Council Committee.

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**Patrick W. Muchemi**

Mr. Patrick is the Principal. He was posted on 8<sup>th</sup> August, 2023 and has over 29 years' experience as a Vocational and Technical Education Trainer in which he has taught Building and Construction Engineering

He holds a Master of Education degree (Technology Education - Building and Construction Engineering) from University of Eldoret, a Bachelor degree in Technology from Moi University. He has also undertaken Senior Management Course from Kenya School of Government.

He was a former principal Mukurwe-ini Technical Training Institute from 2016 to August, 2023

#### **IV. MANAGEMENT TEAM**



**Mr. Okumu JW Odhiambo**

Mr. Okumu was the Principal from 21<sup>st</sup> September to 8<sup>th</sup> August, 2023. He is a full member of the Institution of Engineering Technologists and Technicians of Kenya (MIET) and has over 32 years' experience as a Vocational and Technical Education Trainer in which he has taught Engineering Drawing and Metal/Mechanical Technology. His wealth of Administrative experience in public TVET institutions in the Republic of Kenya transcends a number of positions some of which as Head of Department, Registrar, Deputy Principal and Principal across several institutions in Kenya. Mr. Okumu holds a Certificate IV in Training and Assessment from the University of Technology, Sydney, Australia. He has attended and trained in several Executive Management, Corporate Governance and Leadership Programs. He represented National Polytechnics in the TVET Curriculum Development, Assessment and Certification Council (TCDACC) from 2014 to 2020 as a Council Member where he chaired the Technical Committee. Currently he is the Chairman of Kenya National Polytechnics Principal's Forum and also Chairman of the Kenya Association of Technical Training Institutions (KATTI) Nairobi Regions comprising of five Counties in



**Patrick W. Muchemi**

Mr. Patrick is the Principal. He was posted on 8<sup>th</sup> August, 2023 and has over 29 years' experience as a Vocational and Technical Education Trainer in which he has taught Building and Construction Engineering

He holds a Master of Education degree (Technology Education - Building and Construction Engineering) from University of Eldoret, a Bachelor degree in Technology from Moi University. He has also undertaken Senior Management Course from Kenya School of Government.

He was a former principal Mukurwe-ini Technical Training Institute from 2016 to August, 2023

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**Ms. Ernestine Watiri Kiragu**

Ms. Ernestine Kiragu is the Deputy Principal Administration. She has 23 years of teaching experience in the area of Information Communication and Technology (ICT).

She has a Bachelor of Education Degree from the University of Nairobi and a Diploma in Technical Education from Kenya Technical Trainers College.



**Mr. Geoffrey Mutune**

Mr. Geoffrey Mutune is the Deputy Principal in charge of Academics and Trainee Affairs. He has been in the Teaching/Training field for the last 25 years in the areas of Physics and Engineering Mathematics.

He has a Bachelor of Education (Science) from Kenyatta University specializing in Mathematics and Physics and a Master of Science Degree in Nuclear Physics from the University of Nairobi.



**Ms. Violet Njeri Kithumbu**

Ms. Violet Njeri is the Registrar. She has over 28 years experience as a Technical Trainer in Electrical Engineering.

She holds a Bachelor's of Technology in Electrical Engineering (Power) and is a Certified Assessor and Verifier for TVET CDAAC Competence Based Assessments CBA. She is also a member of the Institution of Engineering Technologists and Technicians of Kenya



**Mr. Shadrack M. Mweu**

Mr. Mweu is the Dean of Students. He holds a Master of Science Degree in Medical Biochemistry (Kenyatta University), Post Graduate Diploma in Education (KU) and Bachelor of Science Medical Laboratory Science (JKUAT). He is registered by the Kenya Medical Laboratory Technician's and Technologists' Board (KMLTTB). He has eleven years experience in the practice and training of Medical Laboratory Technology specifically Clinical Chemistry and Immuno-Haematology. Previously he served as the Deputy Dean of Students at the institution.

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**Mr. Moses M. Ndung'u**

Mr. Mwangi is the Finance Officer with over 10 years experience in Accounting and Finance. He is a graduate of Moi University and holds a Bachelors Degree in Business Management Finance Option. He is a CPA II Graduate and is persuing Part III  
He was a former Accountant in the Ministry of Roads.

He has undertaken Senior Management Course (SMC) from the Kenya School of Government



**Ms. Caroline W. Kimani**

Ms Caroline is the Human Resource Officer. She holds a Bachelor degree in Sociology from Egerton University. She has Diploma II in Human Resources Management and Certified Secretary Part II

She has undertaken Senior Management Course (SMC) from the Kenya School of Government



**Ms. Joan R. Adoyo**

Ms. Joan is the Procurement Officer. She holds a Bachelor's degree in Business Management -Purchasing and Supplies from Moi University.  
She has an Advanced Certificate in Supplies Management.

She has undertaken Senior Management Course (SMC) from the Kenya School of Government

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**V. CHAIRMAN'S STATEMENT**

It is with great pleasure that I present this Financial Report for the financial year that ended 30 June 2023.

Following the elevation of the Institution to a National Polytechnic in 2016, the status has brought along several opportunities.

Key among these include; increased enrolment, government support, higher networking avenues and more linkages and collaborations. Along with these there are also high levels of expectations from the trainees, community, employees and other stakeholders.

Indeed, my Council is aware that the Polytechnic came into being at a time when the higher education sector has changed drastically with a historical record of increased numbers of higher education Institutions in the country.

Inevitably, with the number of trainees qualifying to join University, National Polytechnics and Technical & Vocational Colleges increasing significantly over the years as well as the changing government policies, the operating environment is becoming extremely competitive.

In response to this growing demand and the existing operating environment, we have to be prepared to increase physical facilities that would give us a competitive advantage.

During the period under review, the Strategic Plan being implemented has envisioned to address the emerging challenges and takes advantage of the existing opportunities in the operating environment.

The Strategic Plan provides a clear roadmap to the Polytechnic Council and Management during the period 2020-2024 of the Polytechnic's development. The projects and activities for the year were therefore undertaken as per the strategic plan. It is expected that the Government would contribute significantly towards the realization of our dreams as envisaged in the plan in terms of provision of the required financial resources.

Other avenues to fund the planned expansion of the physical facilities and infrastructure would also be explored with the main focus being centred on resources mobilization and strategic initiatives.

The Polytechnic nevertheless continued to expand and improve its requisite physical facilities as a result of increased population in terms of trainees and staff numbers.

I am therefore pleased to report that during the year under review, a number of projects were initiated and are ongoing.

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The Polytechnic's annual financial position as at June 30, 2023, recorded an increase of Kshs 156.71 million from Kshs 4.469 billion to Kshs 4.626 billion in 2021/2022 and 2022/2023 respectively.

During the year under review, the Polytechnic reported an increase of Kshs 109.13 million in surplus from Kshs (70) million in the year 2021/2022 to Kshs 39.13 million in the year 2022/2023.

The Polytechnic cash and cash equivalent increased by Kshs 6.69 million from Kshs 52.27 million to Kshs 58.96 million in year 2021/2022 and 2022/2023 respectively.

**Conclusion.**



Agnes W. Kamiri  
**COUNCIL CHAIRPERSON**

I strongly believe that with all the planned strategies as envisaged, it is apparent that the future of the Polytechnic is bright and secure. Our commitment as a Council is to continue setting the right tone at the top which is geared towards the realization of the Polytechnic's vision and mission. Finally, I want to thank my fellow members of the Council, the Principal, the Management Board, Staff and Trainees of Kabete National Polytechnic for their commitment and hard work exhibited during the year. I also wish to thank the Government and all our stakeholders for their unwavering support. It is our expectation that the peaceful and productive environment witnessed during the year will continue into the coming years.

28/9/2023  
**DATE**

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**VI. REPORT OF THE PRINCIPAL**

I am pleased to present my report for the 2022/2023 financial year which ended on 30 June 2023. Indeed, in the last five years, the higher education sector witnessed a rapidly changing operating environment characterized by stiff competition, changing customer demands.

Despite the many challenges now inherent in this new operating environment, the Polytechnic continued to discharge its mandate of teaching, research and outreach successfully. The trainees' enrolment stood at 7,762 (Table 1) as compared to 12,529 Trainees in the previous year. This figure comprises of Diploma, Certificate and Artisan Trainees.

*Table 1: Trainees Enrolment per Department as at 30th June 2023*

S/no	Department	Certificate	Diploma	Total
1	Electrical And Electronic Engineering	187	1053	1240
2	Mechanical Engineering	251	652	903
3	Building & Civil Engineering	344	779	1123
4	Applied Science	231	445	676
5	Computer Studies	183	440	623
6	Business Studies	98	1307	1405
7	Liberal Studies		205	205
8	Hospitality	360	225	585
9	Health Science	40	392	432
10	Journalism and Media Studies		173	173
11	Architecture and Spatial Planning		363	363
12	Entrepreneurship Education		34	34
	<b>Total</b>	<b>1694</b>	<b>6068</b>	<b>7762</b>

**Financial Performance**

As in the previous years, the main source of funding to the Polytechnic during the period under review was school fees with a contribution of a total of Kshs 412.52 million for recurrent expenditure purposes. In addition, the Polytechnic generated a sum of Kshs 6.75 million from Hire of facilities and Kshs 11.49 from other sources (Note 8) i.e Income Generating Activities (IGA's), Catering and other Incomes. The Polytechnic also received Kshs 110.14 million from the Ministry of Education being the capitation and Kshs

1.0 million and 1.5 million being recurrent grant for Githunguri and Ruiru TVC's respectively.

The Polytechnic recorded an increase of Kshs 107.73 million in surplus from Kshs (70) million to Kshs 37.73 million in year 2021/2022 and 2022/2023 respectively.

However, at the end of the financial year the Polytechnic had not received revenue of Kshs 197.92 million from the following sources:

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**Table 2: Revenue Receivable.**

Description	2018-2019	2019- 2020	2020-2021	2021-2022	2022-2023
		KShs	KShs	KShs	KShs
<b>Non-Current receivables- From Non-Exchange Transactions</b>					
Exchequer Capital Grant Receivable	3,010,388	0	0	0	14,050,517
M.o.E - Lent Money For Githunguri TVC	20,000,000	0	10,000,000	10,000,000	
M.o.E - Ruiru TVC	20,000,000	0	0	(10,000,000)	
CDF Ruiru - Ruiru TVC	10,000,000	0	0	0	
Exchequer Capitation Receivable	117,411,258	0	0	0	
<b>Total current receivables from Non-Exchange Transactions</b>	<b>170,421,646</b>	<b>0</b>	<b>10,000,000</b>	<b>0</b>	<b>14,050,517</b>
<b>Current receivables-From Exchange Transactions</b>					
Student debtors	88,380,782	78,031,821	74,293,395	63,438,759	180,723,576
Rent debtors	8,825,702	7,733,650	7,936,797	7,819,147	7,473,899
KPLC Lease	210,000	280,000	350,000	420,000	490,000
Teachers Service Commission	0	0	0	9,390,600	545,772
Avic International	0	0	0	500,000	0
Post Training	0	0	0	350,088	350,088
Forum for International Corporation( FIC)	0	0	0	347,286	347,286
Less Provision for Bad & Doubtful Debts	0	0	(4,136,167)	(3,642,645)	(6,240,765)
<b>Total current receivables</b>	<b>97,416,484</b>	<b>86,045,471</b>	<b>78,444,025</b>	<b>78,623,235</b>	<b>183,689,856</b>
<b>Non-current receivables</b>					
Advance payments-Salary	225,500	370,000	143,153	300,153	182,868
<b>Total receivables</b>	<b>97,641,984</b>	<b>86,415,471</b>	<b>78,587,178</b>	<b>78,923,388</b>	<b>183,872,724</b>
<b>Grad Total</b>	<b>268,063,630</b>	<b>86,415,471</b>	<b>88,587,178</b>	<b>78,923,388</b>	<b>197,923,241</b>

Note: capitation and special purpose grant totalling to Kshs 121.53 million and 14.05 million respectively had not been

received by 30 June, 2023 due to budgetary constraints in the FY 2022/2023.

**Conclusion**

In conclusion, I take this opportunity to thank the Polytechnic Council for providing the desired guidance and

support during the year which was way beyond expectations and which I highly appreciate. I also wish to sincerely thank

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the Management team, all staff and Trainees for the peace, hard work and discipline exhibited throughout the year.

Finally, I would like to thank the Government for its support during the period under review. I also appreciate the

moral support of our collaborators, partners and other stakeholders during the year.

It is my desire that we shall continue working together as a team in the new financial year and beyond.



**Patrick W. Muchemi  
PRINCIPAL**

28/9/2023

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**VII. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES**

**1. STRATEGIC THEME/ISSUE: Excellence in TVET through Creative and Innovative Curriculum for Sustainable Development**

**STRATEGIC OBJECTIVE 1:**

To promote excellence in TVET through creative and innovative curriculum design and development, modern instructional methods, and assessment practices in accordance with the highest quality management principles

Key Result Area 1	Excellence in TVET through Creative and Innovative Curriculum for Sustainable Development			
Outcome 1.1	Improved Equitable Access to Quality Education And Training			
	<i>Strategic Objectives</i>	<i>Strategic Objectives</i>	<i>Strategies</i>	<i>Achievements</i>
	To promote excellence in TVET through creative and innovative curriculum design and development, modern instructional methods, and assessment practices in accordance with the highest quality management principles	Quality Training	<ul style="list-style-type: none"> <li>• Develop new and relevant Curriculum/training programmes</li> <li>• Promote use of modern equipment and technology</li> <li>• Integrate ICT in learning</li> <li>• Launch market driven courses in liaison with the industry</li> <li>• Entrench CBET by implementing approved CBET curricula</li> <li>• Rebrand the institution</li> <li>• Establish open and distance learning programmes</li> <li>• Strengthen Private-Public partnership towards offering affordable education and training</li> </ul>	<ul style="list-style-type: none"> <li>• Deployed ICT for E- Learning during Covid period</li> <li>• Developed new CBET Curricular for Scaffolding Level 4</li> <li>• Purchased 100 computers for ICT Training and Integration</li> </ul>
		To enhance Equitable Access to Education	<ul style="list-style-type: none"> <li>• Sensitize students on opportunities for student financing</li> <li>• Promote affirmative action for TVET trainees</li> <li>• Promote scholarship and bursary programmes</li> <li>• Promote access to physical infrastructure</li> <li>• Promote gender inclusivity programmes</li> </ul>	<ul style="list-style-type: none"> <li>• Launched KNP Charter of CAPA/ATUPA WITED</li> <li>• Increased Gender Parity in STEM Enrolment</li> </ul>

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**2. STRATEGIC THEME/ISSUE: Resource Mobilization and Infrastructure Development**

**STRATEGIC OBJECTIVE 2:** To modernize and develop infrastructural facilities that support services designed around the current and future needs of trainees in all their diversity while maintaining appropriate stewardship of resources and continual growth and expansion of the Polytechnic.

Key Result Area 2	Resource Mobilization and Infrastructure Development			
Outcome 2.1	Adequate Resources and Modernized infrastructural development that Quality TVET Training			
	Strategic Objectives	Issues	Strategies	Achievements
	To modernize and develop infrastructural facilities that support services designed around the current and future needs of trainees in all their diversity while maintaining appropriate stewardship of resources and continual growth and expansion of the Polytechnic.	Modernization and Infrastructural Development	<ul style="list-style-type: none"> <li>Develop effective Human Resource Functional Processes to attract and retain quality staff</li> <li>Expand Infrastructure to cope with increasing number of students</li> <li>Construction, Renovation and expansion of institution's buildings &amp; Utilities</li> <li>Mobilize financial resources through development of project proposals</li> </ul>	<ul style="list-style-type: none"> <li>Used Internal Resources to:               <ol style="list-style-type: none"> <li>Achieve 80% completion rate for the New Tuition Block to be used by Applied Sciences and Computing and Informatics Department</li> <li>Renovate/paint all classrooms</li> <li>Renovate Asbestos from 8 classrooms</li> <li>Convert 6 staff housing blocks into office blocks for staff and Guidance &amp; Counselling Unit</li> <li>Lay Cabro paving in 5 major roads walkways from within the Polytechnic</li> </ol> </li> </ul>
		Stewardship and Mobilization of Resources	<ul style="list-style-type: none"> <li>Improve stewardship in financial, built and natural resources</li> <li>Commercialize and generate revenue from Production Unit</li> <li>Develop human capacity in financial management</li> <li>Strengthen financial management system to meet the requirements resulting from increased budgetary responsibilities</li> <li>Enhance Risk and Disaster Preparedness</li> </ul>	<ul style="list-style-type: none"> <li>Reviewed Policy Documents for efficiency in Internal Process               <ol style="list-style-type: none"> <li>ICT Policy</li> <li>Internal Controls and Procedures Policy</li> <li>HR Procedures &amp; Policy Manuals</li> </ol> </li> <li>Sponsored               <ol style="list-style-type: none"> <li>Accounting Staff</li> <li>Audit Staff</li> <li>HR Staff</li> <li>Supply Chain Officers for relevant Professional Training</li> </ol> </li> </ul>

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**3. STRATEGIC THEME/ISSUE: Corporate Governance for Effective Service Delivery**

**STRATEGIC OBJECTIVE 3:** To establish and maintain an efficient governance and organizational structure, effective management systems and processes that provide a caring and responsive service to meet internal and external needs in a pragmatic and flexible manner.

Key Result Area 3	Corporate Governance for Effective Service Delivery			
Outcome 3.1	Improved Efficiency and Effectiveness in Delivery of Institution's Mandate			
	<i>Strategic Objectives</i>	<i>Issues</i>	<i>Strategies</i>	<i>Achievements</i>
	To establish and maintain an efficient governance and organizational structure, effective management systems and processes that provide a caring and responsive service to meet internal and external needs in a pragmatic and flexible manner	Efficient Governance, Organizational Structure and Effective Management	<ul style="list-style-type: none"> <li>• Enhance Corporate Governance and Quality Management Systems</li> <li>• Benchmark with other relevant institutions with best practices</li> <li>• Strengthen linkages with other development partners</li> <li>• Develop a framework for industry and partnership linkages</li> <li>• Develop, review, and implement departmental policies and procedures.</li> </ul>	<ul style="list-style-type: none"> <li>• Reviewed Policy Documents               <ul style="list-style-type: none"> <li>i. Strategic Plan</li> <li>ii. HR Procedures and Policy Manual</li> <li>iii. Academic Policy</li> </ul> </li> </ul>
		Service Delivery	<ul style="list-style-type: none"> <li>• Provide cost effective infrastructures for information communication technology.</li> <li>• Develop and implement a Corporate Communications and media engagement strategy</li> <li>• Strengthening the existing customer care platform</li> <li>• Develop and Implement a Marketing Strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Council Members attended Governance Training organized by Institute of Internal Auditors</li> <li>• Developed Council Charters</li> <li>• Enhanced Utilization of web based application for student registration Kenya</li> </ul>

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**4. STRATEGIC THEME/ISSUE: Research, Innovation and Technology for Sustainable Collaborations and Linkages**

**STRATEGIC OBJECTIVE 4:** To enhance collaboration and linkages in research and innovation by positioning the Polytechnic to contribute through knowledge to the prosperity, sustainability and nation-building, by connecting with and committing ourselves to the global communities we serve.

Key Result Area 4	Research, Innovation and Technology for Sustainable Collaborations and Linkages			
Outcome 4.1	Improved Research, Technology and Innovations for Mutual Beneficial Collaborations			
	<i>Strategic Objectives</i>	<i>Issues</i>	<i>Strategies</i>	<i>Achievements</i>
	To enhance collaboration and linkages in research and innovation by positioning the Polytechnic to contribute through knowledge to the prosperity, sustainability and nation-building, by connecting with and committing ourselves to the global communities we serve	Institutional collaborations and Linkages	<ul style="list-style-type: none"> <li>• PPP strategy</li> <li>• Strengthen collaborations with research institution locally and internationally</li> <li>• Promote productive engagements with industries and manufacturing firms</li> <li>• Engage in strategic research partnerships to develop better tools and processes to enhance community entrepreneurial capacities</li> </ul>	<ul style="list-style-type: none"> <li>• Established Technology Transfer Centre to upgrade skills for Community Members</li> <li>• Trained BodaBoda Riders on Road Safety</li> </ul>
		ICT Integration	<ul style="list-style-type: none"> <li>• Installation and operationalization of ICT systems in all departments</li> <li>• Develop digital instructional content</li> <li>• Develop ICT policy</li> </ul>	<ul style="list-style-type: none"> <li>• Joined KENNET for ICT Service Provison</li> </ul>
		Research and Innovations	<ul style="list-style-type: none"> <li>• Develop and implement research policy</li> <li>• Enhance research capacities for research in the institution by Strengthening research to encourage creativity and innovativeness</li> <li>• Promote dissemination of research findings and innovations</li> <li>• Establish repository for dissemination and sharing of research findings</li> </ul>	<ul style="list-style-type: none"> <li>• Facilitated staff to carry out Research that translated into Conference Papers</li> </ul>

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**5. STRATEGIC THEME/ISSUE: Human Capital Development, Changing Environment and Emerging Challenges**

**STRATEGIC OBJECTIVE 5:**

To establish the Polytechnic as an institution of choice that attracts and retains staff of the highest calibre by creating an enabling environment that fosters and stimulates academic life, and a climate of professionalism in which all staff recognize and understand their role in ensuring the success of the Polytechnic.

Key Result Area 5	Human Capital Development, Changing Environment and Emerging Challenges			
Outcome 5.1	An Attractive Institution that Responds Adequately to the Needs of Staff and Trainees			
	<i>Strategic Objectives</i>	<i>Issues</i>	<i>Strategies</i>	<i>Achievements</i>
	To enhance collaboration and linkages in research and innovation by positioning the Polytechnic to contribute through knowledge to the prosperity, sustainability and nation-building, by connecting with and committing ourselves to the global communities we serve	Human Capital Development	<ul style="list-style-type: none"> <li>• Polytechnic performance evaluation and management system- Program and projects M&amp;E system</li> <li>• Polytechnic/ Review mechanisms for performance management, including framework for evaluation PAS-AWPs,</li> <li>• Enhance Human resources technical capacities &amp; Succession Planning</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Conducted various Capacity Building Training for staff in a variety of programs as per Performance Contract</li> </ul>
		Enabling Environment	<ul style="list-style-type: none"> <li>• Develop and implement requisite and consistent policies &amp; regulations.</li> <li>• Adhere and sustain to high standards in provision of quality services</li> <li>• Enhance working environment, safety and welfare of staff.</li> <li>• Promote the provision of adequate teaching and learning materials</li> </ul>	<ul style="list-style-type: none"> <li>• Converted staff houses into office Blocks</li> <li>• Acquired Modern furniture for staff and Library</li> </ul>
		Emerging Issues	<ul style="list-style-type: none"> <li>•</li> </ul>	

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**VIII. CORPORATE GOVERNANCE STATEMENT**  
*Governing Council Meeting Attendance.*

*Current Council Members*

Council Member	Date Appointment	Date of Retirement	Responsibility	Membership & Attendance	Polytechnic Full Council	Academic Research Innovation and Trainees Affairs	Admin. Finance, HR & Resource Mobilisation	Planning Estate & Infrastructure	Audit & Risk Mgt.	Special
Agnes W. Kamiri	17 <sup>th</sup> Mar, 2023	16 <sup>th</sup> Mar, 2026	Current Chairperson of the Council	Membership	√					√
				Attendance	1/3					2/4
Okumu J. W.Odhiambo			Principal/Secretary to the Council	Membership	√	√	√	√		√
				Attendance	3/3	2/2	1/1	3/3		4/4
Honey A Mohamud	17 <sup>th</sup> Mar, 2023	16 <sup>th</sup> Mar, 2026	Academic Research Innovation and Trainees Affairs	Membership	√	√	√	√		√
				Attendance	1/3	1/2	1/1	1/3		2/4
Isabella N Mwangi	17 <sup>th</sup> Mar, 2023	16 <sup>th</sup> Mar, 2026	Admin. Finance, HR & Resource Mobilisation	Membership	√			√	√	√
				Attendance	1/3			1/3	1/2	2/4
Gilbert Nyongi	17 <sup>th</sup> Mar, 2023	16 <sup>th</sup> Mar, 2026	Planning Estate & Infrastructure	Membership	√	√				√
				Attendance	1/3	1/2				2/4
Purity S. Karaiet	2 <sup>nd</sup> Oct, 2019	1 <sup>st</sup> Oct, 2025	Member	Membership	√	√	√		√	√
				Attendance	2/3	2/2	1/1		1/2	2/4
Henry H. Duba	2 <sup>nd</sup> Oct, 2019	1 <sup>st</sup> Oct, 2025	Member	Membership	√		√	√		√
				Attendance	3/3		1/1	3/3		3/4
John Tuwei			CS Representative State Dep. Of TVET	Membership	√	√	√	√	√	√
				Attendance	2/3	2/2	1/1	3/3	2/2	4/4
Patrick Storm	10 <sup>th</sup> Mar,	9 <sup>th</sup> Mar,	CS Representative	Membership	√	√	√	√	√	√

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Council Member	Date Appointment	Date of Retirement	Responsibility	Membership & Attendance	Polytechnic Full Council	Academic Research Innovation and Trainees Affairs	Admin. Finance, HR & Resource Mobilisation	Planning Estate & Infrastructure	Audit & Risk Mgt.	Special
	2022	2025	State National Treasury	Attendance	3/3	1/2	1/1	3/3	2/2	4/4

*Retired Council Members*

Council Member	Date Appointment	Date of Retirement	Responsibility	Membership & Attendance	Polytechnic Full Council	Academic Research Innovation and Trainees Affairs	Admin. Finance, HR & Resource Mobilisation	Planning Estate & Infrastructure	Audit & Risk Mgt.	Special
Prof. Elijah I. Omwenga	2nd Oct, 2019	1st Oct, 2022	Current Chairperson of the Council	Membership	√					√
				Attendance	3/3					1/4
Dr. Kenneth L. Chelule	2nd Oct, 2019	1st Oct, 2022	Academic Research Innovation and Trainees Affairs	Membership	√	√	√		√	√
				Attendance	1/3	1/2	1/1		1/2	1/4
Robert M. Murithi	2nd Oct, 2019	1st Oct, 2022	Admin. Finance, HR & Resource Mobilisation	Membership	√		√	√		√
				Attendance	2/3		1/1	2/3		1/4
Sarah W. Ngure	2nd Oct, 2019	1st Oct, 2022	Planning Estate & Infrastructure	Membership	√	√		√		√
				Attendance	2/3	1/2		2/3		1/4
Phyllis N. Namachanja	2nd Oct, 2019	1st Oct, 2022	Member	Membership	√		√		√	√
				Attendance	3/3		1/1		1/2	2/4

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**1. Process of Council Members Appointment.**

The Polytechnic Council was appointed by the Cabinet Secretary Ministry of Education, with effect from 17<sup>th</sup> March October, 2023 for a term of three years. There are eight (8) Council members comprising of the Chairperson, one member representing Principal Secretary Ministry of Education, one member representing Principal Secretary National Treasury ,five (5) independent members. The Principal is an *ex-officio* member of the Council.

Subject to the provisions of the Polytechnic order, the office of a member of the Council shall become vacant if the member:

- a) Resigns by notice in writing addressed to Cabinet Secretary
- b) Is unable to perform the functions of the Office by reason of prolonged physical or mental incapacity.
- c) Is adjudged bankrupt by a court of competent jurisdiction or enters into a composition or scheme of arrangement for the benefit of creditors
- d) Is guilty of gross misconduct
- e) Fails to meet requirements of chapter six of the Constitution  
Or
- f) Is convicted of an offence and sentenced to imprisonment for a period of six months or more.

The appointment of Council members shall:

- a) Take into account ethnic and gender balance
- b) Promote inclusion of persons with disability, minorities and marginalized and
- c) Ensure balanced cores skills and competencies amongst the members

In appointing members of the Council the Cabinet Secretary shall stagger the appointment of some members to maintain a proportion of new membership that ensures continuity in the services of the Council.

**2. Process of Council Member Removal.**

Where the office of a member of the Council becomes vacant the Cabinet Secretary may subject to the provisions of this order, appoint another person to fill the vacancy for the unexpired term of such member.

Notwithstanding the generality of the foregoing any member of the Council suspected of having contravened chapter six or chapter thirteen of the Constitution shall vacate office to pave way for investigations.

Where a person who has vacated office under sub-paragraph (3) is not found culpable after investigations carried out under sub-paragraph (5) the person shall be reinstated as a member of the Council. Paragraph 12 shall apply with respect to the conduct of the business and affairs of the Council.

### **3. Roles and Functions of the Council**

- i. To ensure that proper management structure is in place and that the management maintain the corporate integrity, reputation and responsibility of the Polytechnic
- ii. To monitor and evaluate the implementation of the strategies, policies and management plans of the Polytechnic
- iii. To constantly review the viability and financial sustainability of the Polytechnic once in every year
- iv. To ensure that the Polytechnic complies with all the relevant laws, regulations, governance practices and accounting and auditing standards

### **4. Committees of the Polytechnic Council**

In order to facilitate the smooth running of its affairs, the Polytechnic Council establishes such committees with the membership and with such terms of reference as it may deem fit. The following committees were in place during the financial year 2022/2023.

- i. Academic, Research, Innovation and Trainees Affair Committee
- ii. Administration, Finance, Human Resource and Resource Mobilisation Committee
- iii. Planning, Estate and Infrastructure Committee
- iv. Audit and Risk Management Committee.

The Polytechnic Council nominates the Chairperson of each committee of the Council provided that in the absence of the Chairperson of any committee, the members present and constituting a quorum may elect one person from among them to chair the meeting. The Chairperson of the Polytechnic Council and the Principal are ex-officio members of every committee of the Council.

### **5. Induction Training**

The TVET Act No. 29 of 2013 Section 28 and 29 establishes and gives mandate to the Councils and Board of Governance to manage the TVET institutions on behalf of the Education Cabinet Secretary.

It is a requirement that the Governing Council members understand their functions and conduct well through induction program, and hence need for induction.

In the 2022/2023 FY Council members attended an induction training course from 12<sup>th</sup> - 14<sup>th</sup> April, 2023 at Lake Naivasha Resort which was organised by the Ministry of Education Directorate of TVET.

The following topics were covered:

- i. TVET Policy direction
- ii. Corporate governance
- iii. Stewardship
- iv. Internal audit in TVET

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- v. Financial Management in TVET
- vi. Performance contracting
- vii. Human Resource M&D in TVET
- viii. TVET financing

The second induction training was organised by SCAC from 17<sup>th</sup> - 19<sup>th</sup> April, 2023 at Lake Naivasha Resort

The following topics were covered:

- i. Corporate Governance principles under Mwongozo and emerging issues
- ii. Legal and institutional frameworks for state Corporations.
- iii. Duties and liabilities of Board, chairperson, members, COE and corporation secretary.
- iv. Government policies governing Board operations.
- v. Values and principles of Public Service.
- vi. Emotional Intelligence in managing Board Dynamics.
- vii. Public procurement and Assets Disposal Framework in State Corporations.
- viii. From Resource Mobilization to Quality utilisation refocusing Boards of State Corporation.

  
Agnes W. Kamiri

**CHAIRPERSON OF COUNCIL**

- ix. Role of the Board in Financial Oversight, Risk Management and Internal Controls.
- x. Ethical Leadership in Boards.
- xi. Statutory Compliance and Alternative Dispute Resolution (ADR) in State Corporations.
- xii. Role of the Board in mooting and Driving Organisational Strategy.

#### **6. Council Remuneration**

The Polytechnic Council members do not receive a salary. They are however paid a sitting allowance for every scheduled meeting attended. The Chairman also receives a monthly honorarium. The sitting allowance paid to the council members is disclosed in note 12 of the financial statements

#### **Shared Believe**

The Polytechnic Council and management have a shared believe that corporate governance is a continuous process and that good corporate governance must be embedded in our culture to support our values of discipline, high moral standards and integrity which are fundamental to the long term success and sustainability of our mandate as an institution of higher learning

Date: 28/9/2023

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**IX. MANAGEMENT DISCUSSION AND ANALYSIS**

**a) Operational and Financial Performance**

The following management's discussion and analysis (MD&A) provides a comprehensive overview of the financial position of Kabete National Polytechnic as at June 30<sup>th</sup>, 2023 and its changes in financial position for the period under review as compared to the period ended 30<sup>th</sup> June, 2022.

This report covers the period between 1<sup>st</sup> July 2022 to 30<sup>th</sup> June, 2023 as stipulated by the reporting template issued by the National Treasury

*Staffing as at 30th June 2023 was as follows:*

During the period under review, the Polytechnic had a staff of 347 staff (males -196 and females -151)

Description	M	F	Total
PSC Trainers	89	68	157
Governing Council Trainers	45	31	76
Governing Council Non-Trainers	62	52	114
<b>Total</b>	<b>196</b>	<b>151</b>	<b>347</b>

*Student Enrolment as at 30th June 2023 was as follows:*

During the period that has just ended, financial reporting of Kabete National Polytechnic included 11 academic departments, offering 38 diploma

programmes, 22 Craft Certificate programs and 4 Artisan programmes, with 7,762 Trainees enrolled.

S/no	Department	Certificate	Diploma	Total
1	Electrical And Electronic Engineering	187	1053	1240
2	Mechanical Engineering	251	652	903
3	Building & Civil Engineering	344	779	1123
4	Applied Science	231	445	676
5	Computer Studies	183	440	623
6	Business Studies	98	1307	1405
7	Liberal Studies		205	205
8	Hospitality	360	225	585
9	Health Science	40	392	432
10	Journalism and Media Studies		173	173
11	Architecture and Spatial Planning		363	363
12	Entrepreneurship Education		34	34
	<b>Total</b>	<b>1694</b>	<b>6068</b>	<b>7762</b>

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Kabete National Polytechnic conducts its activities on 52 acres of land.

The Polytechnic's financial report includes four basic financial statements: The Statement of Financial Performance, the Statement of Financial Position, the Statement of Cash Flows and the statement of Comparison of Budget and Actual Amount. These statements

focus on the financial performance of the Polytechnic, the changes in financial position, cash flows of the Polytechnic's activities and compliance with the approved budget respectively

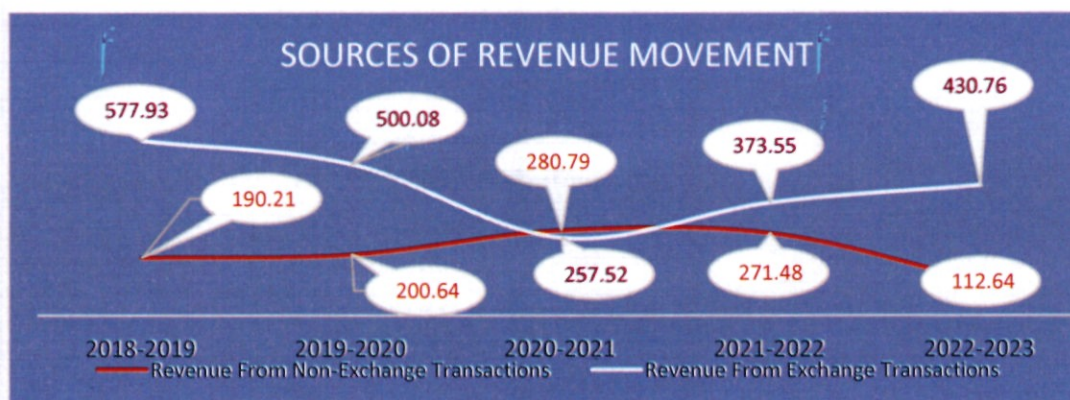
**Financial Highlights**

The Polytechnic's financial position as at June 30<sup>th</sup>, 2023, increased in net position of Kshs 1.171 million from Kshs 4.469 billion to 4.640 billion as at 30<sup>th</sup> June, 2022 and 30<sup>th</sup> June, 2023 respectively. Reduction was as a result of decrease in cash and cash equivalent.

Revenue from Exchange Transactions was the major source of funding for the Polytechnic.

During the period under review, the enrolment was 7,762 Trainees compared to 12,529 Trainees in financial year 2022/2023.

*Significant components of the operating revenue:*



**Sources of Operating Revenue for the last five years.**

Description	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
	Kshs	Kshs	Kshs	Kshs	Kshs
Transfer from National Government	190,211,758	200,640,000	280,788,634	271,482,106	112,638,000
Tuition (School Fees)	536,874,082	486,051,303	249,810,116	334,573,325	412,520,076
Hire of Facility	0	0	238,500	3,855,114	6,751,000
Other Income	41,056,289	14,030,914	7,473,875	35,117,645	11,492,925
					0
<b>Total</b>	<b>768,142,129</b>	<b>700,722,217</b>	<b>538,311,125</b>	<b>645,028,190</b>	<b>543,402,001</b>

Total operating revenues decreased by Kshs 101.63 million from Kshs 645.03 million by 30<sup>th</sup> June, 2022 to Kshs 543.40 million by 30<sup>th</sup> June 2023 since the government did not disburse capitation as was expected.

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**Other Income.**

Hire of facilities generated Kshs 6.75 million while other income generated Kshs 11.49 million. During the period under review, a total of 7,762 Trainees had been validated by

KUCCPS. However, capitation due to them for the totalling to Kshs 121.53 million had not been received.

**Operating Expenses**

The following table summarizes the Polytechnic's operating expenses for the last five years on comparative basis.

Description	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
	Kshs	Kshs	Kshs	Kshs	Kshs
Use of Goods and Services	368,157,248	280,386,408	223,684,498	479,602,507	280,938,935
Employee Costs	99,925,990	109,105,836	95,844,132	103,529,469	95,127,071
Council Expenses	8,084,514	12,309,716	11,790,241	12,593,727	12,568,094
Depreciation and Amortization	0	0	52,723,830	66,143,224	66,169,950
Repair Maintenance & Improvement	17,671,769	29,837,031	45,360,040	29,666,776	38,436,062
Contracted Services	0	2,915,835	11,403,521	0	0
Finance Costs	1,021,842	512,192	368,276	0	0
Project Costs	10,500,000	48,126,330	14,913,499	23,492,325	16,475,485
<b>Total</b>	<b>505,361,363</b>	<b>483,193,348</b>	<b>456,088,037</b>	<b>715,028,028</b>	<b>509,715,598</b>

Total operating expenses for the period under review was Kshs 509.72 million. There was a decrease in operating expenses of Kshs 205.31 million from 715.03 million to Kshs 509.72 million by the end of June, 2022 and 2023 respectively. This is due to stringent measures employed to ensure operation costs are maintained at a minimum levels without compromising on quality service delivery. An

analysis of expenses demonstrates that the major expenditure of the Polytechnic in the period under review was use of goods and services representing 55.1% while compensation to employees (i.e. salary, wages and benefits accounted for 18.7% of the total operating expenses.

**Summary of Financial Performance over the last five years.**

The Statement of Financial Performance presents the revenues earned and the expenses incurred during the last five years.

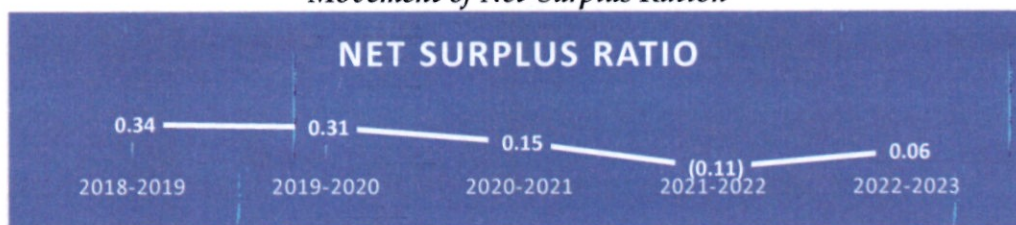
Description	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
	Kshs	Kshs	Kshs	Kshs	Kshs
Total Operating Revenue	768,142,129	700,722,217	538,311,125	645,028,190	543,402,001
Total Operating Expenses	505,361,363	483,193,348	456,088,037	715,028,028	509,715,598
<b>Total</b>	<b>262,780,766</b>	<b>217,528,869</b>	<b>82,223,088</b>	<b>(69,999,838)</b>	<b>33,686,403</b>

During the period under review, the Polytechnic reported an increase of Kshs 103.69 million in surplus from Kshs (70.0)

million to Kshs 33.69 million by the end of June 2022 and 2023 respectively.

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*Movement of Net-Surplus Ratio*



The surplus ratio increase by 0.18 from (0.11) to 0.06 by the end of June 2022 and 2023 respectively in the performance indicator of

the Polytechnic. This was brought about by the decrease in expenditure.

**Statement of Financial Position**

The Statement of Financial Position presents the financial position of the Polytechnic at the end of the period under review and includes all assets (current and non-current), liabilities (current and non-current) and net position of the Polytechnic. Current assets are classified

as such if they are available to satisfy current liabilities. Net position is one indicator of the financial position of the Polytechnic, while the change in net position is an indicator of whether the overall financial position has improved or worsened during the year.

*Summary of Financial Position over the last five years.*

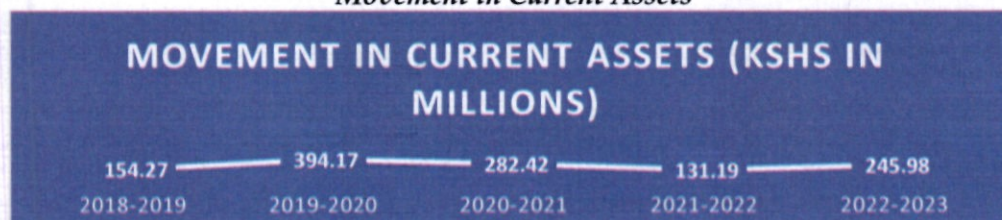
Description	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Assets	154,266,619	394,165,638	282,420,336	131,194,512	260,035,052
Non-Current Assets	4,275,840,382	4,109,759,309	4,260,939,243	4,337,749,397	4,380,749,810
<b>Total Assets</b>	<b>4,430,107,000</b>	<b>4,503,924,947</b>	<b>4,543,359,579</b>	<b>4,468,943,909</b>	<b>4,640,784,862</b>
Current Liabilities	111,422,499	180,407,665	119,053,562	114,637,731	213,741,764
<b>Net Assets</b>	<b>4,318,684,502</b>	<b>4,323,517,283</b>	<b>4,424,306,016</b>	<b>4,354,306,179</b>	<b>4,427,043,098</b>
<b>Net Assets and Liabilities</b>	<b>4,430,107,000</b>	<b>4,503,924,947</b>	<b>4,543,359,579</b>	<b>4,468,943,909</b>	<b>4,640,784,862</b>

**Current Assets and Current Liabilities**

Current assets include cash and cash equivalent, Receivables from Non-Exchange Transactions and Receivable from Exchange Transactions. Current assets increased by

Kshs 111.64 million from Kshs 131.19 million to Kshs 242.83 million by the end of June, 2022 and 2023 respectively. This was due to increase in receivables

*Movement in Current Assets*



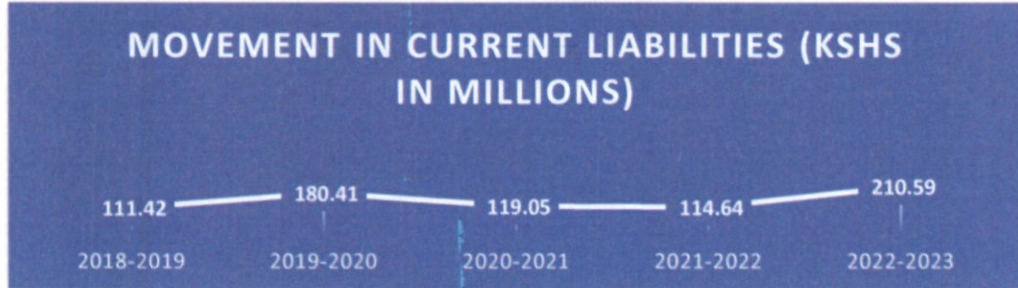
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**Current Liabilities**

Current liabilities include trade and other payables from Exchange Transactions,

Refundable deposits to customers and payments received in advance

*Movement in Current Liabilities*



Current liabilities increased by Kshs 95.95 million from Kshs 114.64 million to Kshs 210.59 million by the end of June, 2022 and

2023 respectively. The increase is primarily related to non-disbursement of Capitation.

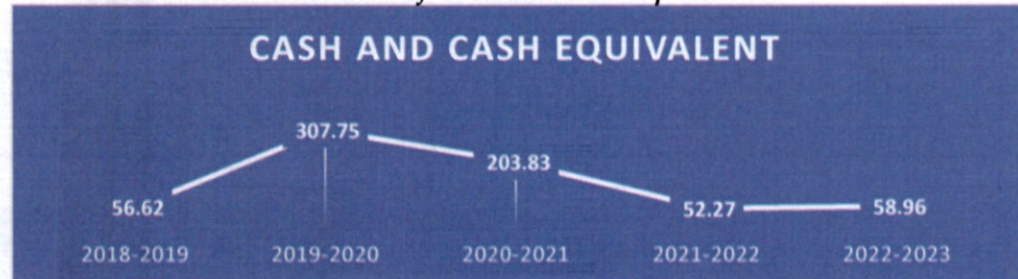
*Movement of Current Ratio*



The Polytechnic's current assets cover current liabilities by a factor of 1.1 and 1.2 time as at 30th June 2022 and 2023 respectively. This represents an indicator of good liquidity and the ability to bear short-term demands on

working capital. The Polytechnic's current assets also cover approximately 2 months and 6 months of its total operating expenses by the end of June 2022 and 2023 respectively.

*Movement of Cash and Cash Equivalent*



Cash and cash Equivalent increased by Kshs 6.69 million from Kshs 52.27 million to Kshs 58.96 million by the end of June 2022 and 2023

respectively. The increase is primarily related to increase in revenue from Exchange Transaction

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**b) Compliance with Statutory Requirements**

Compliance and regulatory risk include the risk of non-compliance with regulatory Requirements. The polytechnic has complied

with all externally imposed requirements throughout the period under review

**c) Major Risks Facing the Polytechnic**

The polytechnic is likely to face risks that are related to resources, operations, strategies and technology as enumerated below.

- a) Resistance to the implementation of proposed programmes/activities by some stakeholders
- b) Staff turnover, redeployment or shortages of highly trained technical staff, is likely to affect delivery
- c) Changes in the Polytechnic mandate arising from for example restructuring or reorganization may cause disorientation in implementation of the Plan

d) Inadequate funding or delayed, diverted or reduction of funds for the implementation of the Plan

e) Resistance by stakeholders to adopt to new technological changes

In order to limit the effects of the above mentioned risks, it would be necessary to ensure the optimal utilization of the resources available to the Polytechnic and also maintain close consultation with its stakeholders during the implementation of the Plan. Proper and constant monitoring and evaluation of progress of activities would forestall failure in implementation

**d) Key Projects and Investment Decisions Planned/Implemented**

The Polytechnic has undertaken several projects to create a conducive environment for

students and implement the presidential directive of the Big 4 Agenda.

The ongoing and proposed projects have been financed internally.

S/No	Project Name	Project Description	Location	Total Estimated Cost	Current Status	Allocation for FY 2021/2022	Expected Deliverables (Outputs) for FY 2021/2022
1.	Construct a Tuition Block	Complete external, electrical & plumbing works and acquire completion certificate	KNP	211,847,838	100%	37,668,841	i. Acquire Completion Certificate
2.	Proposed Construction of Poultry house	Install two solar water heaters	KNP	5,000,000	0%	5,000,000	i. Install water supply tank and plumbing works.

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							ii. Install two solar water heating panels
3	Construction of Cabro Pavement	Proposed Installation of Cabros works at the Bus Park and Hospitality	KNP	2,000,000	0%	2,000,000	i. Trench, lay the duct and install power on the driveway and walk ways ii. Install fifteen solar street lights
4	Construct a standard Running Track and Football Field	Excavate, compact & level the field to ensure proper slope & drainage. Plant grass, mark the football field and the running tracks and Install football goalposts	KNP	6,000,000	100% Complete the construction of the running track and football field	6,000,000	i. Mark the football field and the running tracks ii. Install football goalposts

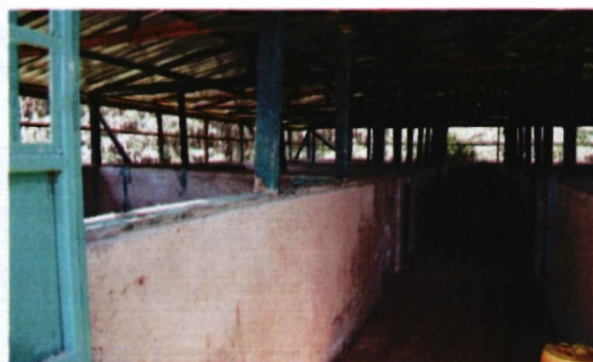
CONSTRUCTION OF POULTRY HOUSE



CONSTRUCTION OF DAIRY COWS SHED



CONSTRUCTION OF PIGS HOUSE



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*Photos of Completed Projects*

INSTALLATION OF CABROS TOWARDS STAFF TRAINING CENTRE



CONSTRUCTION OF HOSPITALITY COMPLEX



*As at 30th June, 2023*

CONSTRUCTION OF ACCESS ROAD TO  
HOSPITALITY DEPARTMENT



*As at 30th June, 2023*

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**STAFF QUARTER ACCESS ROAD**



*As at 30th June, 2023*

**CONSTRUCTION PARKING AREA AT THE AND CABRO INSTALLATION**



*As at 30th June, 2023*

**CONSTRUCTION OF STAFF CAFETERIA**



*As at 30th June, 2023*

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**X. ENVIRONMENTAL AND SUSTAINABILITY REPORTING STATEMENT**

Kabete National Polytechnic exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/citizen first, delivering relevant goods and services, and improving operational excellence. Below is a highlight of strategies and activities that promote the organisation's strategic objectives.

**Sustainability Strategy and Profile**

The Polytechnics are charged with the responsibility of creating a knowledge-based society that upholds justice, democracy and accountability. In this regard, KNP is under duty to promote a culture of compliance with laws, civility and human decency in behaviour among the Polytechnic community and between the Polytechnic community and the outside world. At the same time, the government, communities, development partners and other stakeholders continue to make substantial investment to support higher education programs and projects.

In the last few years the Polytechnic has benefited from CDF through fees payment for various needy trainees. As one of the TVET institutions in Nairobi County, it will be prudent for the administrators, political players and stakeholders not only to continue with their goodwill in harnessing financial support which will not only be of great use to the Polytechnic, but also in helping the Polytechnic amongst other institutions, position themselves in terms of TVET training in line with Vision 2030.

The government's effort is appreciated within the context of TVET Act of 2013 on Technical and Vocational Education and Training, Research and Innovation. This has given much impetus to the allocation of funds to TVET institutions in form of Trainees' capitation, HELB loans and bursaries and infrastructural development fund in the implementation of the "big 4" Agenda.

KNP is located in Nairobi County within an area of moderately well-endowed work force. Being in the town proximity, the Polytechnic is exposed to a variety of challenges that must be addressed. At institutional level, the increase in the number of trainees enrolled in regular programmes has not been matched by the desire for expanded infrastructure such as lecture halls and lecture rooms, library, offices, workshops and laboratories, hostels and other facilities. KNP has increasingly been compelled to address its funding shortfall from alternative sources. The Kenya Vision 2030 has accorded science, technology and innovation high priority.

The vision is based on the realization that in an increasingly knowledge-based and globalized world, Science, Technology and Innovation (ST&I) are essential, both for social and economic progress and for global competitiveness of our nation. KNP is a critical driver of innovation systems and the resultant development in science, technology and innovation such as our award winning robot in the TVET robotic contest involving universities and colleges.

Technical education is essential for economic progress and for global

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competitiveness of our nation and is also central in productivity and the socio-economic transformation of the country. The Sector Plan for Science, Technology and Innovation (2013-2017) provides for revitalization and harnessing of science, technology and innovation for Kenya's prosperity and global competitiveness. In this regard, human resource development, research and knowledge generation will be strengthened at KNP to enhance their application in national production systems for sustainable development.

In line with the fourth agenda of the "Big 4" and the Vision 2030, KNP has the knowledge and capacity to deliver on the Manufacturing agenda.

KNP needs to improve and expand the laboratories/workshops and accredit them to meet the set standards for the local and international market. Further, KNP will construct and equip an innovation laboratory/workshop.

**Environmental performance**

Protection of the environment in which we live and operate is part of our organizational cultural values and principles and we consider it to be a sound business practice. Care for the environment is one of our key responsibilities and an important part of the way in which we do business.

We commit to:

- i. Provide a framework for planning and sustainable management of the Polytechnic environment.
- ii. Strengthen the institutional and individual capacity for effective

management of the environment.

- iii. Ensure sustainable management of the Polytechnic's environment and its surrounding.
- iv. Ensure cooperation, collaboration, partnerships and participation in the protection conservation and management of the environment by all stakeholders.

Application of these principles and practices will make a significant contribution to the Polytechnic's environmental sustainability programs.

The Management therefore ensures that the Polytechnic reduces the environmental impact by:

- i. Engaging with staff, Trainees and the surrounding communities to encourage environmentally sustainable behaviour.
- ii. Planting of trees to minimize greenhouse gas emissions in operations and work towards carbon neutrality.
- iii. Minimizing use of natural resources such as water, non-renewable energy and paper.
- iv. Following the waste hierarchy-avoid or minimize, reduce, reuse, recycle and then dispose off correctly as the last option.
- v. Minimizing the use of hazardous substances.
- vi. Encouraging sustainable practices in relation to design, transport and travel, procurement and catering.

### **Employee welfare**

When a vacant position arises, an advertisement is placed in two leading daily newspapers and online in order to reach a wide audience and coverage. The adverts usually contain a caption indicating that the polytechnic is an equal opportunity employer. Women, people with disabilities and marginalised communities are encouraged to apply. During the shortlisting process, the panel ensures that at least a third (1/3) of the candidates are opposite gender. Throughout the interview process, if the highest number of successful candidates are male a consensus is reached to engage a female candidate though they may not have scored the highest but have met the minimum requirements.

In the course of hiring process, the relevant stakeholders like the heads of departments are involved in every stage of the recruitment process in order to get the best fit for the Departments. The council also takes part in the interviews to ensure a balanced perspective and transparency in the recruitment process. Returns are made after the interviews to the Ministry of Education on the recruitment of Public Service Commission trainers.

Every year returns are made to the National Employment Authority (NEA) on the status of all employees in each year. The returns include those that have been hired and those who

have left the service of the Polytechnic during the year.

Efforts made by the Polytechnic to improve employees' skills include:

1. The Human Resource Department carries out a training needs assessment from which a training calendar is developed in order to ensure that the polytechnic has the right skills.
2. The Polytechnic pays for trainings to build their competencies in various areas and also pays for their membership in professional bodies.
3. In August 2019, the Polytechnic facilitated the top management and Public Service Commission trainers to attend a senior management Course at the Kenya School of Government.
4. The Polytechnic's ICT and Hospitality Department have in house programs for training staff in their areas of specialization in order to improve their skills.

The Polytechnic carries out an annual appraisal process during which employees are evaluated by the Heads of Department in consultation with the Human Resource Officer in order to identify their strengths and weaknesses and recommendations are given to improve on the identified weak areas.

On health and safety, the Polytechnic carries out a First Aid training for both Trainees and staff and this is carried out annually. The polytechnic has procured a WIBA cover for all staff.

**KABETE NATIONAL POLYTECHNIC  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 2022**

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**Corporate Social Responsibility / Community Engagements**

As part of Corporate Social Responsibility, the Polytechnic participates in community programs and activities that involve encouraging staff and Trainees' participation in community activities. Our Trainees were involved in cleaning up exercise in "N" Market and Kabete police station.

The Polytechnic dispensary in conjunction with Ministry of Health Westlands Sub-County carries out major medical screening every term for the Trainees, staff and the community around the institution.

The screening of the neighbouring community was majorly on non-communicable diseases like hypertension. The operational and ultimate responsibility for the commitment to our Corporate Social Responsibility principles lies with the Council and the top management. Every employee of Polytechnic is expected to give their full co-operation to the above principles in their activities at work. Clients or stakeholders are also expected to apply our environmental principles.

and diabetes where those who availed themselves had their blood pressure and blood sugar checked and all the suggestive cases were given referrals accordingly by the Polytechnic clinician.

This was preceded by sensitization of our community on all the non-communicable diseases on preventive measures. Major cleaning up exercise of areas around the institution and the police station was undertaken to maintain good environmental hygiene.

exercises by our final year Trainees in medical laboratory and pharmacy courses under the supervision of the Dean of Trainees' office.

The effectiveness of the policy statement will be monitored and reviewed regularly by the Council and Management to ensure the Polytechnic's continued compliance with any relevant legislation to meet new legal requirements and to identify areas in need of improvement. We will also ensure that all changes will be brought to the attention of all employees as necessary.

**KABETE NATIONAL POLYTECHNIC  
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**XI. REPORT OF THE POLYTECHNIC COUNCIL**

The Polytechnic Council submits its report together with the audited financial statements for the year ended 30 June, 2023 which show the state of the Polytechnic's affairs.

**Principal activities**

The principal activities of the Polytechnic continue to be the provision of quality education, training, research and innovation in partnerships with stakeholders globally.

**Results**

The results of Kabete National Polytechnic for the year ended 30 June 2023 are set out on page 1 (one) to 30 (thirty).

**Polytechnic Council Members**

The members of the Polytechnic Council who served during the year are shown on page x to xiii. During the year, Prof. Elijah I Omwenga, Sarah W. Ngure, Kenneth L. Chelule, Robert M. murithi and Phyllis E.N. Wangwe retired and Agnes W. Kamiri, Isabella N. Mwangi, Honey A. Mohamud and Gilbert Nyongi were appointed with effect from 17<sup>th</sup> March 2023.

**Auditors**

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

By Order of the Council



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Patrick W. Muchemi  
PRINCIPAL/SECRETARY TO THE COUNCIL

28/9/2023  
Date

**KABETE NATIONAL POLYTECHNIC  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**XII. STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES**

Section 81 of the Public Finance Management Act, 2012 and (*Section 14 of the State Corporations Act Cap 446, and Section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013*) require the council members to prepare financial statements in respect of the Polytechnic, which give a true and fair view of the state of affairs of the Polytechnic at the end of the financial year and the operating results of the Polytechnic for that year. The Council members are also required to ensure that the Polytechnic keeps proper accounting records which disclose with reasonable accuracy the financial position of the Polytechnic. The Council members are also responsible for safeguarding the assets of the Polytechnic.

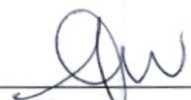
The Council members are responsible for the preparation and presentation of the Polytechnic's financial statements, which give a true and fair view of the state of affairs of the Polytechnic for and as at the end of the financial year ended on **30 June 2023**. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Polytechnic; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material mis-statements, whether due to error or fraud; (iv) safeguarding the assets of the *Polytechnic*; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Council members accept responsibility for the *Polytechnic's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (*the State Corporations Act Cap 446, and the TVET Act 2013*). The council members are of the opinion that the *Polytechnic* financial statements give a true and fair view of the state of *Polytechnic* transactions during the financial year ended **30 June 2023**, and of the *Polytechnic's* financial position as at that date. The council members further confirm the completeness of the accounting records maintained for the *Polytechnic*, which have been relied upon in the preparation of the *Polytechnic's* financial statements as well as the adequacy of the systems of internal financial control.

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.

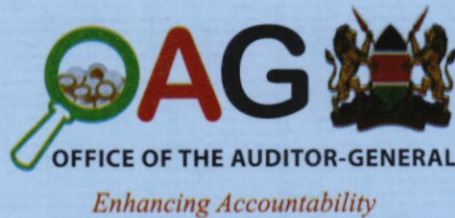
**Approval of the financial statements**

The *Polytechnic* financial statements were approved by the Council on 28<sup>th</sup> September 2023, and signed on its behalf by:

  
\_\_\_\_\_  
Agnes W. Kamiri  
**CHAIRPERSON OF THE COUNCIL**

  
\_\_\_\_\_  
Mr. Patrick W. Muchemi  
**PRINCIPAL**

# REPUBLIC OF KENYA



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

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

## REPORT OF THE AUDITOR-GENERAL ON KABETE NATIONAL POLYTECHNIC FOR THE YEAR ENDED 30 JUNE, 2023

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### PREAMBLE

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

- A. Report on the 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 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 Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the Effectiveness of Internal Control, 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, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk Management and governance systems are properly designed and were working effectively in the financial year under review.

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 Kabete National Polytechnic set out on pages 1 to 35, which comprise the statement of financial position as at 30 June, 2023, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and

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*Report of the Auditor-General on Kabete National Polytechnic for the year ended 30 June, 2023*

other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Kabete National Polytechnic as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Technical and Vocational Education Training Act, 2013.

## **Basis for Qualified Opinion**

### **1.0 Unsupported Property, Plant and Equipment**

The statement of financial position reflects property, plant and equipment balance of Kshs.4,372,516,130 as disclosed in Note 18 to the financial statements. However, review revealed the following anomalies: -

- i. The Polytechnic did not revise the residual values and useful lives of property, plant and equipment at the reporting date in accordance with Paragraph 71 of International Public Sector Accounting Standard (IPSAS) 17.
- ii. As reported in the previous year, review of the Board minutes and the Polytechnic land file revealed that the Polytechnic was allocated land under Grant No. I.R. 23463 for a period of 99 years from 1 January, 1967 registered in the name of Board of Governors, Kabete Technical School measuring 52.6 acres. Further, review of the Board minutes and land file correspondences revealed a long-running dispute between the Polytechnic and the local Church which claims ownership of five (5) acres. The National Lands Commission investigated the matter and concluded that the Church has no legal claim on the land and that the title held by the Church was obtained fraudulently. The Polytechnic Council and Management have not demonstrated action taken to secure the land and ensure that it is registered in the name of the Polytechnic as required by Section 3(2)(b) of the Kabete National Polytechnic Order, 2016.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.4,372,516,130 could not be confirmed.

### **2.0 Unsupported Receivables from Exchange Transactions**

The statement of financial position and as disclosed in Note 16 to the financial statements reflects receivables from exchange transactions balance of Kshs.183,872,724. Included in this balance is rental debtors of Kshs.7,473,899. However, aging analysis of rental records indicates that an amount of Kshs.534,552 had been outstanding for over two years with some rent debtors dating back to the year 2000. Further, included in the rent debtors are amounts of Kshs.1,777,744 in respect of deceased staff and Kshs.5,106,985

in respect of staff who either retired or moved out of the staff houses for which there is no recovery plan.

In addition, included in the receivables balance are amounts of Kshs.182,868 and Kshs.88,444,429 relating to salary advances and student debtors respectively. Management did not provide explanations on the amounts due that had not been recovered or written off from the books of accounts.

In the circumstances, the accuracy and completeness of receivables from exchange transactions balance of Kshs.183,872,724 could not be confirmed.

### **3.0 Unverifiable Refundable Deposits**

The statement of financial position and as disclosed in Note 22 to the financial statements reflects refundable deposits from customers balance Kshs.59,031,474. Included in the balance are TVET Scholarships of Kshs.665,000, Constituency Development Fund of Kshs.3,545,971, HELB Student Bursary of Kshs.1,068,350 and HELB Student Loan of Kshs.17,432,166, all totalling Kshs.22,711,487. However, no supporting schedules were provided to show the allocation to each student.

In the circumstances, the accuracy and completeness of refundable deposits from customers balance of Kshs.22,711,487 could not be confirmed.

### **4.0 Unsupported Trade and Other Payables from Exchange Transactions**

The statement of financial position and as disclosed in Note 21 to the financial statements reflects trade and other payables from exchange transactions balance of Kshs.151,558,922. However, the data retrieved from Kenya Universities and Colleges Central Placement Service (KUCCPS) revealed that the Polytechnic owes the Service an amount of Kshs.11,028,000 but the Polytechnic only disclosed an amount of Kshs.8,182,000, resulting to an unreconciled variance of Kshs.2,846,000. Further, the ageing analysis for trade and other payables indicated outstanding payables which have been outstanding for over three years amounting to Kshs.2,845,500.

In the circumstances, the accuracy and completeness of trade and other payables from exchange transactions balance of Kshs.151,558,922 could not be confirmed.

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kabete 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 of Kshs.1,008,355,110 against actual revenue earned of Kshs.557,692,911, resulting to

under-absorption of Kshs.450,662,199 or 44% of the final budget. Further, the statement of comparison of budget and actual amounts reflects final expenditure budget of Kshs.957,159,017 against actual payments of Kshs.453,841,170, resulting to under-absorption of Kshs.503,317,847 or 53% of the final budget.

In the circumstances, the under-funding and under-absorption affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **Affirmative Action on Ethnicity and Regional Diversity**

Review of the Polytechnic's staff bio data revealed that one-hundred and fourteen (114) staff on permanent and pensionable service referred to as council non-trainers. However, sixty-six (66) members of staff or 34% are drawn from one ethnic community. This was contrary to Section 7(2) of the National Cohesion and Integration Act, 2008 which provides 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 law.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) 4000. The standard requires 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 are in compliance, 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

## **Conclusion**

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

## **Basis for Conclusion**

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

## **Responsibilities of Management and the Board of Trustees**

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 control 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 overall governance.

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

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

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

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

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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. 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 and weakness 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 addition, to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, 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 accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk Management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.


As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Polytechnic's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Polytechnic to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Polytechnic to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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

**Nairobi**

**28 March, 2024**

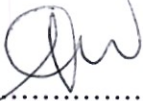
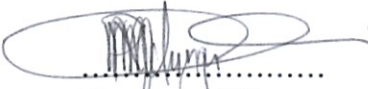
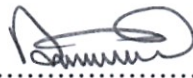
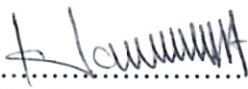
**KABETE NATIONAL POLYTECHNIC  
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**XIV. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED  
30TH JUNE 2023**

	Notes	2022-2023 Kshs	2021-2022 Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the Nat. Govnt' - Capitation	5(a)	110,138,000	233,190,000
Transfers from the Nat. Govnt' - Conditional Grant	5(a)	2,500,000	38,292,106
<b>Total Revenue from Non-Exchange Transactions</b>		<b>112,638,000</b>	<b>271,482,106</b>
<b>Revenue from exchange transactions</b>			
Rendering of services- Fees from students	6	412,520,076	334,573,325
Hire of Facilities and Equipment	7	6,751,000	3,855,114
Other income	8	11,492,925	35,117,645
<b>Total Revenue from exchange transactions</b>		<b>430,764,001</b>	<b>373,546,084</b>
			0
<b>Total revenue</b>		<b>543,402,001</b>	<b>645,028,190</b>
<b>Expenses</b>			
Use of goods and services	9	280,938,935	479,602,507
Employee costs	10	95,127,071	103,529,469
Council Expenses	11	12,568,094	12,593,727
Depreciation and amortization expense	12	66,169,950	66,143,224
Repairs and maintenance	13	38,436,062	29,666,776
Project Expenses	14	16,475,485	23,492,325
			0
<b>Total expenses</b>		<b>509,715,598</b>	<b>715,028,028</b>
<b>Net Surplus for the year</b>		<b>33,686,403</b>	<b>(69,999,838)</b>

The notes set out on pages 6 to 31 form an integral part of the Annual Financial Statements.

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

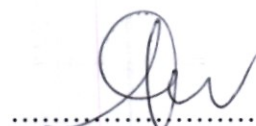
			
..... <b>Chairperson of Council</b>	..... <b>Finance Officer</b>	..... <b>Principal</b>	..... <b>Sr. Accountant ICPAK No 23207</b>
28/09/2023 Date	28/09/2023 Date	28/09/2023 Date	28/09/2023 Date

**KABETE NATIONAL POLYTECHNIC  
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**XV. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2023**

	Notes	2022- 2023	2021-2022
		Kshs	Kshs
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	15	62,111,811	52,271,124
Receivables from Exchange Transactions	16	183,872,724	78,923,388
Receivables from Non-Exchange Transactions	17	14,050,517	
<b>Non-Current Assets</b>		<b>260,035,052</b>	<b>131,194,512</b>
Property, plant and equipment	18	4,372,516,130	4,324,420,997
Intangible Assets	19	8,233,680	13,328,400
<b>Total Non-Current Assets</b>		<b>4,380,749,810</b>	<b>4,337,749,397</b>
<b>TOTAL ASSETS</b>		<b>4,640,784,862</b>	<b>4,468,943,909</b>
			0
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Cash and cash equivalents overdrawn	20	3,151,369	
Trade and other payables from exchange transactions	21	151,558,922	58,433,571
Refundable deposits from customers	22	59,031,474	56,204,160
<b>Total Current Liability</b>		<b>213,741,764</b>	<b>114,637,731</b>
<b>Non-current liabilities</b>			
<b>NET ASSETS</b>		<b>4,427,043,098</b>	<b>4,354,306,179</b>
Revaluation Reserve	23	3,795,310,784	3,795,310,784
Retained Earning	24	557,959,184	524,272,781
Capital Fund	25	73,773,130	34,722,613
<b>TOTAL NET ASSETS AND LIABILITIES</b>		<b>4,427,043,099</b>	<b>4,354,306,178</b>

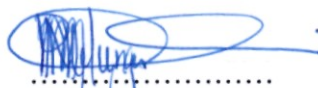
The Financial Statements set out on pages 1 to 6 were signed by:



Chairperson of  
Council

28/09/2023

Date



Finance Officer

28/09/2023

Date



Principal

28/09/2023

Date



Sr. Accountant  
ICPAK No 23207

28/09/2023

Date

**KABETE NATIONAL POLYTECHNIC  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**XVI. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2023**

	Revaluation Reserve	Fair value adjustment reserve	Retained earnings	Capital/Development Grants/Fund	Total
<b>At July 1, 2021</b>	3,795,310,784	0	594,272,619	34,722,613	4,424,306,016
Valuation gain					0
Fair value adjustment on quoted investments					0
Total comprehensive income					0
Capital/Development grants received during the year	-	-			0
Surplus for the period			(69,999,838)		(69,999,838)
Transfer of depreciation/amortization from capital fund to retained earnings	-	-			0
<b>At June 30, 2022</b>	3,795,310,784	0	524,272,781	34,722,613	4,354,306,178
<b>At July 1, 2022</b>	3,795,310,784	0	524,272,781	34,722,613	4,354,306,178
Valuation gain					0
Fair value adjustment on quoted investments					0
Total comprehensive income					0
Capital/Development grants received during the year	-	-		39,050,517	39,050,517
Surplus for the period			33,686,403		33,686,403
Transfer of depreciation/amortization from capital fund to retained earnings	-	-			0
<b>At June 30, 2023</b>	3,795,310,784	0	557,959,184	73,773,130	4,427,043,099

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**XVII. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Cash flows from operating activities			
<b>Receipts</b>			
Transfers from the Nat. Govnt' - Conditional Grant		2,500,000	271,482,106
Transfers from the Nat. Govnt' - Capitation		110,138,000	
Rendering of services- Fees from students		298,179,858	334,573,325
Hire of facilities and equipment		6,681,000	3,855,114
Other income		21,183,001	35,117,645
<b>Total Receipts</b>		<b>438,681,859</b>	<b>645,028,190</b>
<b>Payments</b>			
Use of goods and services		198,851,994	474,404,549
Employees Costs		91,916,933	103,529,469
Council Expenses		12,568,094	12,593,727
Repair Maintenance & Improvement		24,966,301	29,666,776
Project Cost- Mentored TVC's		16,367,485	23,492,325
<b>Total Payments</b>		<b>344,670,807</b>	<b>643,686,846</b>
<b>Net cash flows from operating activities</b>	26	<b>94,011,052</b>	<b>1,341,344</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and Equipment			
Purchase of property, plant, equipment and intangible assets	18&19	(109,170,363)	(152,953,379)
<b>Net cash flows used in investing activities</b>		<b>(109,170,363)</b>	<b>(152,953,379)</b>
<b>Cash flows from financing activities</b>			
Government Capital Grant	5(a)	25,000,000	
<b>Net cash flows used in financing activities</b>		<b>25,000,000</b>	
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>9,840,688</b>	<b>(151,612,035)</b>
Cash and cash equivalents at 1 July	15	52,271,123	203,883,158
<b>Cash and cash equivalents at 30 June</b>	15	<b>62,111,811</b>	<b>52,271,123</b>


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

  
.....  
Chairperson of  
Council


Date 28/09/2023

  
.....  
Finance Officer

Date 28/09/2023

  
.....  
Principal

Date 28/09/2023

  
.....  
Sr. Accountant  
ICPAK No 23207

Date 28/09/2023

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**XVIII. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2023**

<b>Recurrent Budget</b>	<b>Original Annual Budget</b>	<b>Adjustments</b>	<b>Final Annual budget</b>	<b>Actual on Comparable Basis</b>	<b>Performance Difference</b>	<b>% of Utilization</b>
	<b>2022-2023</b>	<b>2022-2023</b>	<b>2022-2023</b>	<b>2022-2023</b>		
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	
<b>Revenue</b>						
Transfers from other Govt entities Govt Capitation grants	210,000,000		210,000,000	110,138,000	(99,862,000)	52%
Government Recurrent Grant	45,000,000		45,000,000	(45,000,000)		0%
Government Grant (Special Purpose)	0		0	2,500,000	2,500,000	
Rendering of services- Fees from students	330,359,510		330,359,510	298,179,858	(32,179,652)	90%
Hire of Facilities and Equipment	270,000		270,000	6,681,000	6,411,000	2474%
Income Generating Activity					0	
Catering (Pay-As-You-Eat)					0	
Other Income	17,725,600		17,725,600	21,183,001	3,457,401	120%
					0	
<b>Total income</b>	<b>603,355,110</b>	<b>0</b>	<b>603,355,110</b>	<b>438,681,859</b>	<b>(164,673,251)</b>	<b>73%</b>
<b>Expenses</b>					<b>0</b>	
Use of Goods and services	320,235,080		320,235,080	198,851,994	121,383,086	62%
Employees Costs	150,480,000		150,480,000	91,916,933	58,563,067	61%
Council Expenses	22,923,937		22,923,937	12,568,094	10,355,843	55%
Depreciation & Amortization Expenses						
Repair and Maintenance	43,520,000		43,520,000	24,966,301	18,553,699	57%
Contracted Services			0	0	0	
Finance Cost			0	0	0	
Project Cost			0	16,367,485	(16,367,485)	100%
					0	
<b>Total expenditure</b>	<b>537,159,017</b>	<b>0</b>	<b>537,159,017</b>	<b>344,670,807</b>	<b>192,488,210</b>	<b>64%</b>
<b>Surplus for the period</b>	<b>66,196,093</b>	<b>0</b>	<b>66,196,093</b>	<b>94,011,052</b>	<b>(27,814,959)</b>	

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Development Budget	Original Annual Budget	Adjustments	Final Annual budget	Actual on Comparable Basis	Performance Difference	% of Utilization
	2022-2023	2022-2023	2022-2023	2022-2023		
	Kshs	Kshs	Kshs	Kshs		
Government Grant (Development	320,000,000		320,000,000	25,000,000	295,000,000	8%
Internally Generated (A-I-A)	85,000,000		85,000,000	94,011,052	(9,011,052)	111%
	405,000,000	0	405,000,000	119,011,052	285,988,948	29%
Purchase of property, plant, equipment and intangible assets	420,000,000		420,000,000	109,170,363	310,829,637	26%
<b>Total Expenditure</b>	<b>420,000,000</b>	<b>0</b>	<b>420,000,000</b>	<b>109,170,363</b>	<b>310,829,637</b>	<b>26%</b>
<b>Total Surplus /(Deficit)</b>	<b>(15,000,000)</b>	<b>0</b>	<b>(15,000,000)</b>	<b>9,840,688</b>	<b>(24,840,688)</b>	

1. The budget is approved on a cash basis by functional classification. The approved budget covers the financial year from July 1, 2022 to June 30 2023 and includes all departments within the polytechnic
2. The original budget was approved by the National Assembly on 30<sup>th</sup> June, 2022
3. The budget and the accounting bases differ. The financial statements are prepared on accrual basis, using a classification based on the nature of expenses. The financial statement differs from the budget which is approved on cash basis.
4. The reconciliation between the actual amounts on a comparable basis as presented in the Statement of Comparison of Budget and Actual Amounts and the actual amount in the Statement of Cash Flows for the Year Ended June 30, 2023 is presented below. The financial statements and budget documents are prepared for the same period. There is a basis difference: the budget is prepared on cash basis and the financial statement on accrual bases

	Operating	Financing	Investing	Total
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	33,686,403	25,000,000	(109,170,363)	(50,483,960)
Basis difference	60,324,648	0	0	60,324,648
Timing Difference				
Entity Difference				
<b>Actual Amount in the Statement of Cash Flows</b>	<b>94,011,051</b>	<b>25,000,000</b>	<b>(109,170,363)</b>	<b>9,840,688</b>

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*Basis Difference*

<i>Description</i>	<i>Amount</i>
	<b>Kshs</b>
<i>Depreciation</i>	66,169,950
<i>Decrease/ (Increase) in Receivable from Non-Exchange Transactions</i>	(104,949,336)
<i>Increase / (Decrease) in Trade &amp; Other Payables</i>	99,104,033
<b>Total</b>	<b>60,324,648</b>

5. *Transfer from Other Government Entities – the Polytechnic did not receive capitation which had been budgeted for.*
6. *Hire of Facilities – As a result of renovating our conference hall, the demand for the facility has tremendously increased thus generating more income than was expected.*
7. *Other Income – the decrease was as a result of conversion of some residential houses to Institutional offices. Also pay as you eat system did not realise the expected revenue due to high cost of commodities.*
8. *Use of Goods and Services. The decrease was as a result of stringent cost cutting measure.*
9. *Employees Cost. – Some of the Council Trainers were absorbed by the PSC contrary to what was projected. Again the polytechnic had not implemented the pension scheme which was budgeted for.*
10. *Council Expenses – The Polytechnic Council have regularised the number of meetings.*
11. *The variance on purchase of property plant and equipment of Kshs 310,829,637 was as a result of non-disbursement of development grant by the government and therefore development projects could not be undertaken as was expected.*
12. *The variance Government grant on Development of Kshs 295,000,000 was as a result of non-disbursement of development grant by the government*

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**XIX. NOTES TO THE FINANCIAL STATEMENTS**

**1. General Information**

Kabete National Polytechnic is established by and derives its authority and accountability from Section 81 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act, and the Technical and Vocational Education and Training Act, 2013 Act. The

Polytechnic is wholly owned by the Government of Kenya and is domiciled in Kenya. The Polytechnic's principal activity is provision of quality education, training, research and innovation in partnerships with stakeholders globally

**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 *Polytechnic's* accounting policies.

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

The financial statements have been prepared in accordance with the Public Finance Management Act, 2013 the State Corporations Act, the TVET Act, 2012 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

**3. Summary of Significant Accounting Policies**

**a) Revenue recognition**

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

**Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Polytechnic and can be measured

reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

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**ii) Revenue from exchange transactions**

**Rendering of services**

The Polytechnic recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a

percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable

**ii) Revenue from exchange transactions**

**Rental income**

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis

over the lease terms and included in revenue.

**b) Budget information**

The original budget for FY 2022/2023 was approved by the Council on 15<sup>th</sup> January, 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities.

amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

The Polytechnic'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

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

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

**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

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property, plant and equipment are required to be replaced at intervals, the Polytechnic recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is

**d) Leases**

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

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance

**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

initially measured at its fair value. **As per the Polytechnic Policy, assets are not depreciated in the year of acquisition.**

The annual rates in use are:

Land	0%
Buildings	2.5%
Motor Vehicles	25%
Furniture & Fittings	12.5%
Computers & Printers	33.3%
Plant & Equipment	20%
Computer Software	25%
Intangible Assets	25%

of the liability. Finance charges are recognized as finance costs in surplus or deficit.

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

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

impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite

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**f) Research and development costs**

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

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

- The ability to measure reliably the expenditure during development.

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

**g) Financial instruments**

*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 Polytechnic 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 Polytechnic 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.

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***Impairment of financial assets***

The Polytechnic assesses at each reporting date whether there is objective evidence that a financial asset or an Polytechnic of financial assets is impaired. A financial asset or a Polytechnic 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 Polytechnic of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- 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)

***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 Polytechnic 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

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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

**j) Provisions**

Provisions are recognized when the Polytechnic has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

*Contingent liabilities*

The Polytechnic does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the

*Contingent assets*

The Polytechnic does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Polytechnic in the notes to the financial statements. Contingent assets are assessed continually to ensure

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

The Polytechnic recognizes the effects of changes in accounting policy retrospectively. The effects of changes in

operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

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

Where the Polytechnic expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

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

possibility of an outflow of resources embodying economic benefits or service potential is remote.

that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

accounting policy are applied prospectively if retrospective application is impractical.

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**l) Employee benefits**

**Retirement benefit plans**

The Polytechnic provides gratuity for employees whereby upon retirement

they are paid one-month basic salary for every year served.

**m) Related parties**

The Polytechnic regards a related party as a person or an Polytechnic with the ability to exert control individually or jointly, or to exercise significant influence over the Polytechnic, or vice

versa. Members of key management are regarded as related parties and comprise the directors, the CEO/principal and senior managers.

**n) 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.

**o) Comparative figures**

Where necessary comparative figures for the previous financial year have been

amended or reconfigured to conform to the required changes in presentation.

**p) 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, 2023.

#### 4. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Polytechnic's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of

##### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Polytechnic based its assumptions and estimates on parameters available when the

##### Useful lives and residual values

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

- The condition of the asset based on the assessment of experts employed by the Polytechnic

##### Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 18 (a).

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.

consolidated financial statements were prepared.

However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Polytechnic. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

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**Notes to the Financial Statements**

**5. (a) Transfers from National Government - Ministry of Education**

<i>Description</i>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>KShs</b>	<b>KShs</b>
<b>Unconditional Grant</b>	<b>0</b>	<b>-</b>
<i>Government Capitation</i>	110,138,000	233,190,000
<b>Total Unconditional Grant</b>	<b>110,138,000</b>	<b>233,190,000</b>
<i>M.o.E-Construction of Githunguri TVC</i>	1,000,000	14,146,053
<i>M.o.E-Construction of Ruiru TVC</i>	1,500,000	24,146,053
<i>M.o.E - Special Purpose Grant (Hospitality)</i>	25,000,000	
<i>M.o.E - Special Purpose Grant (Repair of Equipment)</i>	14,050,517	
<b>Total Conditional Grant</b>	<b>41,550,517</b>	<b>38,292,106</b>
<b>Total government grants and subsidies</b>	<b>151,688,517</b>	<b>271,482,106</b>

This include money received as capitation and for the Construction of Githunguri and Ruiru TVC's

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**5(b) Transfers from other Government Ministry – Ministry of Education**

<i>Name of the Entity sending the grant</i>	<b>Amount recognized to Statement of Comprehensive Income</b>	<b>Amount Deferred Under Deferred Income</b>	<b>Amount recognized in capital fund.</b>	<b>Total Grant income during the Year</b>	<b>Amount recognized to Statement of Comprehensive Income</b>	<b>Amount Deferred Under Deferred Income</b>	<b>Amount recognized in capital fund.</b>	<b>Total Grant income during the Year</b>
	<b>2022/2023</b>	<b>2022/2023</b>	<b>2022/2023</b>	<b>2022/2023</b>	<b>2021/2022</b>	<b>2021/2022</b>	<b>2021/2022</b>	<b>2021/2022</b>
	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>
<b>Ministry of Education</b>								
<b>Unconditional Grant</b>								
M.o.E - Capitation	110,138,000			110,138,000	233,190,000			233,190,000
<b>Total Unconditional Grant</b>	<b>110,138,000</b>	<b>0</b>	<b>0</b>	<b>110,138,000</b>	<b>233,190,000</b>	<b>0</b>	<b>0</b>	<b>233,190,000</b>
<b>Conditional Grant</b>								
M.o.E-Construction of Githunguri TVC	1,000,000			1,000,000	14,146,053			14,146,053
M.o.E-Construction of Ruiru TVC	1,500,000			1,500,000	24,146,053			24,146,053
M.o.E - Monitoring and Evaluation				0	0			0
Special Purpose Grant			39,050,517	39,050,517		0		0
<b>Total Conditional Grant</b>	<b>2,500,000</b>	<b>0</b>	<b>39,050,517</b>	<b>41,550,517</b>	<b>38,292,106</b>	<b>0</b>	<b>0</b>	<b>38,292,106</b>
<b>Total</b>	<b>112,638,000</b>	<b>0</b>	<b>39,050,517</b>	<b>151,688,517</b>	<b>271,482,106</b>	<b>0</b>	<b>0</b>	<b>271,482,106</b>

The above amount of Kshs 2,500,000 is a recurrent grant for Githunguri and Ruiru TVC's being mentored by Kabete National Polytechnic

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**6. Rendering of Services**

<i>Description</i>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>KShs</b>	<b>KShs</b>
<i>Tuition fees</i>	65,748,130	62,132,957
<i>Personal Emolument Fees</i>	40,605,305	38,470,504
<i>Boarding Equipment and Stores Fees</i>	5,753,943	4,905,894
<i>Local Transport and Travelling Fees</i>	15,350,939	14,874,493
<i>Electricity Water &amp; Conservancy Fees</i>	13,835,198	13,240,058
<i>Repair Maintenance &amp; Improvement Fees</i>	19,495,555	14,359,728
<i>Contingency Fees</i>	712,650	455,274
<i>Application Fees</i>	3,237,540	29,410
<i>Hostel Registration Fees</i>	3,100	523,840
<i>Book Fund Fees</i>	400,200	305,490
<i>Insurance Fees</i>	3,880,791	1,563,463
<i>Student Union Fees</i>	2,449,678	1,499,340
<i>Library Fees</i>	2,387,755	900,927
<i>Activity Fees</i>	9,054,895	4,373,479
<i>Medical Fees</i>	3,766,100	1,990,400
<i>Security Fees</i>	435,990	258,440
<i>Student ID Fees</i>	1,108,110	874,480
<i>Administration Fees</i>	32,651,843	33,619,386
<i>Attachment Fees</i>	6,969,702	2,466,765
<i>Pharmacy &amp; Poisons Board Fees</i>	19,200	0
<i>Internet Fees</i>	5,990,776	3,065,612
<i>Examination Fees</i>	31,264,956	29,002,883
<i>Examination Materials Fees</i>	2,278,571	1,773,470
<i>NYS Sponsorship</i>	69,901,600	0
<i>Helb Student Loan</i>	51,868,360	64,730,123
<i>CDF - Constituency Development Fund</i>	14,350,344	33,309,137
<i>Hire of Studio</i>	10,000	400,250
<i>KUCCPS Registration</i>	0	2,012,100
<i>Contracted Services</i>	8,885,166	2,852,150
<i>KMLTTB</i>	96,680	89,750
<i>Project Fees</i>	7,000	0
<i>Decrease in Provision for Bad Debts</i>	0	493,523
<i>Total revenue from the rendering of services</i>	<b>412,520,076</b>	<b>334,573,325</b>

This is revenue from exchange Transaction which is basically school fees charged to students

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**7. Hire of Facilities and Equipment**

<i>Description</i>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>KShs</b>	<b>KShs</b>
<i>Hire of Facilities and Equipment</i>	6,681,000	3,785,114
<i>Operating lease Revenue - KPLC</i>	70,000	70,000
<b>Total</b>	<b>6,751,000</b>	<b>3,855,114</b>

This is revenue generation as a result of hiring Polytechnic Facilities such as conference rooms, hall and fields. For the lease, the polytechnic entered into a lease

agreement with Kenya power and Lighting Company where by the lease per year is Kshs 70,000

**8. Other Income**

<i>Description</i>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>KShs</b>	<b>KShs</b>
<i>Income Generating Activities</i>	1,459,034	10,930,620
<i>Catering Services (Pay-As-You-Eat)</i>	8,323,801	13,460,129
<i>House Rent for the year-Trainers</i>	793,600	1,218,400
<i>House Rent for the year- Non-Trainers</i>	458,900	566,626
<i>Income from sale of tender</i>	4,000	157,500
<i>Graduation Fees</i>	255,020	479,960
<i>Disposal of Idle Assets</i>	0	101,520
<i>Sale of T-Shirts</i>	132,250	180,370
<i>Survey and Titling</i>	44,200	8,022,520
<i>Penalties</i>	22,120	-
<b>Total other income</b>	<b>11,492,925</b>	<b>35,117,645</b>

Survey and titling: this is the amount of money received from various TVET institutions with high risk of grabbing and encroachment, upon request by the PS

Ministry of education for facilitating ministry of Lands and Education officials in carrying out establishment of beacons and titling of lands.

**9. Use of Goods and Services**

<i>Description</i>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>KShs</b>	<b>KShs</b>
<i>Training Equipment &amp; Stores</i>	22,134,907	22,817,514
<i>Boarding Equipment &amp; Stores</i>	4,396,165	7,555,112
<i>Transport &amp; Travelling</i>	15,761,410	8,901,906
<i>Electricity</i>	10,769,955	11,712,655
<i>Security</i>	13,645,100	11,273,750
<i>Professional services</i>	1,866,720	8,279,480
<i>Subscriptions</i>	1,492,150	1,096,110
<i>Administration costs</i>	57,566,436	67,384,630
<i>Examination Costs</i>	67,887,933	99,332,356

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<i>Description</i>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>KShs</b>	<b>KShs</b>
<i>Fees Refund</i>	1,495,875	5,586,060
<i>Library</i>	620,479	2,201,350
<i>Staff Costs</i>	28,775,366	65,158,910
<i>Students Expenses</i>	35,779,253	45,650,136
<i>Income Generation Activities Expenses</i>	969,548	6,895,747
<i>Catering Expenses</i>	17,206,839	16,489,659
<i>Hire of Facilities</i>	570,800	1,227,873
<i>CDF Bursary</i>	0	33,309,137
<i>HELB Bursary</i>	0	64,730,123
<b>Total Good and Services</b>	<b>280,938,935</b>	<b>479,602,507</b>

**10. Employee Costs**

<i>Description</i>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>KShs</b>	<b>KShs</b>
<i>Salaries and Wages</i>	67,369,508	74,882,604
<i>Travelling Allowance</i>	5,439,000	4,714,000
<i>Housing benefits and allowances</i>	18,379,375	18,636,750
<i>Medial Allowance</i>	1,112,415	965,450
<i>Employers NSSF Contribution</i>	1,135,560	432,600
<i>Insurance (Wiba)</i>	1,082,164	-
<i>Leave Allowance</i>	500,000	514,000
<i>Gratuity</i>	109,049	3,384,065
<b>Total Employee costs</b>	<b>95,127,071</b>	<b>103,529,469</b>

The average number of employees during the period was 190 (2021/2022- 226). Staff gratuity is

payable after successful completion of contract.

**11. Council Expenses**

<i>Description</i>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>KShs</b>	<b>KShs</b>
<i>Chairman's Honoraria</i>	609,999	1,045,716
<i>Sitting Allowances</i>	3,768,713	10,606,098
<i>Insurance Cover</i>	132,510	441,913
<i>Airtime</i>	350,000	420,000
<i>Capacity Building</i>	5,352,664	80,000
<i>Transport</i>	1,170,608	
<i>Meals</i>	219,000	
<i>Per Diem</i>	964,600	
<b>Total director emoluments</b>	<b>12,568,094</b>	<b>12,593,727</b>

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The Council expenses were lower during the period under review as compared to the same period of the previous year since there was no governing council for five

months month since the previous council term lapsed on 1<sup>st</sup> October, 2022 and the new council was appointed on 17<sup>th</sup> March, 2023.

**12. Depreciation and Amortization expense**

<i>Description</i>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>KShs</b>	<b>KShs</b>
<i>Property, plant and equipment</i>	59,505,750	59,479,024
<i>Intangible assets</i>	6,664,200	6,664,200
<b>Total Depreciation and Amortization</b>	<b>66,169,950</b>	<b>66,143,224</b>

**13. Repairs and Maintenance**

<i>Description</i>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>KShs</b>	<b>KShs</b>
<i>Repair and Cleaning of Septic Tanks</i>	36,000	9,000
<i>Repair of Equipment &amp; Machineries</i>	581,216	487,871
<i>Repair of Furniture</i>	41,200	88,400
<i>Repair &amp; Maintenance of Buildings</i>	23,030,724	18,722,670
<i>Maintenance of Ground</i>	7,921,039	9,075,812
<i>Rewiring of Buildings</i>	4,638,482	-
<i>Repair of Perimeter Wall</i>	97,200	-
<i>Plumbing Works</i>	0	1,028,635
<i>Repair of Main Gate</i>	0	254,388
<i>Installation of Signages</i>	2,090,200	
<b>Total Repairs and Maintenance</b>	<b>38,436,062</b>	<b>29,666,776</b>

As compared to the previous year, the cost of repairs went high as a result of high cost of building

materials for repair and maintenance of buildings

**14. Project Expenses**

<i>Description</i>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>KShs</b>	<b>KShs</b>
<i>Githunguri T.V.C</i>	5,411,800	9,408,091
<i>Ruiru T.V.C</i>	11,063,685	14,084,234
<b>Total Project Costs</b>	<b>16,475,485</b>	<b>23,492,325</b>

This relates to the cost incurred for construction of Githunguri and Ruiru Technical and Vocational Colleges

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**15. Cash and Cash Equivalents**

<i>Description</i>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>KShs</b>	<b>KShs</b>
<i>Current account</i>	62,111,811	52,271,124
<b>Total cash and cash equivalents</b>	<b>62,111,811</b>	<b>52,271,124</b>

**15 (b). Detailed Analysis of Cash and Cash equivalents**

<i>Description</i>	<i>Account No.</i>	<b>2022-2023</b>	<b>2021-2022</b>
		<b>KShs</b>	<b>KShs</b>
<b>a) Current account</b>			
<i>Cash In Hand</i>		58,390	56,090
<i>Standard Chartered - Main A/c</i>	0102096956200	28,705,091	10,388,571
<i>Standard Chartered -IGA A/c</i>	0102096956201	118,469	4,154,207
<i>Co-op - Fees Collection A/c</i>	01129038542700		6,342,918
<i>Co-op - Examination A/c No.</i>	01129038542701	164,083	1,013,904
<i>Co-op - G.o.K Development A/c</i>	01129038542702	29,683,833	18,596,634
<i>Co-op - Internal Dev. A/c</i>	01129038542703	311,701	5,880,617
<i>Equity Bank - PAYE A/c No.</i>	0630272453978	1,484,062	4,275,439
<i>NCBA Gratuity A/c No.</i>	1004250067	1,562,743	1,562,743
<i>Safiricom MPESA</i>	4084401	23,440	
<b>Total Cash and Cash Equivalent</b>		<b>62,111,811</b>	<b>52,271,124</b>

**16. Receivables from Exchange transactions**

**(a) Current Receivables from Exchange Transactions**

<i>Description</i>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>KShs</b>	<b>KShs</b>
<b>Current receivables</b>		
<i>Student debtors</i>	180,723,576	63,438,759
<i>Rent debtors</i>	7,473,899	7,819,147
<i>KPLC Lease</i>	490,000	420,000
<i>Advance payments-Salary</i>	182,868	300,153
<i>Teachers Service Commission</i>	545,772	9,390,600
<i>Avic International</i>	0	500,000
<i>Post Training</i>	350,088	350,088
<i>Forum for International Corporation( FIC)</i>	347,286	347,286
<i>Less Provision for Bad &amp; Doubtful Debts</i>	(6,240,765)	(3,642,645)
<b>Total Receivables From Exchange Transaction</b>	<b>183,872,724</b>	<b>78,923,388</b>

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*Provision for bad and doubtful debts has been computed as follow:*

<i>Description</i>	<b>2-3 years (Kshs)</b>	<b>Over 3 Years (Kshs)</b>	<b>Total (Kshs)</b>	<b>Less Provision (5%)</b>	<b>Carrying Amount (Kshs)</b>
<i>Fees Debtors</i>	55,288,441	62,593,432	117,881,873	5,894,094	111,987,779
<i>House Rent Debtors</i>	534,552	6,046,017	6,580,569	329,028	6,251,541
<i>Kenya Power &amp; Lighting Co. Ltd.</i>	140,000	140,000	280,000	14,000	266,000
<i>Salary Advance</i>	30,000	42,868	72,868	3,643	69,225
<b>Total</b>	<b>55,992,993</b>	<b>68,822,317</b>	<b>124,815,310</b>	<b>6,240,765</b>	<b>118,574,544</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 Polytechnic has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Polytechnic has significant concentration of credit risk on amounts due from Trainees fees arrears.

The Council sets the Polytechnic credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

Bad and doubtful debts has been provided at a rate of 5% for debtors over two (2) years.

**(b) Aging Analysis of Receivables from Exchange Transactions**

<i>Description</i>	<b>2022/2023</b>	<b>% of the Total</b>	<b>2021/2022</b>	<b>% of the Total</b>
<i>Less than 1 year</i>	30,418,229	16.00%	17,517,663	21.22%
<i>Between 1-2 years</i>	34,879,951	18.35%	37,672,370	45.63%
<i>Between 2-3 years</i>	55,992,993	29.45%	12,347,361	14.95%
<i>Over 3 Years</i>	68,822,317	36.20%	15,028,639	18.20%
<b>TOTAL</b>	<b>190,113,489</b>	<b>100.00%</b>	<b>82,566,033</b>	<b>100.00%</b>

**17. Receivables from Non-Exchange Transactions**

<i>Description</i>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>KShs</b>	<b>KShs</b>
<i>Bal b/f M.o.E - Githunguri TVC</i>		10,000,000
<i>Repayment</i>		(10,000,000)
<i>M.o.E Development Grant</i>	14,050,517	
<b>Total Receivable from Non-Exchange Transactions</b>	<b>14,050,517</b>	<b>-</b>

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**(b) Aging Analysis of Receivables from Non-Exchange Transactions**

<i>Description</i>	<b>2022/2023</b>	<b>% of the Total</b>	<b>2021/2022</b>	<b>% of the Total</b>
<i>Less than 1 year</i>	14,050,517	100.00%	0	0.00%
<b>TOTAL</b>	<b>14,050,517</b>	<b>100.00%</b>	<b>0</b>	<b>0.00%</b>

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**18. (a) Property, Plant and Equipment**

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and Equipment	Capital Works-in-Progress	Total
<i>Cost</i>	KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs
<i>As at 1st July 2022</i>	3,250,000,000	934,388,455	30,490,790	38,586,414	68,815,896	103,185,668	4,550,796	4,430,018,019
<i>Additions During the Period</i>		95,454,614		1,012,470	692,059	7,010	10,434,731	107,600,883
<i>Disposals During the Period</i>	0	0	0	0	0	0	0	0
<i>Transfer/adjustments During the Period</i>	0	4,550,796	0	0	0	0	(4,550,796)	0
<i>As at 30th Jun. 2023</i>	<b>3,250,000,000</b>	<b>1,034,393,865</b>	<b>30,490,790</b>	<b>39,598,884</b>	<b>69,507,955</b>	<b>103,192,678</b>	<b>10,434,731</b>	<b>4,537,618,902</b>
<i>Depreciation and impairment</i>								
<i>As at 1st July 2022</i>		27,864,367	10,283,925	8,492,491	28,063,064	30,893,174	0	105,597,022
<i>Depreciation for the Period</i>		22,663,102	5,051,716	3,761,740	13,570,693	14,458,499	0	59,505,750
<i>Impairment For the Period</i>		0	0	0	0	0	0	0
<i>As at 30th Jun. 2023</i>	<b>0</b>	<b>50,527,469</b>	<b>15,335,641</b>	<b>12,254,232</b>	<b>41,633,757</b>	<b>45,351,673</b>	<b>0</b>	<b>165,102,772</b>
<i>Net book values</i>								
<i>As at 30th Jun. 2023</i>	<b>3,250,000,000</b>	<b>983,866,396</b>	<b>15,155,149</b>	<b>27,344,652</b>	<b>27,874,198</b>	<b>57,841,005</b>	<b>10,434,731</b>	<b>4,372,516,130</b>
<i>As at 1st July 2022</i>	<b>3,250,000,000</b>	<b>906,524,088</b>	<b>20,206,865</b>	<b>30,093,923</b>	<b>40,752,832</b>	<b>72,292,494</b>	<b>4,550,796</b>	<b>4,324,420,997</b>

Buildings were revalued in March, 2020 by Pinnacle Valuers Limited. Valuations are made on the basis of the recent market transactions on arm's length terms (i.e. open market value). The book values of the properties were adjusted to the revaluations and the resultant and is shown in the revaluation reserve in accumulated fund.

Work in progress relates to the development projects that were still going on at the end of the financial year. During the year under review, Work-In-Progress amounting to Kshs 4,550,796 was capitalised since the projects were completed.

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**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). These amounts were adopted in the financial statements on 30<sup>th</sup> June, 2020

**18 (b) Property, Plant and Equipment at Cost**

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

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
<i>Buildings</i>	346,249,014		346,249,014
<i>Plant and machinery</i>	3,968,128		3,968,128
<i>Motor vehicles, including motorcycles</i>	21,630,155		21,630,155
<i>Computers and related equipment</i>	20,814,156		20,814,156
<i>Office equipment, furniture, and fittings</i>	15,103,942		15,103,942
<b>Total</b>	<b>407,765,395</b>	<b>-</b>	<b>407,765,395</b>

**19. Intangible Assets**

**Computer Software**

	Cost	2022-2023	2021-2022
		Kshs	Kshs
<i>At the Beginning of the Year</i>		26,656,800	26,656,800
<i>Additions During the Period</i>		1,569,480	
<i>Disposals During the Period</i>			
<i>Transfer/adjustments During the Period</i>			
<b><i>At the End of the Quarter</i></b>		<b>28,226,280</b>	<b>26,656,800</b>
<b><i>Depreciation and impairment</i></b>			
<i>At the Beginning of the Year</i>		13,328,400	6,664,200
<i>Depreciation for the Period</i>		6,664,200	6,664,200
<i>Impairment For the Period</i>			
<b><i>At the End of the Quarter</i></b>		<b>19,992,600</b>	<b>13,328,400</b>
<b><i>Net book values</i></b>			
<b><i>At the End of the Quarter</i></b>		<b>8,233,680</b>	<b>13,328,400</b>

Student Online Attachment Management Information System was installed during the year

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**20. Cash and Cash Equivalent Overdrawn**

<i>Description</i>	<i>Account No.</i>	<b>2022-2023</b>	<b>2021-2022</b>
		<b>KShs</b>	<b>KShs</b>
<i>Co-op - Fees Collection A/c</i>	01129038542700	3,151,369	
<b>Total Cash and Cash Equivalent</b>		<b>3,151,369</b>	<b>-</b>

**21. (a) Trade and Other Payables from Exchange transactions**

<i>Description</i>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>KShs</b>	<b>KShs</b>
<i>Trade payables</i>	151,558,922	58,433,571
<b>Total trade and other payables</b>	<b>151,558,922</b>	<b>58,433,571</b>

This is the amount owed to the supplies of goods and services. Aging analysis has been given on page 28

**(b) Aging Analysis of Trade and Other Payables**

<i>Description</i>	<b>2022/2023</b>	<b>% of the Total</b>	<b>2021/2022</b>	<b>% of the Total</b>
<i>Less than 1 year</i>	139,730,806	92.20%	54,109,072	92.60%
<i>Between 1-2 years</i>	8,982,115	5.93%	4,324,500	7.40%
<i>Between 2-3 years</i>	0	0.00%	0	0.00%
<i>Over 3 Years</i>	2,845,500	1.88%	0	0.00%
<b>TOTAL</b>	<b>151,558,422</b>	<b>100.00%</b>	<b>58,433,572</b>	<b>100.00%</b>

**22. Refundable Deposits from Customers**

<i>Description</i>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>KShs</b>	<b>KShs</b>
<i>Consumer deposits-Prepaid fees</i>	311,150	311,150
<i>Student Caution Money</i>	35,970,967	34,462,743
<i>Helb Student Loan</i>	17,432,166	16,917,626
<i>Helb Student Bursary</i>	1,068,350	1,068,350
<i>CDF - Constituency Development Fund</i>	3,545,971	2,741,421
<i>Equity Foundation</i>	35,500	35,500
<i>TVET Scholarship</i>	665,000	665,000
<i>Lappset</i>	2,370	2,370
<b>Total deposits</b>	<b>59,031,474</b>	<b>56,204,160</b>

Refundable deposits reduced during the year under review as a result of issuance of the respective funds to the bonafide trainees.

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**(b) Aging Refundable Deposits from Customers**

<i>Description</i>	<b>2022/2023</b>	<b>% of the Total</b>	<b>2021/2022</b>	<b>% of the Total</b>
<i>Less than 1 year</i>	7,249,740	12.28%	6,564,900	11.68%
<i>Between 1-2 years</i>	17,657,486	29.91%	16,994,500	30.24%
<i>Between 2-3 years</i>	20,182,761	34.19%	18,675,900	33.23%
<i>Over 3 Years</i>	13,941,487	23.62%	13,968,860	24.85%
<b>TOTAL</b>	<b>59,031,474</b>	<b>100.00%</b>	<b>56,204,160</b>	<b>100.00%</b>

**23. Revaluation Reserves**

<i>Description</i>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>KShs</b>	<b>KShs</b>
<i>Land</i>	3,250,000,000	3,250,000,000
<i>Building and Infrastructure</i>	394,154,341	394,154,341
<i>Motor Vehicle</i>	(1,062,305)	(1,062,305)
<i>Furniture and Fittings</i>	34,998,113	34,998,113
<i>Computers</i>	29,482,690	29,482,690
<i>Plant and Equipment</i>	87,737,945	87,737,945
<b>Total revaluation Reserve</b>	<b>3,795,310,784</b>	<b>3,795,310,784</b>

**24. Retained Earnings**

<i>Description</i>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>KShs</b>	<b>KShs</b>
<i>Balance b/f</i>	524,272,781	594,272,619
<i>Surplus/(Deficit) for the year</i>	33,686,403	(69,999,838)
<b>Total Accumulated Surplus (Deficit)</b>	<b>557,959,184</b>	<b>524,272,781</b>

**25. Capital Fund**

<i>Description</i>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>KShs</b>	<b>KShs</b>
<i>Balance b/f</i>	34,722,613	34,722,613
<i>Government Capital Grant</i>	39,050,517	
<b>Total Capital Fund</b>	<b>73,773,130</b>	<b>34,722,613</b>

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**26. Cash generated from operations**

<i>Description</i>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>KShs</b>	<b>KShs</b>
<i>Surplus for the year before tax</i>	33,686,403	(69,999,838)
<i>Adjusted for:</i>		
<i>Depreciation</i>	66,169,950	66,143,224
<b><i>Working Capital adjustments</i></b>		
<i>Decrease/(Increase) in receivables from Exchange Transactions</i>	(104,949,336)	(336,211)
<i>Decrease/(Increase) in receivables from Non-Exchange Transactions</i>	0	10,000,000
<i>Increase/(Decrease) in payables</i>	99,104,033	(4,415,832)
<b><i>Net cash flow from operating activities</i></b>	<b>94,011,051</b>	<b>1,391,344</b>

**27. Financial Risk Management**

The Polytechnic's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Polytechnic'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 Polytechnic does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

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

**(i) Credit risk**

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

The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Polytechnic's management based on prior experience and their assessment of the current economic environment.

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

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<i>Description</i>	<i>Total amount Kshs</i>	<i>Fully performing Kshs</i>	<i>Past due Kshs</i>	<i>Impaired Kshs</i>
<i>At 30 June, 2022</i>				
<i>Receivables from exchange transactions</i>	78,923,388	63,894,749	15,028,639	-
<i>Receivables from Non-Exchange Transactions</i>	0	0	0	-
<i>Bank balances</i>	52,271,124	52,271,124	0	-
<b>Total</b>	<b>131,194,512</b>	<b>116,165,873</b>	<b>15,028,639</b>	<b>-</b>
<i>At 30 June, 2023</i>				
<i>Receivables from exchange transactions</i>	183,872,724	115,050,407	68,822,317	-
<i>Receivables from Non-Exchange Transactions</i>	0	0	0	-
<i>Bank balances</i>	62,111,811	62,111,811	0	-
<b>Total</b>	<b>245,984,535</b>	<b>177,162,218</b>	<b>68,822,317</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 Polytechnic has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The

Polytechnic has significant concentration of credit risk on amounts due from late disbursement of capitation money which is always budgeted for. The Council sets the Polytechnic's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**(ii) Liquidity risk management**

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

The table below represents cash flows payable by the Polytechnic 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.

<i>Description</i>	<i>Less than 1 month Kshs</i>	<i>Between 1-3 months Kshs</i>	<i>Over 5 months Kshs</i>	<i>Total Kshs</i>
<i>At 30 June, 2022</i>				
<i>Trade payables</i>	9,956,961	13,368,962	35,107,648	58,433,571
<b>Total</b>	<b>9,956,961</b>	<b>13,368,962</b>	<b>35,107,648</b>	<b>58,433,571</b>
<i>At 30 June, 2023</i>				

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<i>Description</i>	<b>Less than 1 month Kshs</b>	<b>Between 1-3 months Kshs</b>	<b>Over 5 months Kshs</b>	<b>Total Kshs</b>
<i>Trade payables</i>	13,195,378	42,696,688	95,666,355	151,558,422
<b>Total</b>	<b>13,195,378</b>	<b>42,696,688</b>	<b>95,666,355</b>	<b>151,558,422</b>

**(iii) Capital Risk Management**

The objective of the Polytechnic's capital risk management is to safeguard the Polytechnic's ability to continue as a

going concern. The Polytechnic capital structure comprises of the following funds:

<i>Description</i>	<b>2022-2023 KShs</b>	<b>2021-2022 KShs</b>
<i>Revaluation Reserve</i>	3,795,310,784	3,795,310,784
<i>Retained earnings</i>	560,557,305	524,272,781
<i>Capital reserve</i>	59,722,613	34,722,613
<b>Total funds</b>	<b>4,415,590,702</b>	<b>4,354,306,178</b>
<i>Less: cash and bank balances</i>	(58,960,443)	(52,271,124)
<b>Net debt/(excess cash and cash equivalents)</b>	<b>(58,960,443)</b>	<b>(52,271,124)</b>
<b>Gearing</b>	<b>0.00%</b>	<b>0.00%</b>

**28. Related Party Balances**

**Nature of related party relationships**

Entities and other parties related to the Polytechnic include those parties who have ability to exercise control or exercise significant influence over its operating

and financial decisions. Related parties include management personnel, their associates and close family members.

**Government of Kenya**

The Government of Kenya is the principal shareholder of the Kabete National Polytechnic, holding 100% of the its equity interest. The Government of Kenya has

provided full guarantees to all long-term lenders of the Polytechnic, both domestic and external. Other related parties include:

- i) The National Government;
- ii) Key management;
- iii) Council;

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

- i. Government of Kenya

<i>Description</i>	<b>2022-2023 KShs</b>	<b>2021-2022 KShs</b>
<i>Grants from National Govt</i>	137,638,000	271,482,106
<b>Total</b>	<b>137,638,000</b>	<b>271,482,106</b>

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ii. Polytechnic Council

<i>Description</i>	<b>2022-2023</b>	<b>2021-2022</b>
	KShs	KShs
<i>Council Expenses</i>	12,568,094	12,593,727
<b>Total</b>	<b>12,568,094</b>	<b>12,593,727</b>

iii. Polytechnic Top Management.

The top management officers who are employed by the Polytechnic Council are three

<i>Description</i>	<b>2021-2022</b>	<b>2021-2022</b>
	KShs	KShs
<i>Top Management</i>	5,334,040	5,330,040
<b>Total</b>	<b>5,334,040</b>	<b>5,330,040</b>

**29. Events After the Reporting Period**

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

**30. Ultimate and Holding Polytechnic**

The Polytechnic is a Semi- Autonomous Government Agency under the Ministry of education. Its ultimate parent is the Government of Kenya.

**31. Currency**

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

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**XX. APPENDICES**

**Appendix 1: Implementation Status of Auditor-General Recommendations**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	<p><b>Unsupported Property, Plant and Equipment</b></p> <p>The Statement of financial position reflects property, plant and equipment balance of Kshs 4,325,706,488 as disclosed in Note 22 in the financial statements. However, review of the asset register reveals that motor vehicles' net book value is recorded as Kshs 21,492,356 while the register indicates value of Kshs 20,149,083 resulting to undisclosed variance of Kshs 1,343,273. Further, motor vehicles, plant and machinery were fully depreciated with nil net book value but still appear in the books of the Polytechnic</p> <p>In addition, as reported in the previous year, review of the Board minutes and the Polytechnic land file revealed that the Polytechnic was allocated land under Grant No. I.R. 23463 for a period of 99 years from 1 January 1967 registered in the name of Board of Governors Kabete Technical School measuring 52.6 acres. Further,</p>	<p>There was an understatement of depreciation for the period under review. However, necessary corrections were made to the revised financial statements) and the book value of motor vehicles is in agreement with that in the assets register.</p> <p>There has been a land dispute dating many years back and the case is in court and not yet concluded.</p> <p>The Ministry of Lands and Physical Planning and Ministry of Education carried out an exercise for establishing beacons and</p>	<p>Patrick W. Muchemi-Principal</p> <p>Polytechnic Council</p>	<p>Issue Resolved</p> <p>Partially Resolved</p>	<p>Next twelve months</p>

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	<p>review of the Board minutes and land file correspondences revealed a long running dispute between the Polytechnic and the local Church, which claims ownership of five (5) acres. The National Lands Commission investigated the matter and concluded that the Church has no legal claim on the land and that the title held by the Church was obtained fraudulently. The Polytechnic Council and Management have not demonstrated action taken to secure the land and ensure that it is registered in the name of the Polytechnic as required by Section 3(2)(b) of the Kabete National Polytechnic Order 2016</p>	<p>titling of Lands that Public TVET Institution Occupies. Detailed Report is available with the Permanent Secretary Ministry of Education State Department of TVET</p>			
2.0	<p><b>Unsupported Receivables from Exchange Transactions</b></p> <p>The statements of financial position and as disclosed in Note 20 to the financial statements reflects receivables from exchange transactions balance of Kshs. 78,587,178. Included in this balance is a rental debtor of Kshs. 7,819,147. However, aging analysis of the rental records revealed that an amount of Kshs. 6,902,797 had been outstanding for over one year with some rent debtors dating back to the year 2007. Further, included in the rent debtors are amounts of Kshs. 1,034,000 in respect of a deceased staff and Kshs. 4,893,311 in respect of staff who either retired or moved out of the staff houses for which there is no recovery plan</p> <p>In addition, included in the receivable's balance is Kshs. 420,000 and Kshs. 63,438,759 relating to rent receivable from Kenya Power &amp; Lighting Company</p>	<p>Previously, the Trainers were under the Teachers Service Commission. Despite several request by the Management of Kabete National Polytechnic to TSC to help recover rent on our behalf, this did not bear any fruits. Currently, all trainers were taken over by the Public Service Commission. The management have written to the Human Resource Director, Ministry of Education-State Department of Vocational and Technical Training.</p> <p>Deductions were made but the Directorate is yet to remit the money so that we can offset with the outstanding balances of the respective trainers. The management also</p>	<p>Patrick W. Muchemi-Principal</p>	<p>Issue partially Resolved</p>	<p>Next twelve months</p>

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	and student debtors respectively. Management did not provide explanations on the amounts due that had not been recovered or written off from the books of accounts	wrote to the Directorate to remit the money recovered from trainer's salaries. As for the deceased (unrecoverable), the Polytechnic Management and the Council are seeking authority to write them off as bad debt.			
3.0	<p><b>Unreconciled Variance Between the Polytechnic and the Kenya Universities and Colleges Central Placement Services</b></p> <p>The statement of financial position and as disclosed in Note 24 to the financial statements reflects trade and other payables amounting to Kshs. 58,433,571. The data received from Kenya Universities and Colleges Central Placement Services (KUCCPS) revealed that the polytechnic owes the services an amount of Kshs.11,028,000. However, the Polytechnic only disclosed an amount of Kshs 8,182,000 resulting in an reconciled variance of Kshs 2,846,000</p> <p>In the circumstances, the accuracy and completeness of the trade and other payables from Exchange Transactions balance of Kshs.58,433,571 as at 30 June, 2022 could not be confirmed</p>	<p>KUCCPS started placing student in TVET Instruction in 2014. However, once placement is done not all students placed report to the respective Institutions.</p> <p>This amount relates to the year 2014/2015, 2015/2016, 2016/2017, and 2017/2018 we would appreciate if KUCCPS furnishes with students' details to enable us to reconcile with our records of students.</p> <p>It should be appreciated that KUCCPS will invoice based on the number of students placed and not on students who actually report and get admitted to learning Institutions. There is need for reconciliation between the two institutions.</p>	Patrick W. Muchemi-Principal	Issue partially Resolved	Next twelve months



Patrick W. Muchemi  
PRINCIPAL

28/9/2022

DATE

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**Appendix II: Reporting of Climate Relevant Expenditures**

Name of the Organization: Kabete National Polytechnic

Telephone Number: 0790 000 001, 0790 000 022

Email Address: info@kabetepoly.ac.ke

Name of CEO/MD/Head: Patrick W. Muchemi

Name and contact details of contact person (in case of any clarifications) MM Ndung'u - 0728 223 618

	Project Name	Project Description	Project Objectives	Project Activities	Reporting Quarters				Source of Funds	Implementing Partners
					Q1	Q2	Q3	Q4		
1.	Tree planting	Planting 500 indigenous trees at Ruiru TVC	To assist the surrounding community to improve the environmental conservation	Using seedlings from SNP tree nursery to donate to the neighbouring mission hospital					Internal funds	• Equity Bank
2.	Student Centre	Fixing 50 benches and beautification	To create a conducive environment for student use during free time	Land scaping and fixing of benches and shades to be used by students during their free time					Internal funds	Internal

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**Appendix III: Disaster Expenditure Reporting Template**

Year: 2021/2022 Financial Year						
Name of Institution: KABETE NATIONAL POLYTECHNIC						
Name of reporting officer: Patrick W. Muchemi						
Contact details of the reporting officer:					Telephone:	
Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme.	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments
Health care	Diseases surveillance.	Natural epidemics	Provision of healthcare and awareness to both staff and students	Medical Expenses	3,514,252	In progress
	Provision for PPE's for staff	Natural epidemics	Provision of personal protective equipment's e.g gloves, masks, goggle and safety boots.	Staff Cost	640,000	In progress
Environmental	Environmental degradation.	Climatological	Training of staff on effects of Environmental degradation	Staff Cost	422,400	Good progress
Safety	Emergency First Aid supplies.	Geophysical/ Fires.	Provision of fire extinguishers Provision of flood lights and extra batteries	Administration Cost	150,000	Good progress