

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 18 JUN 2025

DAY:
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BY:

HON. NAOMI WAQO MP

OF
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THE-TABLE:

DEP. MAJORITY PARTY WHIP

MS. MERCI CHUMO.

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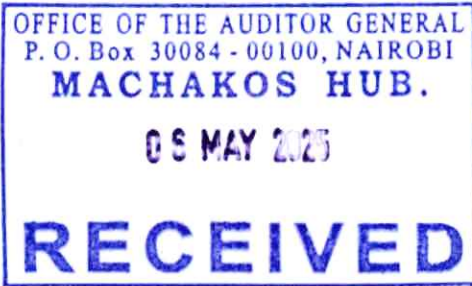
THE AUDITOR-GENERAL

ON

TSEIKURU NATIONAL POLYTECHNIC

FOR THE YEAR ENDED

30 JUNE, 2024



TSEIKURU NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

COUNCIL	Governing Council
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College
NP	National Polytechnic
TSKNP	Tseikuru National Polytechnic

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Entity Information and Management

(a) Background information

The institution was incorporated/ established under the TVET Act 2013 on January, 2016 as a technical and vocational training college. The institute has been elevated into a national polytechnic on January 2024 through a legal notice no.9. The entity is domiciled in Kenya. The Polytechnic is under the Ministry of Education.

(b) Principal Activities

Mandate

Provide Technical, Vocational Education and Entrepreneurship Training geared towards Self-Reliance to meet the Labour Market needs.

Vision Statement

A Centre of Excellence in technological training and innovation.

Mission Statement

To offer world class quality and relevant technological training that develops talents, skills attitudes and nurtures creativity in partnership with industry

Core values

- Customer satisfaction
- Courtesy and confidentiality
- Quality Service Delivery
- Teamwork and collaboration
- Honesty and Integrity
- Professionalism
- Innovation and creativity

Polytechnic Motto

Quality training for skills acquisition

Objectives

1. To enhance access and equity in Technical Vocational Education and Training (TVET)
2. To promote institutional corporate governance
3. To enhance skills and expertise in Technical Vocational Education and Training (TVET) courses
4. To Create collaborations and linkages with labour markets and partners
5. To promote optimistic attitude towards science, technical and research

(c) Key Management

The entity's day-to-day management is under the following key organs:

- Governing Council
- The principal/Accounting officer
- Deputy principal
- Registrar
- Dean of students
- Finance officer

(d) Fiduciary Management

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

No.	Designation	Name
1.	Principal	Kariuki G Kiarie
2.	Deputy principal	Meshach Mwithui Munyithya
3	Registrar	Johnson Wambua
4	Dean of students	Moffat Kirimi Kiruja
5	Head of Finance	Joel K Zakayo

Key Entity Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

Finance committee of the Council

The Committee shall exercise all the powers of Governing Council in financial matters except in relation to the items which are reserved to Governing Council in these Standing Orders, on which the Committee shall advise Governing Council.

Terms of Reference

The role of the Committee shall be to monitor the financial status of the Polytechnic on behalf of Governing Council. In addition to advising Governing Council on those matters referred to above, the Committee's responsibilities shall include:

- a) To monitor and facilitate the implementation of the Polytechnic's strategy with regard to financial matters.
- b) To receive reports from the Principal and the Finance Officer.
- c) To monitor implementation of the strategy for the Polytechnic estate.
- d) To receive reports of the extent and condition of the Polytechnic estate including the efficiency of space utilisation, the consumption of energy and the adequacy of property insurance arrangements.
- e) To consider the adequacy of the Polytechnic estate and proposals for its maintenance and development, including opportunities to dispose of and acquire new properties.
- f) To determine the fees and charges made for Polytechnic services and facilities.

- g) To supervise the financial administration of the Polytechnic and make recommendations to Governing Council where appropriate.
- h) To supervise the arrangements for safeguarding the Polytechnic's assets.
- i) To ensure the proper financial evaluation and control of projects.
- j) To supervise the arrangements for investing the Polytechnic's funds, including monitoring the performance of investments.
- k) To ensure the appropriate exploitation of the Polytechnic's intellectual property.
- l) To make recommendations to Governing Council on the financing of projects.
- m) To supervise the effective and efficient procurement and use of resources in accordance with the objectives of the Polytechnic.
- n) To supervise the Polytechnic's purchasing procedures and practices.
- o) To submit an annual statement on its activities to Governing Council.
- p) To keep under review the activities of the Polytechnic's various department

Academic committee activities

The academic committee of the Council is entrusted with the following roles and functions:

- a. To satisfy itself regarding the content and academic standard of any course of study in respect of any diploma, certificate or other award and to report its findings thereon to the Board.
- b. To propose regulation for consideration by the Council regarding the eligibility of persons for admission to a course of study,
- c. To propose regulations for consideration by the Council regarding the standard of proficiency to be gained in each examination for a Diploma, certificate or other award.
- d. To approve programs of study, regulate admission of persons to TSKNP and determine their continuance or discontinuation in such programs.
- e. To determine the Academic policy of TSKNP and to advise the Council on the provision of facilities to carry out that policy,
- f. To direct and regulate the teaching and instruction within the Polytechnic subject to the powers of the Board.

Management Committee Activities

The main purpose of the Senior Management Team is to:

- 1) Ensure that TSKNP Governing Council is able to take strategic decisions relating to TSKNP activities
- 2) Provide leadership in communicating TSKNP mission, values, plans and achievements effectively and consistently to Governing Council Members, staff, Government, the voluntary and community sector, the general public and other stakeholders;
- 3) Be accountable for the development and implementation of TSKNP strategic, corporate and business plans in line with the mission and values;
- 4) Take a strategic overview of performance in all areas of TSKNP activities.

Specifically, the Senior Management Team:

- 1) Makes recommendations to the Council on the implementation and achievement of the Governing Council' Strategic Framework;

- 2) Agrees TSKNP Corporate Plan, and monitor delivery through appropriate key management and performance information reporting to the Governing Council as appropriate.
- 3) In the light of income projections and forecasts, considers the annual grants and operational expenditure and monitors such expenditure;
- 4) Develops, agrees, monitors and reviews strategies relevant to the effective and efficient operation of TSKNP, making recommendations as appropriate to the Governing Council and/or its relevant Committees;
- 5) Determines strategic issues arising from the introduction of new policies or process, including actively managing risk across the organisation and regularly reviewing the corporate risk register;
- 6) Oversees and monitors TSKNP joint work with the other stakeholders
- 7) Considers the impact of external factors and developments, including specific political initiatives and the response to key consultation documents and where appropriate make recommendations to the Governing Council and/or its relevant Committees.
- 8) Leads all senior managers in motivating and developing TSKNP staff to deliver the highest standards of performance and customer service.

Audit Committee

The activities of the Audit Committee include:

i) Governance initiatives:

Review and provide oversight on governance initiatives established by the Council and maintained by the organization.

ii) Risk management:

Review and provide oversight on the establishment, implementation, maintenance, and effectiveness of risk assessment, risk management, and risk reporting practices.

iii) Internal control framework:

Review and provide oversight on the organization's internal control framework. Keep informed on all significant matters arising from work performed by any governance, risk, and control assurance providers.

iv) Audit activity:

Approve and periodically review the organizational audit policy. Review and approve an internal audit plan. The audit plan should be risk-based and supported by appropriate risk assessments.

v) Follow up on management action plans:

The audit committee shall review regular reports on implementation status of approved management action plans resulting from prior internal audit recommendations.

vi) Financial statements and public accountability reporting:

The audit committee shall review and provide advice to the Council on the key financial management and performance reports and disclosures issued to the public.

Government oversight activities

The Government of Kenya's oversight role include provision of Grants for both Operations and Development as well as provision of the regulatory framework.

The audit of the Instructional activities is undertaken by the Office of the Auditor general.

(f) Entity Headquarters

P.O. Box 753-90400
TSEIKURU NATIONAL POLYTECHNIC Building
Mwingi-Kandwia-Usueni Road
Mwingi, KENYA

(g) Entity Contacts

TSEIKURU NATIONAL POLYTECHNIC
P.O. Box 753-90400
Mwingi, Kenya
Telephone: 0714153024
E-mail: tseikurutti.tsk@gmail.com

(h) Entity Bankers

Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

KCB –Kyuso Branch
A/C NO: 1177500035
: 1178879798

(i) Independent Auditors


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

Key Entity Information and Management (Continued)


(j) Principal Legal Adviser



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

3.The Governing Council



S. No	Governor	Title	Photograph	Responsibility	Date of birth qualifications and work experience
1	Mulaimu Mavusyu	Chairman		Overall management of the Council of governor's activities	D.O.B:1962 Academic Qualifications. 1986 - Bachelor of Commerce Work Experience Jan 2019-Feb 2022 - Director of Internal Audit - Narok County Sept 2017- Jan 2019 - Chief Revenue Officer Feb 2015- Feb 2017 - Head of Internal Audit -Narok County June 2014- Dec 2014 - Commercial Director and Consultant- Smart Logistic Solution Ltd May 2013- April 2014 - Consultant- Mamba Group of Hotels 2011-2012 - Accountant and Administrator-Scott Christian University (Former Scott Theological College). 2003 – 2007 - Chief Accountant/Head of Accounting Unit, Pensions Department –Ministry of Finance (Gok. 1993 – 2003 - District Accountant/Head of Accounting Units – Kwale, Kiambu and Nyeri. 1987 – 1993 - District Treasury - In Garissa and Machakos




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

2	Kariuki G. Kiarie	Principal/secretary, COUNCIL		In charge of the overall management of the Polytechnic	<p>Date of birth: 1972</p> <p>Academic Qualifications.</p> <ul style="list-style-type: none"> ▪ 2015- University Of Eldoret, Eldoret - Med (Technology) – on going ▪ 1993 - 1997: Moi University, Eldoret– Bed (Technology), 2nd Class Upper Division, 1997 <p>Work Experience</p> <p>1997-1998 – Supervisor/Workshop Foreman – Kamihuri Hardware Workshop</p> <p>1998-2000 – Trainer/Lecturer – Kitale Technical Training Polytechnic</p> <p>2000-2005 – Lecturer/HOS Automotive Section – Kitale Technical Training Polytechnic</p> <p>Mar – July 2005 – Lecturer/Deputy HOD Mechanical Engineering Department – Kitale Technical Training Polytechnic.</p> <p>2005-2018 – HOD Mechanical Engineering Department – Kitale Technical Training Polytechnic.</p> <p>2018-2020 – Deputy Principal Academic – Kitale Technical Training Polytechnic</p> <p>Sept – Nov 2020 – Deputy Principal Administration – Kitale Technical Training Polytechnic.</p> <p>Feb 2021 – To date – Principal – TSEIKURU NATIONAL POLYTECHNIC</p>
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3	Charles Gitau Mwaniki	Member		Independent member	<p>Date of Birth: 17th JULY 1958</p> <p>Academic Qualifications.</p> <ul style="list-style-type: none"> ▪ Masters in Educational Planning, Management & Administration at Mount Kenya University (Kenya) 2016. ▪ Bachelor of Education (ARTS): University of Nairobi (Kenya) 1981 <p>Work Experience</p> <ul style="list-style-type: none"> • UNESCO-IIEP-Consultant • Ministry of education- Senior assistant director of education, Assistant director quality assurance • Teacher training college (Kigari&Muranga)- Principal lecturer • Secondary schools- D/Principal
4	Idah Silas Mkavale	Member		Independent member	<p>Date of Birth: 23rd December, 1969</p> <p>Academic Qualification</p> <ul style="list-style-type: none"> ▪ PhD-Sustainable Development (Development Studies)-MasindeMuliro University of Science & Technology-2017 ▪ Masters-Sociology (Development Studies), University of Nairobi -2007



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




				<ul style="list-style-type: none"> ▪ Bachelor’s Degree in Fine Art and Design Education- Kenyatta University-1991 <p>Work Experience</p> <p>December 2017-December 2021, Lead Consultant - Critical Path Kenya Ltd</p> <p>April 2013-December 2017, Economic Advisor - County Government of Vihiga</p> <p>2010-2013, County Project Coordinator (CPC) - World Bank/Kenya Government</p> <p>2008-2010, Community Driven Development Officer - World Bank/Kenya Government</p>
5	Willy Rotich	Member		<p>D.O.B.09/09/1973</p> <p>QUALIFICATIONS</p> <p>MBA-Operations Management</p> <p>B.E.D-Tour PMU</p> <p>Dip in Technical Education</p> <p>EXPERIENCE</p> <p>Lecturer</p> <p>Eldoret Polytechnic-9years</p> <p>Business main Consultancy to date</p>
6	Michael Mwinzi Mwendwa	Member		<p>D.O.B:1979</p> <p>Academic Qualifications.</p> <ul style="list-style-type: none"> ▪ MSc in Procurement and Contract – Jomo Kenyatta University of Agriculture and Technology 2 – 2015 -2019 ▪ Bachelor of Arts (Building Economics) University of Nairobi (Kenya) 1999 -2003

					<p>Work Experience 2015 – to date - Assistant Director, Metropolitan Social Infrastructure – Housing and Urban Department. 2013 – 2015 – Ministry of Lands, Housing and Urban Development. 2005 – 2013 – Ministry of Local Government – Urban Development Department</p>
7	Mrs. Christina Wayua Mwanzia.	Member			<p>D.O.B. 6th April, 1962 Academic Qualifications. ▪ Bachelor of Education ARTS Work Experience 1995-2008 Principal, Kimangao Girls Secondary School 2009-2020 Chief Principal, Thitani Girls Secondary School.</p>
8	Josephine Ayienda	Member		Independent member	<p>D.O.B: 23-6-1991 Qualifications - Master of Science Distributed Computing and Technology (Cyber Security) - Bachelor of Science Software Engineering Work experience -Lixnet Technologies-Project manager</p>
9	Gichuru Mutulili	County Director		PS SD-VTT Representative	<p>D.O.B. 1966 Qualifications -Masters in Business Administration -Management Information System -B.Ed.-Arts</p>

4. Key Management Team

1. PASSPORT, NAME & QUALIFICATION	DESIGNATION
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<p>MR. KARIUKI G KIARIE</p>  <p>Qualifications Bachelor degree in Technology Education (Mechanical Engineering)</p>	<p>PRINCIPAL</p>
<p>2. MR. MESHACH MUNYITHYA</p>  <p>Qualifications Bachelor of Education-Technology (electrical & electronics)</p>	<p>D/PRINCIPAL</p>
<p>3.MR. JOHNSON WAMBUA</p>	<p>REGISTRAR</p>

		
<p>Qualifications Bachelor of Education-Technology</p>	<p>4.MR. MOFFAT KIRIMI KIRUJA</p>  <p>Qualifications. Bachelor of Science (computer science) Diploma in Technical Education (Computer science)</p>	<p>DEAN OF STUDENTS</p>
<p>5.MR. JOEL KYATHA ZAKAYO</p>	 <p>Qualifications CPA(K) Bachelor of Commerce (in progress)</p>	<p>FINANCE OFFICER</p>

5. Chairman's Statement

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

Tseikuru National Polytechnic was established as a TVET Institution in 2016 and was later elevated to national polytechnic early 2024. The aim was to offer technical courses to Form Four leavers. The institute offers business and technical courses. It is managed by a Governing Council and the government provides lecturers in the various fields of study.

It has been noted that the expected growth in students' enrolment at Tseikuru National Polytechnic, and with regard to the national/global trends in education, research and technology the founders' vision has not been realized.

This Council is inaugural being the 3rd after the Institute was opened. I appreciate the financial support given by the Government in the form of recurrent and development grants that has seen us achieve some notable development.

In 2023/24 the Council was able enhance development in the area of infrastructure, It started with the construction of the ladies hostels which was in progress as at 30th June 2024.

However, the government financial support is declined thus making the operations difficult. The Institute is in a semi-arid zone making the provisions of services quite difficult. We are struggling with the challenges of water and accommodation.

As per our Strategic Plan Tseikuru National Polytechnic is determined to become a centre of excellence in TVET training in the Lower Eastern and beyond.

6. Report of the Chief Principal

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

Tseikuru National Polytechnic began operating in January 2016 as a technical training institute and later elevated into a national polytechnic early 2024.

We have tried our best to objectively align our core functions and objectives so that we become an integral part of the whole nation in realization of Vision 2030.

Our vision ‘to be a centre for excellence in technology and Research in Kenya and beyond’ is our driving force to spur skills into economic competitiveness and as one of our pillars in the vision 2030.

In recognition of the important role that TSKNP plays in the Lower Eastern Region and beyond, we have set out our strategic plan aimed at providing competent craftsmen and technicians for the industry and self-employment. It’s our obligation to have an impact in solving our social-economic and environmental challenges by applying science and technology.

For a long time TVET institutions have had their books of accounts audited by the Kenya schools audit department until June 2019 when a circular from the Ministry instructed that the work would be taken over by the office of the auditor general. As an institution, we have tried our best to comply 100% with the office of the auditor general requirements.

It is our vision that through maximum utilization of school fees, production units, Government grants and other funds from development partners, we shall greatly improve the institute’s infrastructure and human capacity. This will facilitate tremendous expansion for more programs. It is our vision that TSK NP is going to become a Technical University in the future.

7. Statement of Performance against Predetermined Objectives

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the national government entity’s performance against predetermined objectives.

Tseikuru National Polytechnic has *three* strategic pillars and objectives within its Strategic Plan for the FY 20/21- 24/25. These strategic pillars are as follows:

Pillar 1: Access and equity

Pillar 2: Corporate governance

Pillar 3: Public, Private partnerships

Tseikuru National Polytechnic develops its annual work plans based on the above *three* pillars. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The *Polytechnic* achieved its performance targets set for the FY 23/24 period for its three strategic pillars, as indicated in the diagram below:

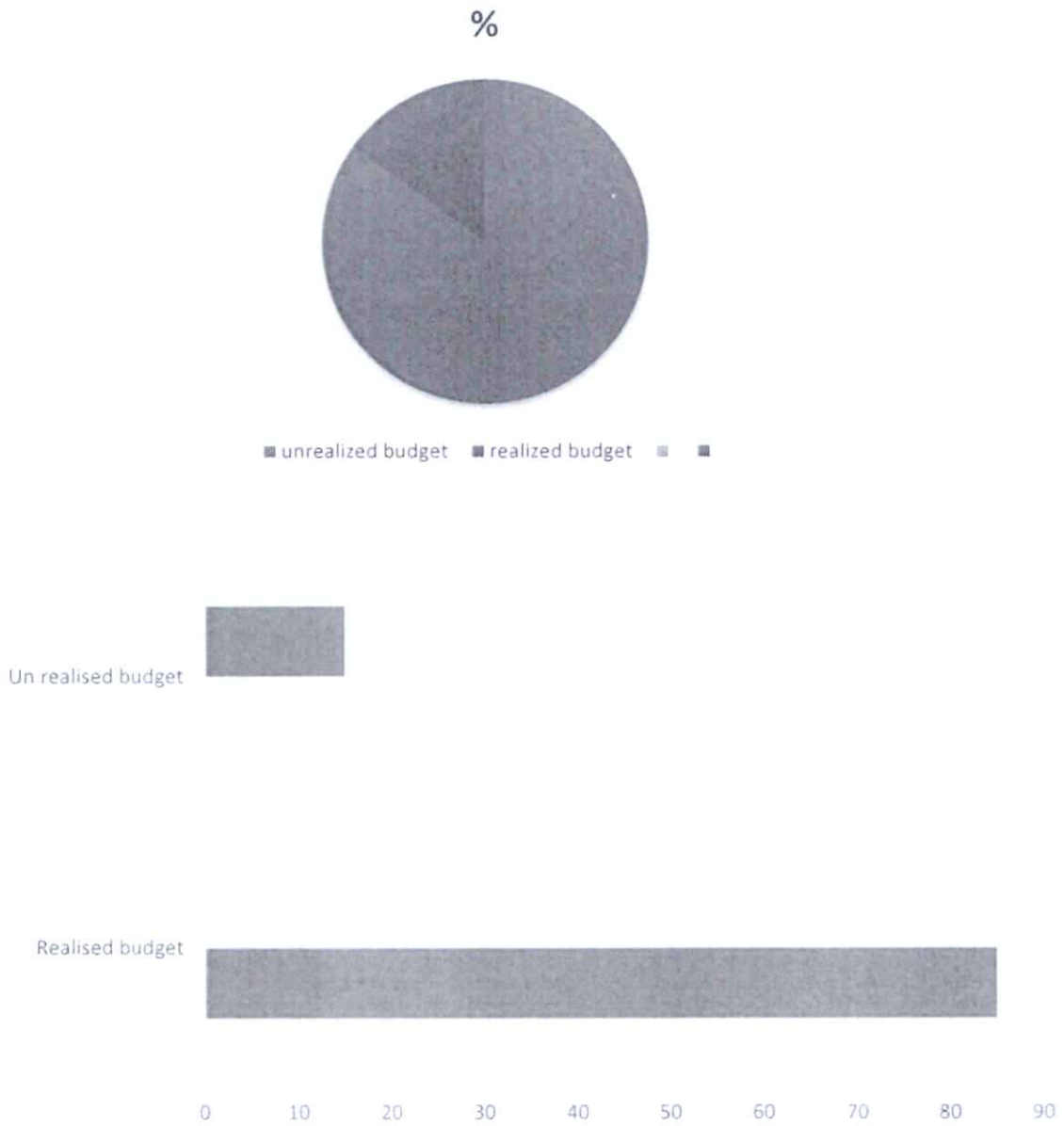
Strategic Pillar		Objective	Key Performance Indicators	Activities	Achievements
Pillar 1:	Access and equity	To promote access and equity with focus to youth, women and PLWDS	<ul style="list-style-type: none"> • Access to loans, bursaries and sponsorships • Application of modern techniques in teaching 	<ul style="list-style-type: none"> • Increase access to relevant TVET education • Enhance quality of curriculum delivery 	<ul style="list-style-type: none"> • Increase access to TVET program • Improve training methods
Pillar 2:	Corporate governance	To enhance inclusivity in institutional corporate governance	<ul style="list-style-type: none"> • Involvement of both COUNCIL and management in key 	<ul style="list-style-type: none"> • Provide leadership in making key strategic decisions 	<ul style="list-style-type: none"> • Prudent results

			decision-making process		
Pillar 3:	Public, private partnerships	To encourage collaboration and linkages with County Government and stakeholders	<ul style="list-style-type: none"> • Lobby for bursaries from the county government kit • Create opportunities for provision of products and services mutual to all players. 	<ul style="list-style-type: none"> • Collaborate with County Government in ensuring that youth access TVET. • Partner with industry on areas of research, job absorption and attachments 	<ul style="list-style-type: none"> • Higher access to TVET • Efficient trainers equipped with skills

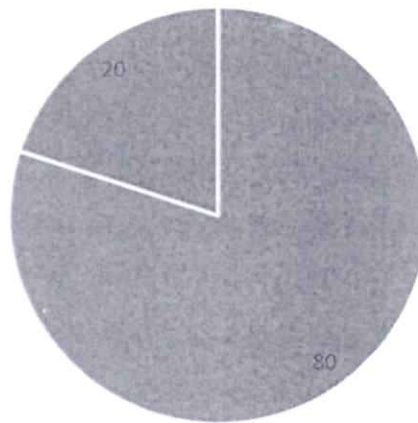
Budget Achievement

Tseikuru National Polytechnic had a budget of **kshs42,360,200** in F/Y 2023/24. The institute managed to realise **kshs35,991,900** which translate to **85%** of the total budget. The institute spends **kshs33,910,987** of the realised amounts which translates to approximately **80%** of the budget amount.

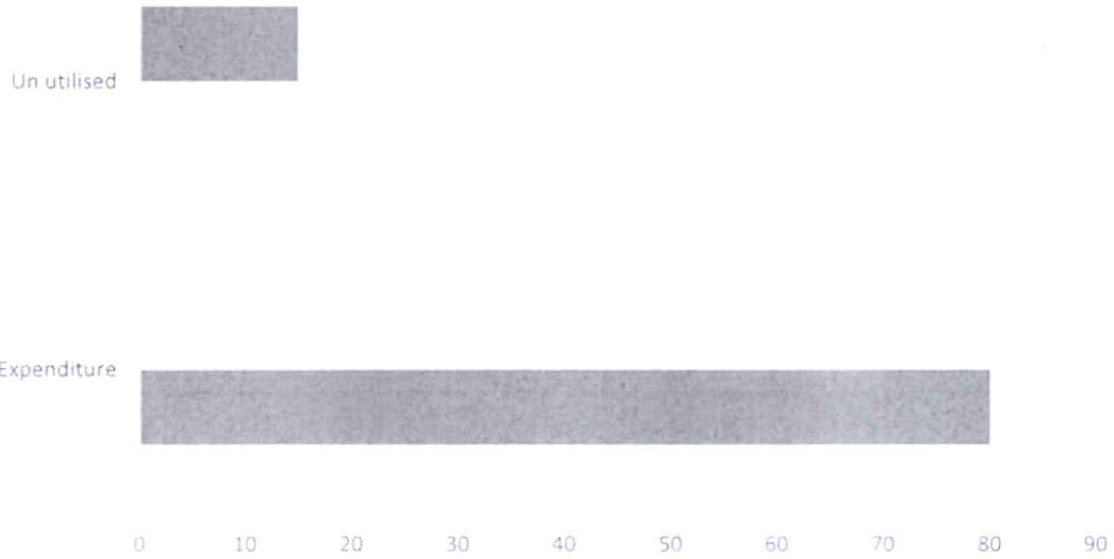
Realization of budget



budget utilization



■ Expenditure ■ unutilized



8. Corporate Governance Statement

i. Appointment of council members

The Cabinet Secretary, MOE appoints members of the Council following proposals from the principal of the institute. The Council consists of nine members. The Boards of Governors for **Tseikuru National Polytechnic** serves for three years. The Council may set up such committees and assign such responsibilities as it may deem fit.

ii. Role and Functions of Governing Council

The functions of the organs set out under section 28 (1) shall include —

- a) Overseeing the conduct of education and training in the institutions in accordance with the provisions of this TVET Act and any other written law;
- b) Promoting and maintaining standards, quality and relevance in education and training in the institutions in accordance with this TVET Act and any other written law;
- c) Administering and managing the property of the institution;
- d) Developing and implementing the institutions' strategic plan;
- e) Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institutions;
- f) Receiving, on behalf of the institution, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institution or other bodies or persons;
- g) Determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions TVET Act; 855 2013 Technical and Vocational Education and Training No. 29
- h) Mobilizing resources for the institutions;
- i) Developing and reviewing programmes for training and to make representations thereon to the Board;
- j) Regulating the admission and exclusion of students from the institutions, subject to a qualification's framework and the provisions of this Act;
- k) Approving collaboration or association with other institutions and industries in and outside Kenya
- l) Recruiting and appointing trainers from among qualified professionals and practising trade's persons in relevant sectors of industry;

- m) Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institutions, in consultation with the TVET Authority;
- n) Making regulations governing organization, conduct and discipline of the staff and students;
- o) Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submits the same to the ministry
- p) Providing for the welfare of the students and staff of the institutions;
- q) Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institutions; and
- r) Discharging all other functions conferred upon it by this Act or any other written law.

iii. Governing Council Allowances

The institute gives sitting allowances to Councilmembers to cater for their transport.

iv. Meetings

- a. Full Council meetings - are held once every term and
- b. board committee meetings- once every term

v. Number of Councilmembers

During the period under audit, the institute had nine Councilmembers inclusive of the principal who is secretary to the board.

9. Management Discussion and Analysis

i) Operational Performance;

Management has worked hard to make living of the students in the institute easy by working so hard to see if they can get more hostels for both ladies and men.

ii) Financial Performance

The entity is fairly stable financially. It operates on fees received from students, G.O.K capitation, NYS, Government Scholarships and HELB Funds.

iii) Institute's compliance with statutory requirements

The tseikuru national polytechnic complies to deductions and remittance of statutory deductions such as NHIF, NSSF and PAYE.

Major risks facing the entity

The polytechnic major risks are mainly related to its core business which is training and human resource development. Some of the identified risks includes,

- Student turnover
- Delayed disbursements of capitations, Helb Loans & Scholarships
- Staff turnover due to in ability to retain them
- In adequate student accommodation and support facilities
- Low students' enrolments

Key projects and investments decisions the entity has implemented/ongoing

- Installation of a new system
- Construction of hostel

10. Environmental and Sustainability Reporting Statement

Tseikuru 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, which is founded on three pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

a) Sustainability strategy and profile -

Economic sustainability embraces general aspects of an organisation that have to be respected. The use of such generic aspects seems meaningful, as good results in these aspects are likely to lead to good financial and sustainability results of the institute. The management of the institute has developed the following sustainability strategies:

- Innovation and Technology
- Collaboration-good cooperation and collaboration with other institutions, county government and other stakeholders.
- Sustainability reporting. -the institute reports sustainability issues within the institute's report separately or incorporated in the integrated institutes report

b) Environmental performance

The environmental impact of an organization is an important factor in evaluation of a given corporate's level of social responsibility. Deficiency in public awareness of the importance of the environment is the main causes of the low social responsibility among the institution.

The environmental performance of food firm exerts influence on the corporate social responsibility.

c) Employee welfare

Tseikuru National Polytechnic Seeks to improve the welfare of its employees through:

- Increased organisational citizenship behaviours and improved employee relationships
- Enhanced employee identification with the organization
- Improved retention and organizational commitment
- More attractive institution culture to prospective employees
- Better employee engagement and performance
- Increased creativity

Tseikuru National Polytechnic is an equal employer were all the applicants have equal chances of been employed irrespective of their gender, tribe or religion. The institutes ensure gender ratio

any time recruitment is taking place. There is a standardised appraisal and rewarding system which applies to all employees within the institute.

Tseikuru National Polytechnic discloses its safety policy and compliance with occupational safety and healthy Acts of 2007, (OSHA)

d) Market place practices-

Tseikuru National Polytechnic maintains corporate social responsibility in the market place practices through: -

The institute and the suppliers take responsibility to do no harm to the environment, to reduce waste and pollution as well as complying with the government regulations. In order to stay away in the competition, the institute determines its strategies and plan their relevant activities

e) Corporate Social Responsibility /Community Engagements-

Tseikuru National Polytechnic seeks and maintain important links with the community. The institute combine with the public, business and civil constituencies who engage in voluntary, mutual beneficial, innovative relationships to address common societal aims through combining their resources and competencies.

Tseikuru National Polytechnic engage in community developments as follows;

- Training of community professionals in computer support and maintenance
- Students performs voluntary projects during vacations to the community where they share experiences, knowledge and sustainable practices within the community.
- Students support vulnerable communities in the development and improvement of their housing spaces
- Implementation of a community engagement programme to empower jobless youth

11. Report of the Governing Council

The Councilmembers submit their report together with the audited financial statements for the year ended June 30, 2024 which shows the state of the *polytechnic's* affairs.

Principal activities

The core mandate of the Institute is providing knowledge and skills to the people of the larger KITUI County and beyond.

The Mandate of **Tseikuru National Polytechnic** is to train, impart skills, knowledge and institutionalize effective research and development geared towards production of competent graduates who will contribute to high and sustainable social-economic development.

Results

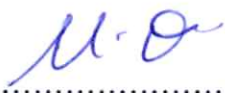
The results of the entity for the year ended June 30th 2024 are set out on Page 1-5

Council/Governing Council

The members of the Council/Council who served during the year are shown on pages (vii) to (xviii).

Auditors

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


.....
Secretary of the Governing Council
Mwingi
Date: 28.04.25

12. Statement of Council's Responsibilities

The Council members are responsible for the preparation and presentation of **Tseikuru National Polytechnic** financial statements, which give a true and fair view of the state of affairs of the institute for and as at the end of the financial year (period) ended on June 30, 2024. The council 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 institute;
- iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- iv) Safe guarding the assets of the *Institute*;
- v) Selecting and applying appropriate accounting policies; and
- vi) Making accounting estimates that are reasonable in the circumstances.

The council members accept responsibility for the *entity'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 TVET Act 2013*). The council members are of the opinion that the *institute's* financial statements give a true and fair view of the state of transactions during the financial year ended June 30, 2024, and of the *institute's* financial position as at that date. The Councilmembers further confirm the completeness of the accounting records maintained for the *institute*, which have been relied upon in the preparation of the *institute's* financial statements as well as the adequacy of the systems of internal financial control.

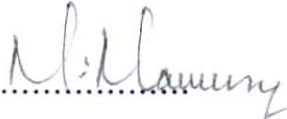
Nothing has come to the attention of the Councilmembers to indicate that the *institute* will not remain a going concern for at least the next twelve months from the date of this statement.

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

Approval of the financial statements

The *entity's* financial statements were approved by the Council on 28TH April 2025 and signed on its behalf by:

Name: Mulaimu Mavusyu

Signature 

Chairperson of the Council

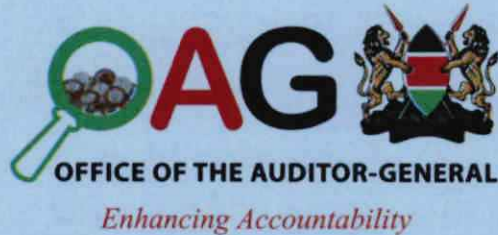
Name: Omwamba Naftal

Signature 

Accounting Officer/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 TSEIKURU NATIONAL POLYTECHNIC FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Tseikuru National Polytechnic set out on pages 1 to 41, which comprise of the statement of financial position as at 30 June, 2024, the statement of financial performance, statement of changes in net

assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information for the year then ended 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 Tseikuru National Polytechnic as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unconfirmed Property Plant and Equipment Balance

The statement of financial position reflects property, plant and equipment balance of Kshs.396,449,638 which, as disclosed in Note 20 to the financial statements includes land valued at Kshs.4,369,680. However, review of records revealed that the land on which the Polytechnic is built does not have a title deed. In addition, six (6) families have encroached the land and erected permanent buildings where title for encroached land measuring 4.27 Hectares had been obtained.

In the circumstances, the accuracy and ownership of land valued at Kshs.4,369,680 could not be confirmed.

2. Unsupported Repairs and Maintenance

The statement of financial performance reflects repairs and maintenance amounting to Kshs.1,599,073 as disclosed in Notes 14 (i) to the financial statements. However, no supporting documents were provided for audit review. In addition, there was no evidence that the payment vouchers were examined, reviewed and approved.

In the circumstances, the accuracy and completeness of the repairs and maintenance totalling Kshs.1,599,073 could not be confirmed

3. Unsupported Revaluation Gain

The statement of changes in net assets reflects revaluation gain totalling Kshs.45,181,565. However, no support documents were provided for audit review.

In the circumstances, the accuracy and completeness of the revaluation gain amounting to Kshs.45,181,565 could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Tseikuru National Polytechnic Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.43,925,320 and Kshs.35,991,900 respectively resulting to under-funding of Kshs.7,933,420 or approximately 18% of the budget.

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

My opinion is unmodified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Matters

In the audit report of the previous year, several issues were raised under the report on Financial Statements, Report on lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of internal Controls, risk Management and Governance which have remained unresolved as at 30 June, 2024.

Other Information

The Management is responsible for the other information set out on pages iii to xxix which comprise of Key Entity Information and Management, The Governing Council, Key Management Team, Chairman's Statement, Report of the Chief Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Governing Council and Statement of Council's Responsibilities. The other information does not include the financial statements and my audit report thereon.

In connection with my audit on the Polytechnic's, financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I

conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and based on the audit procedures performed, except for the matter described in the Basis for Conclusion, 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

Non-Compliance with Law on Ethnic Diversity

During the year under review, the total number of employees of the Polytechnic was thirty (30) out of which, twenty (20) or approximately 67% were members of the dominant ethnic community in the County. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that, "all public offices shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public Institution shall have more than one-third of its staff establishment from the same ethnic community".

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Internal Audit Function and an Audit Committee

The Polytechnic has not established an internal audit function and an Audit Committee. This is contrary to Section 155 of the Public Finance Management Act, 2012 which

provides for the establishment of the internal audit function and an Audit Committee. As such the Company did not benefit from the assurance and advisory services from the internal audit function as well as oversight from the Audit Committee.

In the circumstances, the existence of an effective system of internal controls could not be confirmed.

2. Ineffective Human Resource Management Function

Review of documents revealed that the Institute had a Human Resource Policy which had not been operationalized. Further, there was no human resource function in place to carry out functions related to personnel management, recruitment and governance. In addition, the Polytechnic had not established a code of ethics to outline the organization's guidelines and best practices for maintaining honesty, integrity, and professionalism.

In the circumstances, the existence of effective human resource management measures could not be confirmed.

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the Polytechnic's financial reporting process, reviewing the effectiveness of how Management monitors compliance

with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.


Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

13 May, 2025

14. Statement of Financial Performance for The Year Ended 30 June 2024

	Notes	FY 2023/24	FY 2022/23
		Kshs	Kshs
Revenue from non-Exchange transactions			
Transfers from other National Government entities	6(i)	12,645,770	10,160,000
Transfers from other levels of government	-	-	-
Public contributions and donations	-	-	-
		12,645,770	10,160,000
Revenue from Exchange transactions			
Rendering of services- fees from students	7(i)	27,869,464	10,878,700
Sale of goods	-	-	-
Rental revenue from facilities and equipment	8	204,000	30,000
Finance income	-	-	-
Miscellaneous income	9	-	7,000
Revenue from Exchange transactions		28,073,464	10,915,700
Total Revenue		40,719,234	21,075,700
Expenses			
Use of goods and services	10(i)	24,526,972	20,322,982
Employee costs	11	6,424,069	7,522,130
Council Expenses	12	1,329,650	1,550,561
Depreciation and amortization expense	13	17,390,778	20,182,431
Repairs and maintenance	14(i)	1,599,073	1,519,857
Contracted services	-	-	-
Grants and subsidies	-	-	-
Finance costs	15	31,223	35,280
Total Expenses		51,301,765	51,133,241
Other Gains/(Losses)			
Gain on sale of assets		-	-
Gain/ Loss on fair value of investments		-	-
Impairment loss		-	-
Total Other Gains/(Losses)		-	-
Net surplus/(deficit) for the year		(10,582,531)	(30,057,541)

(The notes set out on pages 9 to 39 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 1 to 8 were signed by:

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



Chairman of Council

Date 28.04.2025



Principal

Date 28.04.2025



Finance Officer

ICPAK No 26036

Date 28.04.2025

15. Statement of Financial Position as at 30th June 2024

Description	Notes	FY 2023/24	FY 2022/23
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	16	5,350,116	2,574,449
Current portion of receivables from exchange transactions	17(a)	8,131,694	3,583,344
Receivables from non-exchange transactions	18	2,071,000	3,123,125
Inventories	19	264,345	260,500
Investments in financial assets		-	-
Prepayments		-	-
Total Current Assets		15,817,155	9,541,418
Non-Current Assets			
Investments		-	-
Property, plant, and equipment	20	396,449,638	412,433,871
Intangible assets	21	3,771,622	2,852,027
Investment property		-	-
Biological Assets		-	-
Total Non-Current Assets		400,221,260	415,285,898
Total Assets (A)		416,038,415	424,827,316
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	22	1,820,577	2,708,512
Refundable deposits from customers		-	-
Current provisions		-	-
Finance lease obligation		-	-
Deferred income		-	-
Employee benefit obligation		-	-
Payments received in advance		-	-
Current portion of borrowings		-	-
Social Benefits		-	-
Total Current Liabilities		1,820,577	2,708,512

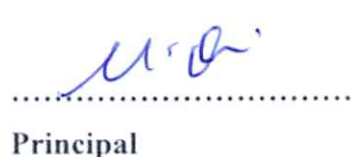
**Tseikuru National Polytechnic
Annual Report and Financial Statements for the year ended 30th June 2024**

Description	Notes	FY 2023/24	FY 2022/23
		Kshs	Kshs
Non-Current Liabilities			
Finance lease obligation		-	-
Deferred income		-	42,500,000
Non-Current Employee Benefit Obligation		-	-
Non- Current Borrowings		-	-
Non-Current Provisions		-	-
Service Concession Liability		-	-
Social benefits		-	-
Total non- current liabilities			42,500,000
Total Liabilities (B)		1,820,577	45,208,512
Net Assets (A-B)		414,217,838	379,618,804
Represented By:			
Revaluation Reserves		454,857,910	409,676,345
Accumulated Surplus		(40,640,072)	(30,057,541)
Capital Fund			
Net Assets		414,217,838	379,618,804

The Financial Statements set out on pages 1 to 7 were signed by:


.....
Chairman of Council

Date 28.04.2025


.....
Principal

Date 28.04.2025


.....
Finance Officer

ICPAK No 26036

Date 28.04.2025

16. Statement of Changes in Net Asset for The Year Ended 30 June 2024

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2022				
Revaluation gain	409,676,345	-	-	409,676,345
Surplus/(deficit) for the year	-	(30,057,541)	-	(30,057,541)
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2023	409,676,345	(30,057,541)	-	379,618,804
At July 1, 2023	409,676,345	(30,057,541)	-	379,618,804
Revaluation gain	45,181,565	-	-	45,181,565
Surplus/(deficit) for the year	-	(10,582,531)	-	(10,582,531)
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2024	454,857,910	(40,640,072)	-	414,217,838

17. Statement of Cash Flows for The Year Ended 30 June 2024

Description		FY 2023/24	FY 2022/23
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities	6(ii)	6,512,638	4,371,000
Grants from donors and development partners		-	-
Transfers from other levels of government		-	-
Public contributions and donations		-	-
Rendering of services- fees from students	7(ii)	29,275,262	9,972,658
Sale of goods		-	-
Rental revenue from facilities and equipment	8	204,000	30,000
Finance income		-	-
Miscellaneous income		-	7,000
Total Receipts		35,991,900	14,380,658
Payments			
Use of goods and services	10(ii)	21,512,118	7,752,130
Employee costs	11	6,424,069	17,888,630
Council Expenses	12	1,329,650	1,550,561
Repairs and maintenance	14(ii)	1,593,033	1,157,687
Contracted services		-	-
Finance costs	15	31,223	35,280
Grants and subsidies		-	-
Total Payments		30,890,093	28,384,288
Net Cash Flows from operating activities	29	5,101,807	(14,003,630)
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(2,326,140)	(20,988,825)
Proceeds from sale of property, plant and equipment		-	-
Net cash flows used in investing activities			
Cash flows from financing activities			
Proceeds From Borrowing		-	-
Repayment Of Borrowings		-	-
Net cash flows used in financing activities		-	-
Net Increase/(Decrease) in Cash and Cash equivalents		2,775,667	(34,992,455)
Cash and Cash equivalents at 1 JULY	16	2,574,449	37,566,904
Cash and Cash equivalents at 30 JUNE	16	5,350,116	2,574,449

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

18. Statement of Comparison of Budget & Actual amounts for Year Ended 30 June 2024

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
Revenue						
Transfers from other National Government entities	2,000,000	-	2,000,000	6,512,638	(4,512,638)	0%
Grants from donors and development partners	-	-	-	-	-	-
Transfers from other levels of government	-	-	-	-	-	-
Public contributions and donations	-	-	-	-	-	-
Rendering of services- fees from students	37,841,410	2,314,790	41,721,320	29,275,262	12,446,058	30%
Sale of goods	-	-	-	-	-	-
Rental revenue from facilities and equipment	-	-	204,000	204,000	-	0%
Finance income	-	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-	-
Total Income	39,841,410	4,083,910	43,925,320	35,991,900		
Expenses						
Use of goods and services	22,464,160	3,500,000	25,621,250	22,906,535	2,714,715	11%
Employee costs	8,390,040	216,000	8,606,040	6,424,069	2,181,971	25%
Council Expenses	2,280,000	-	2,280,000	1,329,650	950,350	41%
Repairs and maintenance	2,310,000	-	2,310,000	1,599,073	710,927	31%
Contracted services	-	-	-	0	-	-
Grants and subsidies	-	-	-	0	-	-
Finance costs	-	-	-	31,223	-	0%
Total Expenditure	35,444,200		38,817,290	32,290,550		
Surplus For the Period						
Capital Expenditure	4,397,210		5,108,030	2,326,140		
Total Expenditure	39,841,410		43,925,320	34,616,690		

(Budget notes)

- Over budgeting of receipts from students-According to paragraph 43 of the public financial management (National Government) regulations,2015, the accounting officer is required to exercise budgetary controls. During the year under audit, the management of the institute had budgeted to collect **kshs 40,156,200** but ended up collecting **kshs 29,275,262** hence under collection of **kshs10,880,938**. In this case, the under collection was as a results of low enrolment due to poor economic conditions in the country.
- Over budgeting of the employee costs- According to paragraph 43 of the public financial management (National Government) regulations,2015, the accounting officer is required to exercise budgetary controls. During the year under audit, the management had proposed to spend **kshs 8,606,040** as employee costs but ended up spending **kshs 6,424,069** as employee costs thus a variance of kshs **2,181,971**. Due to poor economic conditions prevailing in the country, the institute could not realise **100%** of the budgeted amount thus hostility measures had to be put in place to cut down the costs. This included but not limited to reducing the number of human resources personnel required to effectively run the institution. This has affected the amount of employee's costs incurred.
- Over budgeting of the Board/Council expenses-- According to paragraph 43 of the public financial management (National Government) regulations,2015, the accounting officer is required to exercise budgetary controls. During the year under audit, the management had proposed to spend **kshs2,280,000** as board/Council expenses but ended up spending kshs **1,329,650** as board/Council expenses thus a variance of **kshs 950,350**. The un utilised funds was a results of budget constraints that led the institute to scale down the number of Council meetings so as to sustain its operations.
- Overbudgeting of the repairs & maintenance expenses- According to paragraph 43 of the public financial management (National Government) regulations,2015, the accounting officer is required to exercise budgetary controls. During the year under audit, the management had budgeted to spend **kshs2,310,000** as repairs and maintenance expenses but ended up spending **kshs 1,599,073** as repairs and maintenance expenses thus a variance of **kshs 710,927**. The un utilized funds was as a results of budget constraints that lend to scaling down on the repair and maintenance expenditure.

19. Notes to the Financial Statements

1. General Information

Tseikuru National Polytechnic was established by and derives its authority and accountability from **TVET Act No29 of 2013**. Tseikuru National Polytechnic is under the Ministry of Education, State department of Technical and Vocational Training. The Institute is wholly owned by the Government of Kenya and is domiciled in Kenya. The Institute's principal activity is to Provide Technical, Vocational Education and Entrepreneurship Training geared towards Self-Reliance to meet the Labour Market needs.

2. Statement of Compliance and Basis of Preparation

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

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

The financial statements have been prepared in accordance with the PFM Act No.18 of 24th July 2012, the State Corporations Act, the TVET Act 2013 and International Public Sector Accounting Standards (IPSAS). The Institution adopted IPSAS in the year 2019 following elevation into a SAGA. The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	Applicable 1st January 2025 The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. Tseikuru national polytechnic did not apply this standard in the preparation of the accounts under review.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	Applicable 1st January 2025 The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. Tseikuru national polytechnic did not apply this standard in the preparation of the accounts under review.
IPSAS 45: Property Plant and Equipment	Applicable 1st January 2025 The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets. Tseikuru national polytechnic did not apply this standard in the preparation of the accounts under review.
IPSAS 46:	Applicable 1st January 2025

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Measurement	<p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>Tseikuru national polytechnic did not apply this standard in the preparation of the accounts under review.</p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>Tseikuru national polytechnic did not apply this standard in the preparation of the accounts under review.</p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p>Tseikuru national polytechnic did not apply this standard in the preparation of the accounts under review.</p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p>Tseikuru national polytechnic did not apply this standard in the preparation of the accounts under review.</p>

iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

- a) Revenue recognition
- i) Revenue from non-exchange transactions

Transfers from other government entities

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

- ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 223/2024 was approved by the Council or Councilon **29.06.2023**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity recorded additional appropriations of **2,518,790** on the FY 2023/2024 budget following the Council/ Board's approval. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. 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 on page 7 under section 5 of these financial statements.

c) Taxes

Current income tax

Tseikuru National Polytechnic is exempt from paying taxes as per First schedule **Section 10 subsection (a) and (b)** of the 2010 **income tax Act**

Sales tax/ Value Added Tax

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

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

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

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 50-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

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

f) Leases

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

g) Intangible assets

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

h) Research and development costs

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

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

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

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

j) Inventories

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

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

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

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

Inventories (Continued)

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

k) Provisions

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

Contingent liabilities

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

Contingent assets

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

l) Social Benefits

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

m) Nature and purpose of reserves

The *Entity* creates and maintains reserves in terms of specific requirements. (*Entity to state the reserves maintained and appropriate policies adopted*).

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

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

p) Foreign currency transactions

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

q) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

r) Related parties

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

s) Service concession arrangements

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

t) Cash and cash equivalents

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

u) Comparative figures

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

v) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material. The management of tseikuru national polytechnic sets provisions for bad & doubtful debts as 5%.

6. Transfers from other National Government entities

i) Transfers from national government realised

Description	F/Y 2023/24	F/Y 2022/23
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	10,645,770	8,160,000
Operational Grant	2,000,000	2,000,000
Development grants	-	-
Other Grants	-	-
Total unconditional Grants	12,645,770	10,160,000
Conditional Grants amortised/ recognised in revenue		
Library Grant	-	-
Hostels Grant	-	-
Administration Block Grant	-	-
Laboratory Grant	-	-
Learning Facilities Grant	-	-
Other Organizational Grants	-	-
Total Government Grants and Subsidies	12,645,770	10,160,000

ii) Transfers from national government received

Description	F/Y 2023/24	F/Y 2022/23
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	3,044,000	3,371,000
Operational Grant	1,500,000	1,000,000
Government Scholarship	1,968,638	-
Development grants	-	-
Other Grants	-	-
Total unconditional Grants	6,512,638	4,371,000
Conditional Grants amortised/ recognised in revenue		
Library Grant	-	-
Hostels Grant	-	-
Administration Block Grant	-	-
Laboratory Grant	-	-
Learning Facilities Grant	-	-
Other Organizational Grants	-	-
Total Government Grants and Subsidies	6,512,638	4,371,000

7. Rendering of Services

i) Revenue earned from rendering of services

Description	F/Y 2023/24	F/Y 2022/23
	Kshs	Kshs
New funding model (90*67,189)	6,047,010	-
Old funding model (224*56,420)	12,638,080	9,048,100
Nys sponsored students	9,184,374	1,830,600
Total Revenue from The Rendering of Services	27,869,464	10,878,700

ii) Revenue received from rendering of services

Description	F/Y 2023/24	F/Y 2022/23
	Kshs	Kshs
Fees for kuccps sponsored	9,345,996	6,301,858
Helb	5,536,766	1,840,200
Nys sponsored students	14,392,500	1,830,600
Total Revenue from The Rendering of Services	29,275,262	9,972,658

8. Rental revenue from facilities and equipment

Description	F/Y 2023/24	F/Y 2022/23
	Kshs	Kshs
Hire of Facilities and Equipment	-	-
Contingent Rentals-Kitchen	204,000	30,000
Operating Lease Revenue	-	-
Others (<i>specify</i>)	-	-
Total	204,000	30,000

9. Miscellaneous Income

Description	F/Y 2023/24	F/Y 2022/23
	Kshs	Kshs
Insurance recoveries	-	-
Consultancy fees	-	-
Income from sale of tender	-	7,000
Services concession income	-	-
Reimbursements and refunds	-	-
Graduation fees	-	-
Bad debts recovered	-	-
Income written back	-	-
Others (<i>specify</i>)	-	-
Total other income	-	7,000

10. Use of Goods and Services

i) Accrued expenses under use of goods and services

Description	FY2023/24	FY2022/23
	Kshs	Kshs
Teaching and learning materials	1,613,667	1,235,986
Industrial attachment costs	41,700	45,500
Electricity	2,148,313	1,377,731
Activities/Tvet fairs	1,715,121	1,384,391
Security	1,003,924	988,537
Professional and consultancy services	-	-
Subscriptions	-	-
Advertising	877,660	549,936
Examination fees	1,141,230	2,426,320
Cdacc	302,700	26,500
Performance contracting	188,368	763,350
Audit fees	-	-
Catering, conferences, and delegations	5,503,738	5,175,533
Travelling and accommodation	2,339,786	1,694,300
Fuel and oil	1,203,168	752,127
Insurance	468,603	486,150
Legal expenses	2,000	-
Licenses and permits	-	-
Postage	-	-
Printing and stationery	1,075,434	1,221,438
Hire charges	-	-
Rent expenses	150,000	-
Research	56,400	-
Cleaning materials	379,840	206,200
Telephone expenses	203,000	-
Internet expenses	643,104	745,290
Other Training expenses	716,042	479,268
Other administration costs	1,961,956	764,425
Clearing account	791,218	-
Total good and services	24,526,972	20,322,982

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ii) Actual expenses paid under use of goods and services

Description	FY2023/24	FY2022/23
	Kshs	Kshs
Teaching and learning materials	1,613,667	1,149,806
Industrial attachment costs	41,700	45,500
Electricity	1,889,496	1,036,305
Activities/Tvet fairs	1,715,121	1,384,391
Security	1,003,924	988,537
Professional and consultancy services	-	-
Subscriptions	-	-
Advertising	862,660	549,936
Examinations	1,141,230	2,426,320
Cdacc	302,700	26,500
Performance contracting	188,368	763,350
Audit fees	-	-
Catering, conferences, and delegations	4,417,648	4,142,265
Travelling and accommodation	1,445,369	1,694,300
Fuel and oil	1,203,168	634,177
Insurance	426,603	469,650
Legal expenses	2,000	-
Licenses and permits	-	-
Postage	-	-
Printing and stationery	973,860	564,018
Cleaning materials	308,820	157,400
Hire charges	-	-
Rent expenses	150,000	-
Research	56,400	-
Telephone expenses	203,000	-
Internet expenses	597,168	607,482
Training expenses	716,042	479,268
Clearing account	791,218	
Other administration costs	1,461,956	769,425
Total good and services	21,512,118	17,888,630

11. Employee Costs

Description	F/Y 2023/24	F/Y 2022/23
	Kshs	Kshs
Salaries and wages	6,424,069	6,336,722
Employee related costs - contributions to pensions and medical aids	-	1,185,408
Travel, motor car, accommodation, subsistence and other allowances	-	-
Housing benefits and allowances	-	-
Overtime payments	-	-
Social contributions	-	-
Employee Costs	6,424,069	7,522,130

12. Council Expenses

Description	F/Y 2023/24	F/Y 2022/23
	Kshs	Kshs
Chairman's Honoraria	-	-
Directors Emoluments	1,329,650	1,550,561
Other Allowances	-	-
Other Board/Council Expenses	-	-
Total	1,329,650	1,550,561

13. Depreciation and Amortization expense

Description	F/Y 2023/24	F/Y 2022/23
	Kshs	Kshs
Property, plant and equipment	16,820,373	19,469,424
Intangible assets	570,405	713,007
Investment property carried at cost	-	-
Total depreciation and amortization	17,390,778	20,182,431

14. Repairs and Maintenance

i) Accrued Repairs & Maintenance expenses

Description	F/Y 2023/24	F/Y 2022/23
	Kshs	Kshs
Property	-	-
Investment property – earning rentals	-	-
Equipment and machinery	-	29,460
Vehicles	-	137,487
Furniture and fittings	-	-
Computers and accessories	-	-
Other general repairs	1,599,073	1,352,910
Total Repairs and Maintenance	1,599,073	1,519,857

ii) Actual Repairs & Maintenance expenses paid

Description	F/Y 2023/24	F/Y 2022/23
	Kshs	Kshs
Property	-	-
Investment property – earning rentals	-	-
Equipment and machinery	-	29,460
Vehicles	-	137,487
Furniture and fittings	-	-
Computers and accessories	-	-
Other general repairs	1,593,033	990,740
Total Repairs and Maintenance	1,593,033	1,157,687

15. Finance Costs

Description	F/Y 2023/24	F/Y 2022/23
	Kshs	Kshs
Bank charges-operation account	27,078	27,179
Bank charges-development account	4,145	8,101
Unwinding of Discount from lease liabilities	-	-
Interest on Bank Overdrafts	-	-
Interest on Loans from Commercial Banks	-	-
Others (specify)	-	-
Total Finance Costs	31,223	35,280

16. Cash and Cash Equivalents

Description	F/Y 2023/24	F/Y 2022/23
	Kshs	Kshs
Current Account	5,321,290	2,570,280
On - Call Deposits	-	-
Fixed Deposits Account	-	-
Staff Car Loan/ Mortgage	-	-
Others (Specify)	28,826	4,169
Total Cash and Cash Equivalents	5,350,116	2,574,449

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

Financial Institution	Account number	F/Y 2023/24	F/Y 2022/23
		Kshs	Kshs
a) Current Account			
KCB-Operation account	1177500035	1,414,702	794,921
KCB-Development account	1178879798	3,906,588	1,775,359
Sub- Total		5,321,290	2,570,280
b) On - Call Deposits			

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Kenya Commercial Bank			
Equity Bank – etc.			
Sub- Total			
c) Fixed Deposits Account			
Kenya Commercial Bank			
Bank B			
Sub- Total			
d) Staff Car Loan/ Mortgage			
Kenya Commercial Bank			
Bank B			
Sub- Total			
e) Others (<i>Specify</i>)			
Cash in Transit			
Cash in Hand		28,826	4,169
Mobile Money account		-	-
Sub- Total		28,826	4,169
Grand Total		5,350,116	2,574,449

17. Receivables from Exchange transactions

17 (a) Current Receivables from Exchange transactions

Description	F/Y 2023/24	F/Y 2022/23
	Kshs	Kshs
Current Receivables		
Student Debtors	8,559,678	3,726,941
Rent Debtors	-	45,000
Consultancy Debtors	-	-
Other Exchange Debtors	-	-
Less: Impairment Allowance	(427,984)	(188,597)
Total Current Receivables	8,131,694	3,583,344

17 (c) Ageing Analysis of Receivables from Exchange transactions

Description	FY 2023/24		FY 2022/23	
	Kshs		Kshs	
	Current F	% of total	Comparative FY	% of total
Less than 1 year	8,131,694	100	3,583,344	100
Between 1- 2 years	-	-	-	-
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (a+b)	8,131,694	100%	3,583,344	100%

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18. Receivables from non-Exchange transactions

Description	F/Y 2023/24	F/Y 2022/23
	Kshs	Kshs
Current Receivables		
Capitation Grants*	1,680,000	2,287,500
Recurrent Grants	500,000	1000,000
Transfers from Other Govt. entities	-	-
Undisbursed Donor Funds	-	-
Other Debtors (Non-Exchange Transactions)	-	-
Less: Impairment Allowance (5%)	(109,000)	(164,375)
Total Current Receivables	2,071,000	3,123,125

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

Description	F/Y 2023/24		F/Y 2022/23	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	2,071,000	100	3,123,125	100
Between 1- 2 years	-	-	-	-
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total	2,071,000	100	3,123,125	100

19. Inventories

Description	F/Y 2023/24	IF/Y 2022/23
	Kshs	Kshs
Consumable stores	235,555	102,000
Maintenance stores	-	92,900
Health Unit stores	-	-
Electrical stores	-	-
Cleaning Materials stores	28,790	65,600
Catering stores	-	-
Less: Impairment allowance	-	-
Total Inventories at lower of Cost and Net Realizable Value	264,345	260,500

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20. Property, Plant and Equipment

Cost	At 1 July 2022								
	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Other Assets (Electricals)	Capital Work in progress	Total
	4,200,000	331,378,940	11,458,000	8,513,843	5,628,530	42,914,274	27,809,708	13,191,800	445,095,095
Additions	-	5,209,035	4,891,800	182,800	942,450	-	-	-	11,226,085
Disposals									
Transfers/Adjustments									
At 30 th June 2023	4,284,000	324,751,361	9,166,400	7,492,182	4,502,824	37,764,561	24,472,543	-	412,433,871
Additions	-	573,580	-	262,560	-	-	-	-	836,140
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-
At 30 th June 2024	4,284,000	325,324,941	9,166,400	7,754,742	4,502,824	37,764,651	24,472,543	-	413,270,011
Depreciation And Impairment									
At 1 Jun 2023									
Depreciation	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
At 30 th Jun 2024	85,680	(6,506,499)	(1,099,968)	(930,569)	(900,565)	(4,531,747)	(2,936,705)	-	(16,820,373)
Depreciation									
Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
At 30 th Jun 2024	4,369,680	318,818,442	8,066,432	6,824,173	3,602,259	33,232,814	21,535,838	-	396,449,638
Net Book Values									
At 30 th Jun 2023	4,284,000	324,751,361	9,166,400	7,492,182	4,502,824	37,764,561	24,472,543	-	412,433,871
At 30 th Jun 2024	4,369,680	318,818,442	8,066,432	6,824,173	3,602,259	33,232,814	21,535,838	-	396,449,638

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Notes to the Financial Statements (Continued)

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were revalued by ministry of public works in corporation with county government of Kitui, professional valuers on 2022. These amounts were adopted in the financial statements on 30th June 2022

20 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	4,284,000	85,680	4,369,680
Buildings	325,324,491	(6,506,499)	318,818,442
Plant And Machinery	37,764,651	(4,531,747)	33,232,814
Motor Vehicles including Motorcycles	9,166,400	(1,099,968)	8,066,432
Computers and Related Equipment	4,502,824	(900,565)	3,602,259
Office Equipment, Furniture, And Fittings	7,754,742	(930,569)	6,824,173
Other Assets (Electricals)	24,472,543	(2,936,705)	21,535,838
Total	413,269,651	16,820,373	396,449,278

The above assets have been depreciated as per the polytechnic approved finance policy as follows:

- Furniture`s, electrical fittings, plant & equipments-12%
- Computers-20%
- Motor vehicles-12%
- Buildings-2%

Land has been appreciated at the rate of 2% p.a

21. Intangible Assets

Description	F/Y 2023/24	F/Y 2022/23
	Kshs	Kshs
Cost		
At beginning of the year	2,852,027	3,565,034
Additions	1,490,000	-
At end of the year	4,342,027	3,565,034
Additions-internal development	-	-
At end of the year	-	-
Amortization and impairment (20%)	(570,405)	(713,007)
At beginning of the year	-	-
Amortization	-	-
At end of the year	-	-
Impairment loss	-	-
At end of the year	-	-
NBV	3,771,622	2,852,027

Intangible assets are amortised at the rate of 20%

22. Trade and Other Payables

Description	F/Y 2023/24		F/Y 2022/23	
		Kshs		Kshs
Trade payables		1,515,824		2,570,704
Fees paid in advance		-		-
Salary deductions		-		-
Third-Party Payments		304,753		137,808
Other Payables		-		-
Total Trade and Other Payables		1,820,577		2,708,512
Ageing analysis:	F/Y 2023/24	% of the Total	F/Y 2022/23	% of the Total
Under one year	1,820,577	100	2,708,512	100
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (to tie to totals above)	1,820,577	100	2,708,512	100

23. Deferred Income

Description	F/Y 2023/24	F/Y 2022/23
	Kshs	Kshs
National Government	-	42,500,000
International Funding Bodies	-	-
Public Contributions and Donations	-	-
Total Deferred Income	-	42,500,000

24. Cash generated from operations.

Surplus for the year before tax	F/Y 2023/24	F/Y 2022/23
	Kshs	Kshs
Adjusted for:		
Depreciation	17,390,778	20,182,431
Non-Cash grants received		
Contributed assets		
Impairment		
Gains and Losses on Disposal of Assets		
Contribution to provisions		
Contribution to impairment allowance		
Finance Income		
Finance Cost	31,223	35,280
Working Capital Adjustments		
Increase in Inventory	3,845	(94,424)
Increase in Receivables		
Increase in Deferred Income		
Increase in Payables	(887,935)	754,848
Increase in Payments received in advance		
Net Cash Flow from Operating Activities	5,101,807	(13,968,350)

25. Financial Risk Management

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

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

(i) Credit risk

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

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

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2023				
Receivables from exchange transactions	3,583,344	3,583,344	-	-
Receivables from non-exchange transactions	3,123,125	3,123,125	-	-
Bank balances	2,574,449	2,574,449	-	-
Total	9,280,918	9,280,918	-	-
At 30 June 2024				
Receivables from exchange transactions	8,131,694	8,131,694	-	-
Receivables from non-exchange transactions	2,071,000	2,071,000	-	-
Bank balances	5,350,116	5,350,116	-	-
Total	15,552,810	15,552,810	-	-

Financial risk management (continued)

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

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023	-	-		
Trade Payables	-	-	2,708,572	2,708,572
Current Portion of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	42,500,000	42,500,000
Employee Benefit Obligation	-	-	-	-
Total	-	-	45,208,572	45,208,572
At 30 June 2024				
Trade Payables	-	1,820,577	-	1,820,577
Current Portion of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	1,820,577	-	1,820,577

(iii) Market risk

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

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

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

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

a) Foreign currency risk

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

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2024			
Financial Assets (Investments, Cash, Debtors)	-	-	-
Liabilities	-	-	-
Trade and Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

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

Foreign currency sensitivity analysis

The following table demonstrates the effect on the company's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
2023			
Euro	-	-	-
Usd	-	-	-
2024			
Euro	-	-	-
Usd	-	-	-

b) Interest rate risk

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

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Management of interest rate risk

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

Sensitivity analysis

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

iv) Capital Risk Management

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

Description	2023/24	2022/23
	Kshs	Kshs
Revaluation Reserve	431,559,364	409,676,345
Retained Earnings	(17,341,526)	(30,057,541)
Capital Reserve	-	-
Total Funds	414,217,838	379,618,804
Total Borrowings	-	-
Less: Cash and Bank Balances	5,350,116	2,574,449
Net Debt/(Excess Cash and Cash Equivalents)	408,867,722	377,044,355
Gearing		

26. Capital Commitments

Capital Commitments	FY 2023/24	FY 2022/23
	Kshs	Kshs
Authorised for	-	-
Authorised and contracted for-Installation of mis	1,490,000	-
Total	-	-

27. Events After the Reporting Period

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

28. Ultimate and Holding Entity

The entity is a State Corporation/ or a Semi-Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

29. Currency

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

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30. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	Anomalies in the financial statements	The auditor's observations have been taken positively, the management has since amended the financial statements	Resolved	N/A
2.0	Unconfirmed Property, Plant and Equipment	The auditor's observations have been taken positively. The management has noted that although it is located in a disputed land, it has a title deed for the institute land as a prove of ownership and in such, it is optimistic that the active case in court will eventually revert the land back to the institute	Not Resolved	31 st December 2025
	Budget Control and Performance	The management has taken the auditors observations positively. The unexplained difference on revenue from government grants is as result of the following: Revenue from government grants -According to paragraph 43 of the public financial management (National Government)	Resolved	N/A

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>regulations, 2015, the accounting officer is required to exercise adequate and realistic budgetary controls. Based on the above observations, the institute had budgeted to collect revenue from government grants during the year under audit amounting to ksh 10,000,000 but ended up collecting kshs7, 900,000 hence under collection of ksh 2,100,000. Poor road network and the remote geographical region where the institute is located has attracted less student thus lower enrollment during the period under audit. Lower students enrolment has led to lower capitation thus under collection of government grants by Kshs 2,100,000</p> <p>Similarly, lower student's enrollment has constrained the institutes from realizing its budget due to lower revenue collection. Failure to realize the budget has forced the management to cut on expenditure thus leading to under expenditure of</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		Kshs. 51,663,644. 00 (or 56%) of the budget		
	Lack of Ethnic Diversity in Staffing	The management has taken the auditors advice positively. Going forward, the institute will ensure that any sub sequent hiring will adhere to national cohesion and integration Act (No.12 of 2008).	Not Resolved	June 2025

Guidance Notes:


.....

Name
Accounting Officer: Omwamba Naftal
Tseikuru National Polytechnic
Date :28.04.2025

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Appendix II: Projects Implemented by Tseikuru National Polytechnic

Projects

Projects implemented by the State Corporation/ SAGA Funded by development partners.

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1	-	-	-	-	-	-
2	-	-	-	-	-	-

Status of Projects completion

Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1 System automation	1,490,000	400,000	27%	1,490,000	400,000	B.O.G
2 Hostel Construction	8,027,800	573,580	50%	3,350,000	573,580	B.O.G

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Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity: Ministry of education state department of vocational technical training(MOE VTT)

Name of beneficiary entity: Tseikuru National Polytechnic

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

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
MOE VTT-999999	11.07.2023	500,000	-	500,000	Recurrent grant
MOE -999999-FT232	02.10.2023	1,064,000	-	1,064,000	Capitation
MOE-999999-FT	02.10.2023	500,000	-	500,000	Recurrent grant
MOE VTT-999999	18.01.2024	500,000	-	500,000	Recurrent grant
MOE VTT-999999-FT24	18.01.2024	924,000	-	924,000	Capitation
MOE-999999-FT2	05.02.2024	1,056,000	-	1,056,000	Capitation
MOE-999999-FT24	05.02.2024	500,000	-	500,000	Recurrent grant
MOE VTT-D999999FT	27.02.2024	1,632,692.70	-	1,632,692.70	Scholarship
MOEVTT-999999FT240665YDRS	06.03.2024	335,945	-	335,945	Scholarship
Total				7,012,637.7	

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

Head of Accounts Department - Beneficiary Entity: Tseikuru National Polytechnic

Name: Joel K Zakayo.....Sign .....Date 28.04.25.....

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Appendix IV: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities	Project Activities				Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
N/A	N/A	-	-	-	-	-	-		
N/A	N/A	-	-	-	-	-	-		

Appendix V: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments
N/A	N/A	N/A		-	-	-
N/A	N/A	N/A		-	-	-