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TABLED BY: Hon. Kimani Ichungwah, MP
Leader of the Majority Party

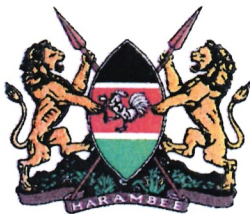
THE AUDITOR-GENERAL

CLERK AT THE TABLE: Inzofu Mwale

ON

THE NYERI NATIONAL POLYTECHNIC

**FOR THE YEAR ENDED
30 JUNE, 2022**



THE NYERI NATIONAL POLYTECHNIC

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THE NYERI NATIONAL
POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2022



Prepared in accordance with the accrual basis of accounting method under the International Public Sector Accounting Standards (IPSAS)

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KEY ENTITY INFORMATION AND MANAGEMENT

GENERAL INFORMATION

The Nyeri National Polytechnic is established by and derives its authority and accountability from TVET Act 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principle activity is Education and Training. The institution is under the Ministry of Education.

a) BACKGROUND INFORMATION

Historical Background

The Nyeri National Polytechnic is a tertiary institution which was started as a National Technical Secondary School in 1977. It was financed by the Kenya Government with funding from the World Bank International Development Association (IDA).

In 1984 secondary technical education policy and practice was abolished. The institution was changed to become a Technical Training Institute. The core business of the new college was to train in technical and vocational skills. It became a middle-level Technical Training Centre. With the change of the policy, Nyeri Technical Training Institute started phasing out technical secondary students.

In June 2016, it was elevated to a National Polytechnic through Legal Notice No. 91 of June 2016. The Polytechnic has powers to grant higher diplomas, diplomas, certificates or other academic qualifications. Further, NNP may award scholarships, bursaries, prizes and any other awards which may be provided for by the academic policy.

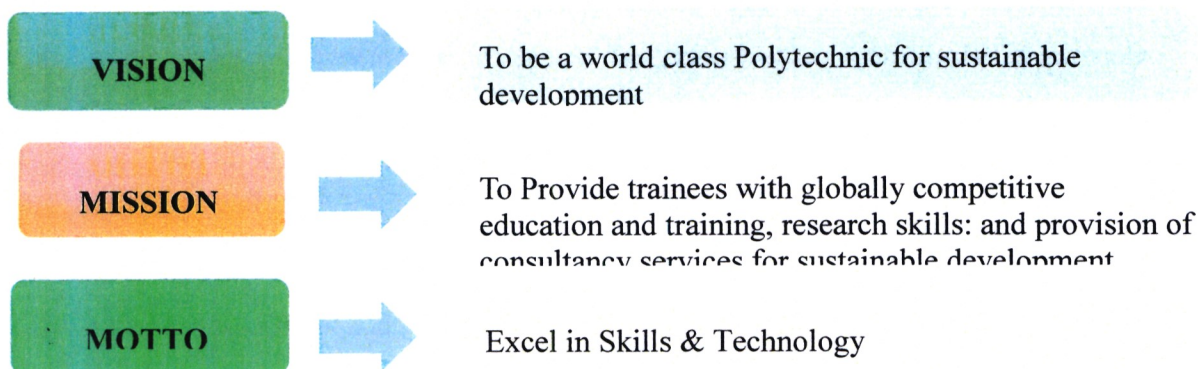
b) PRINCIPAL MANDATE

The core mandate and functions of the NNP as outlined in the Legal Notice No.91 of June 2016 are to:

- a) Provide, directly or in collaboration with other institutions of higher learning, facilities for technical trainers in technological, professional, scientific education;
- b) Participate in technological innovation and in the discovery, transmission and enhancement of knowledge for economic, social, cultural, scientific and technological development;
- c) Contribute to industrial and technological development of Kenya, in collaboration with the industry and other organizations, through transfer of technology;
- d) Promote and establish a culture of innovation in engineering and technology and technology transfer amongst staff and trainees;
- e) Develop an institution with excellence in teaching, training, scholarship, entrepreneurship, research, consultancy, community service, among other educational services and products, with emphasis on technology and its development, impact and application within and outside Kenya;

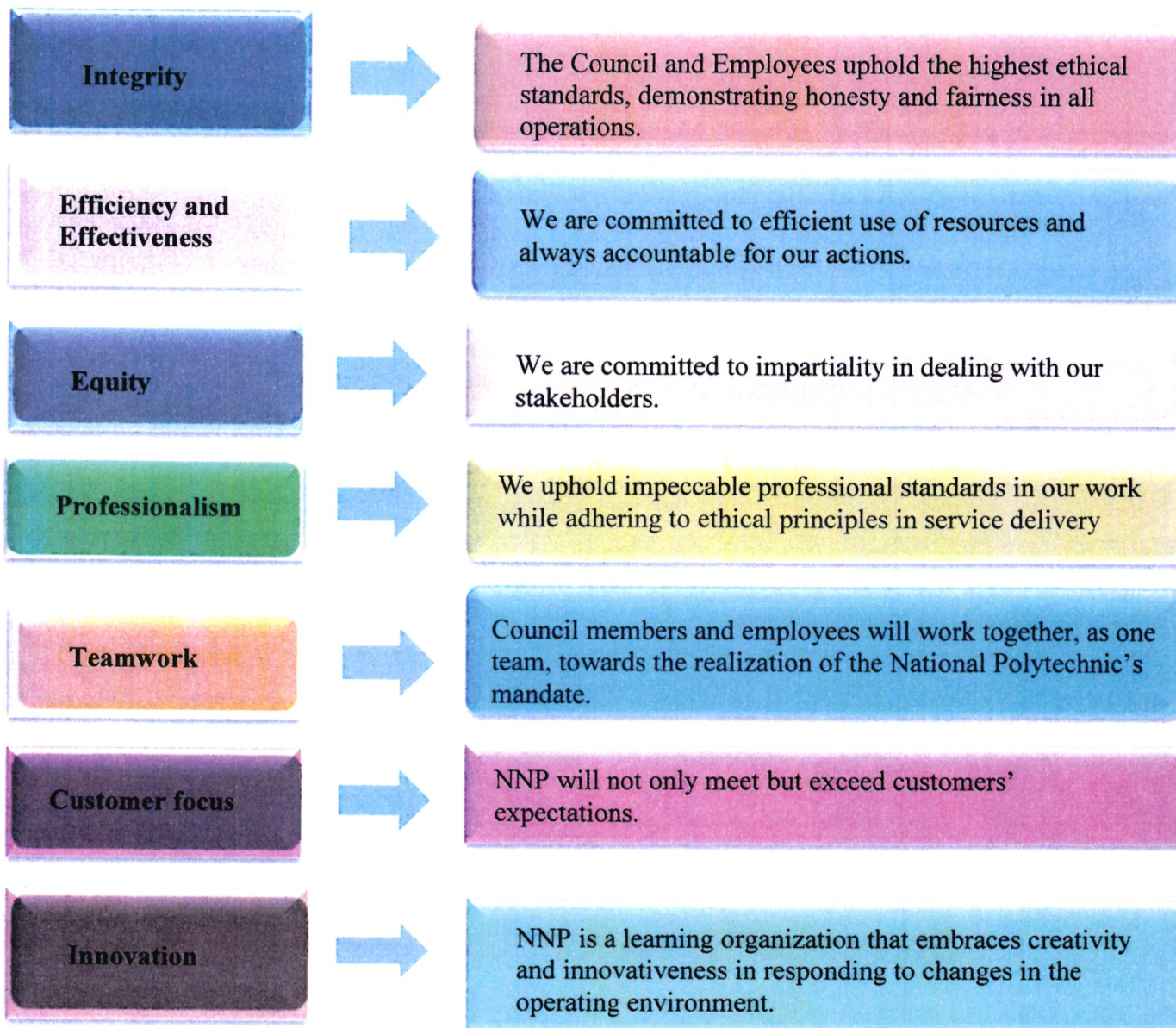
- f) Provide a multi-level system of post-secondary school education and training programmes relevant to the needs of the community, covering a wide range of fields and levels with provision for recognition of prior learning and flexibility of transition between programmes;
- g) Provide high quality educational, research, residential, commercial, cultural, social, recreational, sporting and other facilities;
- h) Advance knowledge and its practical application by research and other means, the dissemination of outcomes of research by various means and the commercial exploitation of research results;
- i) Promote critical inquiry within the Polytechnic and in the general community;
- j) Participate in commercial ventures and activities;
- k) Foster the general welfare of all staff and trainees;
- l) Provide opportunities for development and further training for staff of the Polytechnic;
- m) Develop and provide educational, cultural, professional, technical and vocational services to the community and in particular, foster corporate social responsibility;
- n) Provide programmes, products and services in ways that reflect the principles of equity and social justice;
- o) Facilitate trainee mobility between different programmes at different technical training institutions and other national polytechnics;
- p) Conduct examinations and grant such academic awards as may be provided under this Order; and
- q) Collaborate with recognized universities for the conduct and award of degree programmes in technology.

c) FUNDAMENTAL STATEMENTS



d) The Polytechnic upholds the following Core values

In the endeavour to realize its vision and mission, NNP upholds the following core values:



Key Management

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

1. Chief Principal
2. Deputy Principal Administration
3. Deputy Principal Academic Affairs
4. Chief Finance Officer
5. Registrar Administration
6. Registrar Examinations
7. Dean of Students
8. Industrial Liaison Office
9. Guidance and Counselling
10. Academic Heads of Departments
11. Human Resource and Administrative Office
12. Head of Procurement
13. Career Guidance

e) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Principal	Mrs. Anne N. Mwangi
2	Deputy Principal Administration	Mr. Samuel Mugeca
3	Deputy Principal Academic Affairs	Mrs. Charity Mugo
4	Head of Finance	CPA James Mungai Kamau
5	The Registrar Administration	Mr. Samuel Kihara
6	The Registrar Examinations	Mr. Moses Mwariri Kimani
7	Dean of Students	Mrs. Naftali Muriuki
8	Head of Procurement	Mr. Timothy Thuita Mwangi
9	Quality Assurance Officer	Mr. Samuel Maina
10	Guidance and Counselling	Mrs. Rachel Kimani
11	Performance Contracting Coordinator	Mrs. Jane Wanjiru Njuki
12	Industrial Liason Officer	Mr Benson Munene

f) Fiduciary Oversight Arrangements

The Nyeri National Polytechnic has the following oversight arrangements:

1. Internal Audit Function

The internal audit function is established to assist the Polytechnic's Governing Council and Management to verify that appropriate governance of operations is in place and to continuously achieve sound managerial control over all aspects of operations of the Polytechnic i.e. accounting, financial control, asset management, information management and control systems.

The overall objective of the internal audit function is to assist all levels of management in the effective discharge of their responsibilities by providing independent analysis, appraisals, consulting services and recommendations concerning the activities reviewed.

In conduct of its activities, internal audit play an active role in: -

- Developing and maintaining a culture of accountability and integrity.
- Facilitating the integration of risk management into the day-to-day business activities and processes.
- Promoting a culture of cost consciousness, self-assessment and adherence to high ethical standards.

Internal Audit, Risk and Compliance activities encompass the following areas:

- Developing, formulating and implementing internal audit policies, regulations, guidelines and evaluating their impact for quality management purposes and compliance with the relevant statutory requirements;
- Spearheading the internal audit function in accordance with relevant laws and regulations and international auditing standards to ensure compliance with the relevant statutory requirements;
- Developing comprehensive reports of findings and recommendations to assist in the development and implementation of strategies to address the issues/gaps identified;
- Providing consulting services in the recommendation and formulation of policies and procedures to ensure sound & reliable systems of governance, internal control, risk management and compliance;
- Developing and implementing risk management policies, guidelines, and fraud detection, prevention and elimination policies and strategies to mitigate risks in the Polytechnic;
- Coordinating the application of a risk-based approach to review the Polytechnic's systems and controls in order to identify any gaps in the management of risks and recommend appropriate strategies;
- Conducting random internal checks across all the Polytechnic functions in order to detect, mitigate against any arising risks/fraud that might expose the Polytechnic.

2. Audit, Risk and Compliance Management Committee

The committee reviews the financial statements to confirm completeness and compliance with legal requirements and strengthening the effectiveness of the internal control functions.

3. Finance and Resource Mobilization and Administration Committee.

The Finance, Resource Mobilization and Administration Committee has the following role:

- Ensure the timely preparation of accurate financial statements.
- Ensure effective processes and systems of risk management and internal controls.
- Ensure procurement process is cost effective and delivers value for money.
- Maintain effective and efficient system of internal controls.
- Delegates to management the responsibility of designing, implementing and maintain effectiveness of internal control systems.

4. Academic and Research Committee:

The Academic Committee has the following roles:

- In charge of academic affairs.
- Formulation and review of the academic policy.
- Ensure quality is maintained in the implementation of the curriculum in order to ensure the trainees acquire knowledge, skills and attitudes that meet the market needs.
- Ensures quality of operations and process in line with the external requirements, identified needs and aspirations.
- Oversight research and innovations

g) Entity Headquarters

The Nyeri National Polytechnic

P.O. Box 465 - 10100

Along Mumbi Road

Nyeri Municipality

Nyeri County

h) Polytechnic Contacts

Telephone: 061-2032330

Mobile: 0724-477942

E-mail: nyerinp@gmail.com

Website: www.thenyeripoly.ac.ke

i) Polytechnic Bankers

1. Equity bank

Kimathi way

P.O. Box 2064- 0119

Nyeri, Kenya

2. KCB Bank Kenya Ltd

Kimathi way

P.O Box 215- 01112

Nyeri Kenya

3. National Bank

P.O Box 1629-12012

Nyeri Kenya

j) Independent Auditors

Office of the Auditor General

Anniversary Towers, University Way

P.O Box 30084

GPO 00100

Nairobi, Kenya.

k) Principal Legal Adviser

The Attorney General

State Law Office




Harambee Avenue

P.O. Box 40112

City Square 00200 - Nairobi, Kenya

THE GOVERNING COUNCIL

Names	Position	Qualifications
 FCS Richard K. Gikuhi	Chairman of the Council	He was born in 1952 and holds Masters in Business Administration in Strategic Management. He is a consultant in Strategic Management and Corporate Governance.
 Mrs. Anne N. Mwangi	Chief Principal/Council Secretary	She was born in 1959 and holds Masters in Education Administration.
 Ms. Evelyn Anupi	Council Member representing Principal Secretary State Department for Vocational and Technical Training.	She was born in 1971 and holds Masters in Development Economics and bachelor of Arts in Economics. She is the director planning and project monitoring unit Ministry of Education State department for Vocational and Technical Training.
 Mrs. Grace Bruno	Council Member representing Principal Secretary National Treasury and Planning	She was born in 1984 and holds Masters of Arts in Economics and bachelor of Art in Economics. She is a member of Economist Society of Kenya.
 Dr. Victor Muyembe	Council Member	He was born in 1960 and holds a Masters in Medicine degree in Surgery, a Master in Business Administration. He is a private practitioner.
 Rev. Julia Moraa Mwangi	Council Member	She was born in 1952 and holds Masters in Theology. She is a business person.

 Mr. Joseph Wanjohi Muhota	Council Member	He was born in 1980 and holds a Masters in Finance, Bachelor in Economics. He is a Certified Credit Professional, Certified Investment & Financial Analyst. He is a credit and Financial Consultant.
 Ms. Jane Mugure Muiruri	Council Member	She was born in 1979 and holds a Bachelor of Science in Computing and IT. She is a business Lady and Manager in Bonfire adventures & events Ltd.
 Dr. Maureen Cheserek	Council Member	She was born in 1977 and holds a PHD in Food, Nutrition and Safety. She is a registered Nutritionist/Dietitian

COUNCIL COMMITTEES

Name of the Committee	Members
Finance and Resource Mobilization and Administration Committee.	Dr. Victor M. Muyembe (Chair) Ms Evelyn Anupi Rev. Julia Mwangi Mrs Grace Bruno Mrs. Anne N. Mwangi
Audit and Risk & Compliance Management Committee	Mr. Joseph Muhota (Chair) Ms Evelyn Anupi Mrs Grace Bruno Ms Jane Mugure Dr. Maureen Cheserek CPA Mercy Ngure – Internal Auditor
Academic and Research Committee	Rev. Julia Mwangi (Chair) Dr. Victor M. Muyembe Dr. Maureen Cheserek Mr. Joseph Muhota Ms Jane Mugure Mrs. Anne N. Mwangi

THE MANAGEMENT BOARD

 <p>Anne N. Mwangi(Mrs)</p>	<p>Chief Principal Overall, in charge of all activities in the Polytechnic and holds Masters in Education Administration.</p>
 <p>Samuel Mugeca</p>	<p>Deputy Principal Administration Is in charge of Administration affairs and holds Certificate in Solar installation Technology, Diploma in Electronics Engineering and Degree in Education (Science).</p>
 <p>Charity Njeri Mugo</p>	<p>Deputy Principal Academic Is in charge of Academic affairs and holds Bachelor in Education (Home Economics)</p>
 <p>Samuel Kihara</p>	<p>Ag Registrar in charge of Administration Is in charge of the Registry, Marketing and Publicity and holds Bachelor in Education (Science)</p>
 <p>Moses Mwariri Kimani</p>	<p>Ag Registrar in charge of Examinations Is in charge of examinations and holds degree in business Administration (Entrepreneurship)</p>
 <p>Naftaly Gichana Muriuki</p>	<p>Ag Dean of Students Is in charge of Student affairs and holds degree in Education Science.</p>
 <p>CPA, James Mungai Kamau</p>	<p>Chief Finance Officer Head of Finance and holds Masters in Business Administration (Finance), Degree in Business Administration (Accounting), CPA (K).</p>

 <p>Timothy Thuita Mwangi</p>	<p>Procurement Officer Head of Procurement and holds Masters in Supply Chain, degree in Supply Chain Management.</p>
 <p>Mr Samuel Mwangi Maina</p>	<p>Quality Assurance Officer Is in charge of Quality Assurance and holds Bachelor of Education (Technology.)</p>
 <p>Mrs Rachel Njeri Kimani</p>	<p>Guidance and Counselling Coordinator Is in charge of Guidance and Counselling and holds Bachelor in Education (Arts).</p>
 <p>Mrs Jane Wanjiru Njuki</p>	<p>Performance Contracting Coordinator Is in charge of performance Contract and Holds Masters in Information Systems.</p>

STATEMENT FROM THE CHAIRMAN OF THE COUNCIL



The mandate of The Nyeri National Polytechnic is to provide education and training, research and innovation, consultancy and community service as stipulated in the TVET Act 2013 and the Legal Order No. 91 of 2016. In order to effectively fulfil its mandate, the Polytechnic has developed a credible Strategic Plan which provides a clear road map for its operations. In implementing its mandate during the year 2021/2022, the Polytechnic was guided by the following

strategic pillars.

1. Quality training;
2. Infrastructure development;
3. Trainee welfare;
4. Research and consultancy; and
5. Institutional capacity.

In the year 2021/2022 the Cabinet Secretary, Ministry of Education Prof. George A.O. Magoha CBS commissioned Dairy Processing Training Plant on 16th February, 2022.

The Dairy Processing Training Plant is a project under the Kenya Education for Employment program (KEFEP), implemented by CICan and its partners in Kenya, was meant to improve the socio-economic well-being of both young women and men, through increased employment and self-employment opportunities.

Key stakeholders in the program were:

- Global Affair Canada,
- Colleges and Institutes Canada (CICan),
- The Ministry of Education (MoE) in Kenya,
- Ten National Polytechnics in Kenya.

Canadian colleges and technical institutes teamed up with colleges in Kenya to transfer, and exchange information on curriculum content, pedagogical skills and other best practices to improve employability among vulnerable youth, especially young women.

The Principal Secretary Ministry of Education State Department for Vocational and Technical Training, Dr. Magaret Mwakima was the Chief Guest during 3rd graduation ceremony held on 21st March, 2022. She also laid a foundation stone for Hospitality Complex.

In the year under review the Polytechnic was guided by ISO 9001:2015. The Polytechnic was in the process of being certified to ISO 27001:2013 standards on information security management system. The Kenya Bureau of Standards (KeBS) certification audit was conducted, The audits were for ISO 9001:2015 recertification and ISO 27001:2013 certification. The Polytechnic was recertified in ISO 9001:2015 awaiting certification of ISO 27001:2013.

The Polytechnic was entrusted with the responsibility of mentoring the Kirinyaga Central Technical and Vocational College where the Construction of the College is on-going and is at 90% completion. The increase in enrolment has led to large classes which have overstretched the existing facilities especially for practical lessons. It has also resulted in a large number of trainees residing off campus which has many demerits. The increase in population has also resulted in shortage of trainers.

The Council acknowledges the commitment of the Government towards the TVET sector and appreciates the Ministry of Education, the SAGAs in the Ministry and the development partners for supporting the Polytechnic in its endeavours.

Prepared by:



CHAIRMAN OF THE COUNCIL
THE NYERI NATIONAL POLYTECHNIC
P. O. Boc 465 - 10100, NYERI
Email: nyerinp@gmail.com
TEL: 061-2032330

FCS Richard Kiana Gikuhi
Chairman of the Council

Date : 27/09/2022

STATEMENT FROM THE CHIEF PRINCIPAL



The year under review saw The Nyeri National Polytechnic continue to upscale efforts to fulfil its mandate of providing education and training, research and innovation, consultancy and community service as stipulated in the TVET Act 2013 and the Legal Order No. 91 of 2016. In implementing its mandate during the year 2021/2022, the Polytechnic was guided by the following objectives:

- (i) Produce quality and holistic graduates.
- (ii) Enhance access and equity to quality TVET.
- (iii) Provide adequate infrastructure for quality service delivery.
- (iv) Undertake research and innovation that supports training and sustainable development.
- (v) Enhance student welfare,
- (vi) Attract and retain skilled, motivated and productive staff.
- (vii) Promote a positive corporate image.

During the year 2021/2022 the Cabinet Secretary Ministry of Education Professor George Magoha CBS commission Dairy Processing Training Plant on 16th February, 2022

The Dairy Processing Training Plant is a project under the Kenya Education For Employment Program (KEFEP) - Nyeri National Polytechnic (NNP) in collaboration with a consortium of three Canadian colleges developed dairy processing level 4 and 5 curriculum and also provided pedagogical training to the trainers.

The Polytechnic held its 3rd graduation ceremony which was officiated by The Principal Secretary Ministry of Education State Department for Vocational and Technical Training, Dr. Margaret Mwakima. Additionally she laid a foundation stone for Hospitality Complex.

The Polytechnic has automated most of her processes and has also integrated ICT in training. The following ICT activities were undertaken in the year under review:

1. Internet bandwidth upgrade from 200mbps to 300mbps
2. Development of the Nyeri Polytechnic mobile android app
3. Development of the feedback system mobile android app
4. Fiber optic cable installation at the dais and in the library

In November 2021, the institution received approval for adoption of the TVET CDACC Curricula and Occupational Standards for registration of qualification by KNQA and accreditation by TVET Authority. Subsequently, KNQA mapped out 19 Nyeri National Polytechnic Qualifications into the Kenya National Qualifications Framework and is in the process of finalizing the accreditation of the institution as a Qualification Awarding Institution. The Polytechnic advertised for 19 NNP CBET courses for January 2022 intake. Currently, there is an enrolment of 629 trainees in CBET NNP courses in ten academic departments of which nine are in level 5 and ten in level 6.

During the year under review, the Polytechnic had 143 training staff under the Public Service commission and 114 Trainers under the Council and 85 non-teaching staff who are backed up by casual workers when need arose.

The main source of finance for the Polytechnic during the year under review was the fees paid by the trainees. The other source was the production units in the areas of hire of facilities, Catering and short courses offered at the institution. The Polytechnic managed A-in-A of Ksh. 336,643,317 exceeding the target for the year of Ksh. 221,000,000. The increase was due to the increase in trainees' population and high uptake of higher education loans by the trainees. Polytechnic also managed to absorb 100% of the allocated funds and had outstanding payments of Ksh. 2,440,570 which was less than 1% of the approved budget of Ksh. 483,022,000. The Polytechnic was able to utilize its resources prudently during the year under review.

The ISO/IEC 27001:2013 stage one audit was conducted by Kenya Bureau of Standards (KEBS) on 11th and 12th April, 2022 and the audit conclusion was that the Polytechnic systems were strong and they recommended stage two audit to be conducted on 6th to 7th July 2022.

Report prepared and signed by:

Date : 27/09/2022

.....
Anne N. Mwangi (Mrs.)
Chief Principal

STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

The Nyeri National Polytechnic has five strategic pillars and objectives within its Strategic Plan for the FY 2018/2019- 2022/2023. These strategic pillars are as follows:

Pillar 1: Quality and competent graduates

Pillar 2: Infrastructure Development

Pillar 3: Research and Innovation

Pillar 4: Trainees Welfare

Pillar 5: Organizational Capacity

The Nyeri National Polytechnic develops its annual work plans based on the above five pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The *NNP* achieved its performance targets set for the FY 2021/2022 period for its five strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1: Quality and competent graduates	To produce quality and holistic graduates	Launch Open Distance Education and Learning (ODEL) Courses	Identify courses to be offered in the ODEL program Fully digitize content in the identified courses Advertise the identified courses	One liberal studies course identified, content digitized and advertisement done
	To promote use of ICT in training, learning and research	Number of computers	Provide desktops for training	Procured 100 desktop computers for computer science and networking department.
	To enhance access and equity to quality TVET	Implementation of Competency Based Education and Training (CBET) Courses	Developing brochures and fliers on CBET courses Advertise and Enrol at least 10 trainees	2 CBET courses introduced
Pillar 2: Infrastructure Development	To provide adequate infrastructure for quality service delivery	Construct paced walkway for trainees adjacent to the fence	Design Bill of Quantities, Advertise the Works and Award the Contract and undertake construction	Paved walk way for students
		Fabricate benches for trainees	Design and fabricate benches for trainees	Twenty four-sitter benches fabricated

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar 3: Research and Innovation	To undertake research and innovation that supports training and sustainable development	Support staff to publish key research findings in renown journals	Presented innovations and research papers	Participated in TVET regional and National fairs and exhibitions
	To promote research and innovations output sharing and commercialization	Support intellectual property registration	No. of patents registered No. of patents commercialised	Solar powered Electric Vehicle
Pillar 4: Trainees Welfare	Improve health, guidance and counselling services	Conduct a baseline survey on alcohol and drug abuse among staff and trainees and disseminate findings Develop a workplace ADA prevention and management policy	Recommendations of the baseline survey	Base line survey report and ADA prevention and management policy
	Strengthen trainees leadership	Sensitize trainees on gender mainstreaming in leadership Provide support during trainees governance elections Induct elected officials	No. of trainees sensitized Smooth election process	All aspirants were trained on leadership, good governance and conduct during elections Elections were held on 17 th May, 2022 presided over by IEBC and swearing in done the same day
Pillar 5: Organizational Capacity	Improve efficiency in service delivery	Automation of Services.	Automate customer feedback mechanism by providing tablets with a feedback application at service points Develop a mobile-app consolidating all NNP portals on one screen for ease of access by trainees	Customer feedback system and mobile app developed

Objective	Key Performance Indicators	Activities	Achievements
To enhance operational efficiency and effectiveness	Initiate income generating activities	Production of paving blocks Production of uniforms for trainees' practical sessions	More income generated from IGAs
To promote a positive corporate image	Develop annual performance contract Develop corporate social responsibility policy Develop a new strategic plan	Enhanced capacity, productivity and governance	Approved annual performance contract Corporate social responsibility policy developed Five year strategic plan developed 2022/23-2026/27

CORPORATE GOVERNANCE STATEMENT FOR THE FINANCIAL YEAR 2021/2022

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

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

The Council comprises 9 members appointed by the Cabinet Secretary for Education. The Principal sits in the Council as a full-time member and as a Secretary to the Council.

The members are appointed for a term of three years and are eligible for re- appointment for another final term of three years.

The members have broad range of professions, skills and experience.

The Council has three committees namely; Finance, Resource Mobilization & Administration committee, Academic and research committee and Audit Risk and compliance management Committee.

Any issue(s) outside the above committees may be handled by a specially constituted ad hoc committee, made by a resolution of the Council including its membership.

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

At its regular meetings, the Council considerations include:

- Quarterly Reports and Financial Statements
- Annual reports and Financial Statements
- Polytechnic annual and Supplementary budgets

Composition of the Council

The Council is chaired by FCS Richard K. Gikuhi who provides direction during Council meetings.

The committees of the Council are as shown below:

Academic and Research Committee

1. Rev. Julia M. Mwangi - (Chair)
2. Dr. Victor M. Muyembe
3. Dr. Maureen Cheserek
4. Mr. Joseph Muhota
5. Ms. Jane Mugure
6. Mrs. Anne N. Mwangi

Finance, Resource Mobilization and Administration Committee

1. Dr. Victor M. Muyembe - (Chair)
2. Ms. Evelyn Anupi
3. Mrs. Grace Bruno
4. Rev. Julia M. Mwangi
5. Mrs. Anne N. Mwangi

Audit Risk and Compliance Management Committee

1. Mr. Joseph Muhota - (Chair)
2. Ms. Evelyn Anupi
3. Mrs. Grace Bruno
4. Ms. Jane Mugure
5. Dr. Maureen Cheserek
6. CPA Mercy Ngure - Internal Auditor

Management Discussion and Analysis

Section A: The Nyeri National Polytechnic Operational and Financial Performance

The Nyeri National Polytechnic has responsibility to produce globally competitive graduates through competency-based education and training, research and provision of consultancy service. The Polytechnic depend upon generation of a sufficient surplus to invest in infrastructures to support academic endeavours such as construction of tuition rooms, upgrading the library, ICT infrastructures, research and development among other activities. This section of the report therefore highlights our operational and financial performance in support of the core business of the Polytechnic.

1) Operational Highlights

The Polytechnic is committed to providing quality education and training which equips trainees with the skills and knowledge to become employers and entrepreneurs. To support this noble course, The Polytechnic invested a total of Kshs 483,022,000 in financial year 2021/2022 budget. Some of the operational highlights in the year under review are as follows:

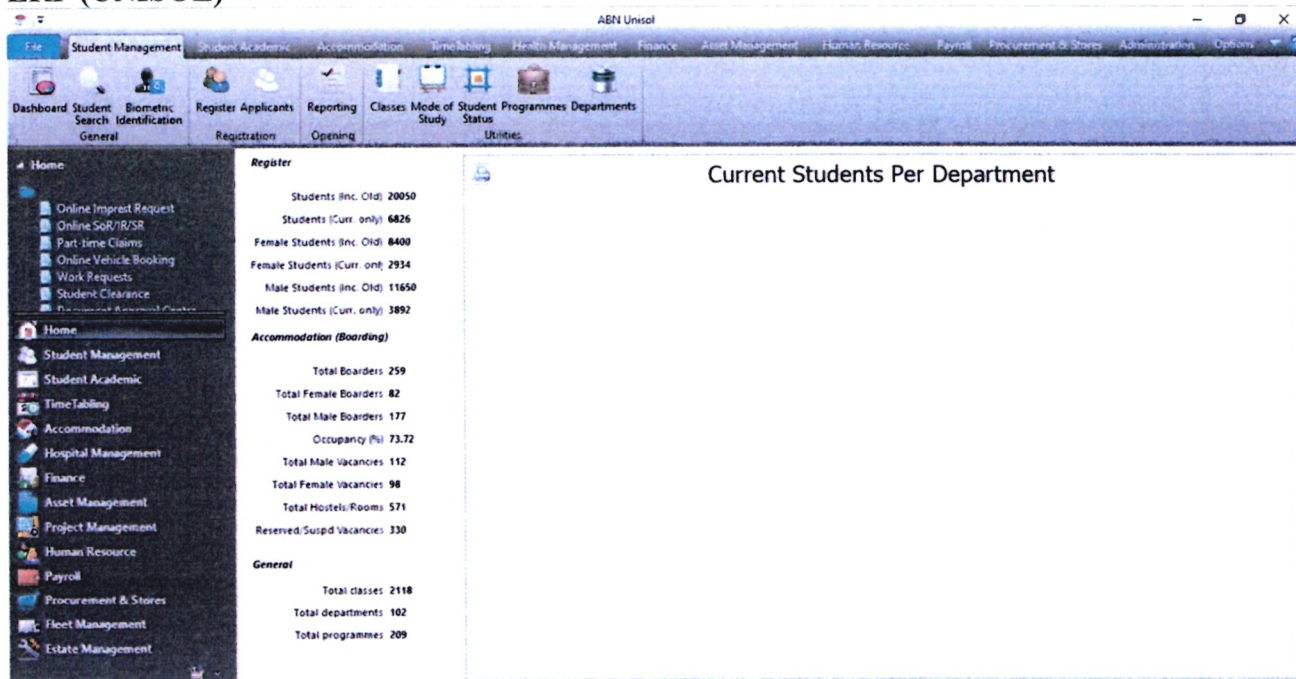
a) Trainees Admission to The Polytechnic

The Polytechnic admitted 7,750 both new and continuing trainees in 2021/2022 academic year. The gender ratio was 55:45 male to female making the Polytechnic gender compliant as distributed in the following academic departments

	Departments	Male	Female	Total
1	Electrical and Electronics Engineering	871	166	1,037
2	Automotive Engineering	865	104	969
3	Mechanical Engineering	339	138	477
4	Building and Civil Engineering	1058	328	1,386
5	Business Studies	202	548	750
6	Hospitality and Tourism	298	945	1,243
7	Applied Sciences	109	310	419
8	Fashion Design and Beauty Therapy	74	652	726
9	Computer Science and Networking	271	215	486
10	Liberal Studies	41	187	228
11	Health Science	17	12	29
	Total	4,145	3,605	7,750

b) Progress on ICT and Automation of the Polytechnic System

ERP (UNISOL)



To ensure that all the Polytechnic operations have been automated. The Polytechnic continued Implementing the Enterprise Resource Planning. The system which reports on accrual basis of accounting is expected to enhance efficiency and effectiveness in service delivery. The system is being implemented in the remaining modules. The Polytechnic also Developed and implemented the e-Learning portal and e-Learning system using the Moodle learning management system. The Polytechnic also acquired two M-pesa pay bill numbers 800013 and 4019819 to facilitate payment of fees.

The modules Implemented were :

1. **Student management Module:** This basically caters for the recruitment process, student admission, session reporting, programmes and academic departments.
2. **Student Academics:** This caters for course/unit registration, marks input, grading, academic results (transcripts, mark sheet, report form etc)
3. **Timetable Module:** This involves classes allocation, class size, timetable processing and scheduling.
4. **Accommodation Module:** Deals with Online hostel booking, hostel allocation etc
5. **Hospital Management Module:** Involves patient details capture, patient history, drugs issuance and stock control
6. **Finance Module:** Includes Student/staff Imprest, finance, accounts receivables and payable, general ledger, cash & bank management, budgeting etc

7. **Asset Management:** Includes asset register, warranty, service & maintenance etc
8. **Human resource module:** Includes online attendance, leave application, personnel management, medical expenses, performance management etc
9. **Payroll:** It includes pay slip, deductions and earnings, payments etc
10. **Procurement Module:** It has Tenders & quotations, requisition& orders.
11. **Stores & Inventory Management:** Departmental stock issuance, receiving, adjustment, tenders & quotations, requisition& orders.
12. **Fleet & File Movement Management:** Online vehicle booking, trip details, fuel logs, vehicle details and servicing schedule
13. **Pay as you Eat System:** A hotel point of sale system for students' meals management. Caters for menu management, stock management etc
14. **Registry Module:** A record management system for file movement, file archiving, file issuance etc
15. **Online application portal:** Caters for applicants. Applicants details and files are uploaded in the portal and later exported to the main ERP system.
16. **Student Portal:** All student issues are catered for here. Includes online reporting, online hostel booking, news/events, fees structure and statement and documents repository.
17. **Placement Portal:** This is for students' industrial attachment. The facilitates they are attached, log books, Liaison officer visits etc
18. **Staff Portal:** Caters for the staff welfare. Online leave application, payment details, pay slips, internal requisition etc
19. **Online Clearance Module:** It has online clearance for students.
20. **SMS Module:** This involves sending bulk sms to students/staff/other clients
21. **Bank Integration Module:** It integrates the school finance to the bank. It recognizes once a student pays at the bank and automatically reflects in the polytechnics ERP system.
22. **Administration Module:** This involves system user accounts/rights, system settings, document approval centre, workflow management, system log files etc.

c) Library Achievements

The Polytechnic library upholds the following objectives which include:

- To provide up-to-date information for trainers, and trainees
- To manage library resources efficiently.
- To enhance library facilities for improved information services.

The NNP library has achieved the following in the year 2021/2022

1. Additional of library books

The following books worthy Ksh.432,990 were added in the year 2021/2022

S/No.	Title	Unit Cost	No. of copies	Total cost
1	Microcontroller and systems	1,957	20	39,080
2	Electric measurements and measuring instruments	3,425	20	68,500
3	A course in power systems	1,957	20	39,140
4	Principles of electromagnetic	7,900	20	158,000
5	Introduction to microprocessors	4,010	20	80,200
6	Economics for modern world academic and professional series	1,500	6	9,000
7	Handbook for TVET	1,350	11	14,850
8	Your career questions answered	550	20	11,000
9	The teachers influence	600	20	12,000
10	Certificate in science laboratory technology	1,220	1	1,220
Total				432,990

2. Subscribed to e-resources - A total of 37 databases worth Ksh. 270,000 were subscribed through Kenya Libraries and Information Services Consortium (KLISC)
3. Through the same consortium (KLISC, the library subscribed to 3 licenses of e- Daily Nation amounting to Ksh. 21,840
4. CBET Curriculums and Occupational Standards worthy Ksh.32,000 were also acquired during the same period

	Title	Total (Ksh.)
1	Curriculum and OS for Medical Engineering	1,000
2	Curriculum and OS for Building technology level 6	1,000
3	Curriculum and OS for Fashion and Design level 6	1,000
4	Curriculum and OS for mechanical production option level 6	1,000
5	Curriculum and OS for computer programming level 6	1,000
6	Curriculum and OS for bakery technology level 6	1,000
7	Curriculum and OS for automotive technician level 6	1,000
8	Curriculum and OS for science laboratory technology level 6	1,000
9	Curriculum and OS for social worker level 6	1,000
10	Curriculum and OS for beauty therapy operations manager level 6	1,000

11	Curriculum and OS for chemical engineering technician level 6	1,000
12	Curriculum and OS for beauty therapy operations manager level 5	1,000
13	Curriculum and OS for computer programming	1,000
14	Curriculum and OS for Fashion Design studio manager level 6	1,000
15	Curriculum and OS for civil engineering technology level 6	1,000
16	Curriculum and OS for social work level5	1,000
17	Curriculum and OS for business manager level 6	1,000
18	Curriculum and OS for chemical engineering technician	1,000
19	Curriculum and OS for marriage and family therapist	1,000
20	Curriculum and OS for science laboratory technology level 5	1,000
21	Curriculum and OS for mechanical technology and maintenance level 6	1,000
22	Curriculum and OS for mechanical plant engineering level 6	1,000
23	Curriculum and OS for mechanical production option level 5	1,000
24	Curriculum and OS for business manager level 5	1,000
25	Curriculum and OS for tourism and travel manager	1,000
26	Curriculum and OS for analytical chemistry technology level 6	1,000
27	Curriculum and OS for counseling psychology level 6	1,000
28	Curriculum and OS for ICT technician level 6	1,000
29	Curriculum and OS for ICT technician level 5	1,000
30	Curriculum and OS for plumber level 5	1,000
31	Curriculum and OS for electrical operator (power option)level 5	1,000
32	Curriculum and OS for electrical operator (power option)level 6	1,000
	Total	32,000

5. The summary of expenses is as follows:

	Activity	Amount (Ksh.)
1	Acquisition of library books	432,990
2	Subscribed to e-resources through Kenya Libraries and Information Services Consortium(KLISC)	270,000
3	Subscribed to e- Daily Nation of Nation Media Group	21,840
4	Acquisition of CBET syllabi i.e., Occupational Standards and Curricula's	32,000
	Total cost	756,830

d) Guidance and Counselling

The Polytechnic has taken its share of responsibility for the care of employees and trainees by availing counselling and wellness services through the Guidance and Counselling Department. Over the last financial year, the department has organized various activities aimed at preventing and controlling two major social problems i.e. alcohol & drug abuse and HIV/AIDS as follows:

1) Alcohol and Drug Abuse Prevention Activities:

i) Sensitisation

The Guidance and Counselling department organized sensitisations on Alcohol and Drug abuse (ADA) for all the new trainees at the beginning of every term. In these sensitisations, the trainees got to know the various types of drugs and their physical and social effects.

ii) Training of Staff

There was training for Alcohol and Drug abuse Committee and Departmental Representatives staff from 6th to 10th December 2021 on Workplace based Prevention Interventions. The training was aimed at equipping the members of staff with knowledge that will help them when handling trainees with alcohol and drug problems.

iii) Baseline Survey (Follow up)

The department sought to find out the current situation of alcohol and drug abuse within the Polytechnic in the Financial Year 2021/2022, which was a follow up of a baseline survey conducted in 2017. The purpose of the study was to establish the extent of alcohol and drug abuse and identify the risk factors so as to come up with appropriate interventions and revise the workplace policy to align with the findings of the baseline survey.

2) HIV/AIDS Prevention Activities

i) Sensitisation

There were sensitization talks on HIV/AIDS and other sexually transmitted infections and Sexual Reproductive Health for the new trainees at the beginning of every term.

ii) HIV Testing

There has been HIV testing once every term. The service is intended to raise awareness for staff and trainees as a measure to control new infections and help individuals make informed decisions based on their status.

iii) Condom Use Demonstration and Distribution

It is believed that a number of HIV infections and unplanned pregnancies are a result of wrong use of condoms and/or casual sex without protection. In every term of the past year, facilitators were invited to demonstrate the correct use and disposal of condoms. Condom distribution has been a continuous exercise throughout the year which we believe has played a significant role in the prevention of HIV infection and unplanned pregnancies.

3) Wellness Services

Regular health checks are a crucial aspect in working towards a healthy living. In the past financial year, the following services were provided:

i) Non Communicable Diseases (NCDs) Screening

Screening for High Blood Pressure, diabetes and the Body Mass Index (BMI) for the staff and trainees were done termly. This has helped many to detect anomalies and seek medical care early enough.

ii) Cancer Screening

Currently, statistics show that cancer is a leading killer disease. Early detection of the disease is critical for success in its treatment. As such, the Polytechnic, in collaboration with the County Health Services, organized a cancer screening exercise on 14th and 15th June, 2022 targeting both staff and trainees.

e) Research and Innovation

The department of Research and Development is responsible for coordinating all the research and innovation activities at the Polytechnic. Its main objective is to stimulate the participation of the Polytechnic’s staff and trainees in research, innovation and enhancement of knowledge for purposes of development.

The 2022 KATTI National TVET Trade Fair, Robotics, and Research Paper Symposium event was held between 24th and 26th May, 2022 at Kinoru Stadium in Meru County.

The Polytechnic presented 4 innovations in different categories that were ranked in the top three positions following the KATTI Mt. Kenya Regional TVET Trade Fair.

Three research papers from the Polytechnic were presented in the symposium and a robot was presented for the contest.

The innovations from the Polytechnic were ranked as follows:

Category	Innovation	Position
Automotive Engineering	<i>A Solar Driven Electrical Vehicle</i>	1
Civil Engineering	<i>A Digital Accident Controller</i>	1

One research paper from the Polytechnic presented in the symposium emerged top nationally.

Paper Title	Position
<i>‘Phytochemical Screening of Stinging Nettle’</i> by Jacqueline Wambui	1

NNP Innovation - Solar Driven Electrical Vehicle



f) Major Projects – complete and on-going

In the year under review the Polytechnic undertook the following major projects

Dairy Processing Training Plant

The Polytechnic completed the construction of a dairy processing plant , the Cabinet Secretary, Ministry of Education Prof. George A.O. Magoha CBS commissioned Dairy Processing Training Plant on 16th February, 2022.



Kirinyaga Technical and Vocational College

Kirinyaga Technical and Vocational College is almost complete at 90%



Hospitality Complex – ongoing



HOSPITALITY COMPLEX



HOSPITALITY COMPLEX

Fashion Design and Beauty Therapy Workshop



g) Games and Sports

In September 2021, the Polytechnic attended a Volleyball Tournament at Ruring'u Stadium whereby the Polytechnic emerged number 3 out of 7 institutions.

During the month of October, 2021, the Polytechnic hosted inter-institutional games with Dedan Kimathi University, Mathenge Technical Training Institute, Kiirua Technical Training Institute and Mukurweini Technical Training Institute where the Polytechnic emerged the winner in most of the disciplines.

The Polytechnic held the interdepartmental men soccer league which started from 12th October, 2021 and ended on 3rd November 2021. Winners were awarded with a trophy and a shopping voucher of Kshs.500 each. Second and third position received Kshs.450 and Kshs.400 shopping vouchers each respectively. The following were the winning departments.

1. Automotive Department
2. Mechanical Engineering Department
3. Building and Civil Engineering Department

The Polytechnic held Friendly matches with Nyandarua National Polytechnic and Kamwenja teachers college on 6th November, 2021 and 19th February, 2022 respectively. They won in six (6) disciplines and one draw.

On 23rd to 27th February 2022, the Polytechnic netball and Soccer Ladies and the volleyball men participated in the quarter final Regional Ball Games competition held at Kigari Teachers College – Embu .

On 4th March, 2022, there were interdepartmental athletics championship within the Polytechnic and the following were the outcomes:

<u>Department</u>	<u>Position</u>
Automotive Engineering	1
Building and Civil Engineering	2
Electrical and Electronics	3
Fashion and Design	4
Mechanical Engineering	5
Hospitality and Tourism	6
Business Studies	7
Liberal Studies	8
Applied Sciences	9
Computer Science and Networking	10
Health Sciences	11

On 13th to 17th March, 2022, the Polytechnic participated in the Regional Athletics indoor Games championship which were held at Kigari Teachers College – Embu and won in the following disciplines:

Event	Medal
10,000m Women Walk	Gold
Javelin Men	Silver
4x100 Men Relay	Silver
3,000m Women	Bronze

4x400 Men Relay

Bronze

On 20th to 24th April, 2022 the Polytechnic presented 15 trainees for the National Athletics indoor Games at Nyayo National Stadium. The Javelin men held position 4 (four) and 4x100 relay men position 5.

During the fourth quarter of the year, sports activities were postponed to the following term by the National KATTI Sports and Recreation office because the term was too short.

h) Statutory and Regulatory Requirements

During the reporting period the Polytechnic complied with all statutory and regulatory requirements eg payment of all statutory obligations – Taxes, NHIF, NSSF and other statutory obligations. The Polytechnic does not have non-compliance issues that may expose it to potential contingent liabilities. In the reporting period there was no litigation against the Polytechnic.

The Polytechnic has put measures to curb examinations cheating for both internal and external examinations.

ISO/IEC 27001:2013 1st stage audit was conducted by Kenya Bureau of Standards (KEBS) on 11th and 12th April, 2022 and the audit conclusion was that the polytechnic's systems are strong and recommended a 2nd stage audit to be conducted.

Internal and external audits are carried out by KEBS to ensure the Polytechnic is operating within the standards.

2) Financial Highlights

This section highlights the financial objectives and performance from the previous years. It is a parameter of measuring the Polytechnic operations in monetary terms. It is used to measure the institution overall financial health over a given period of time. This section highlights financial performance for the year ended 30 June, 2022 with comparison to the results of the last 3 years.

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Actual	Actual	Actual
	2018/2019	2019/2020	2020/2021	2021/2022
	Kshs (000)	Kshs (000)	Kshs (000)	Kshs (000)
Revenue				
Internally generated revenue	254,047	312,765	173,624	373,071
Government recurrent grants	-	-	-	-
Capitation fees	59,010	147,258	145,515	145,312
GOK Development grants	5,887	5,887	-	-
Ndaragwa TVC	5,459	-	-	-
Ndaragwa TVC- for Operations	-	1,000	1,000	-
Kirinyaga Central TVC	-	8,000	22,000	28,993
Mathira TVC	2,510	3,238	1,515	-
Mentoring Institution furniture	-	12,500	-	-
PSC Trainers Interviews	-	2,937	-	-
Total Revenue	326,913	493,585	343,654	547,376
Operating expenses				
Employee compensation	51,179	57,328	69,359	92,250
Tuition expenses	33,755	26,895	30,800	34,343
Repairs and maintenance	39,952	16,137	14,339	14,048
Electricity and water	11,171	11,989	8,514	10,698
Examinations expenses	37,289	23,777	45,290	59,374
Development expenses	13,691	21,688	32,325	30,952
Other Expenses	178,733	158,613	188,692	209,168
Total operating expenses	365,770	316,427	389,319	450,833
Gain/Loss on Revaluation	-	2,803	(3,268)	-
Surplus/deficit for the period	(38,857)	179,961	(48,933)	96,570

STATEMENT OF FINANCIAL POSITION

Details	Actual	Actual	Actual	Actual
	2018/2019	2019/2020	2020/2021	2021/2022
	Kshs (000)	Kshs (000)	Kshs (000)	Kshs (000)
NON –CURRENT ASSETS				
Property, Plant and Equipment	1,970,539	2,016,874	2,037,787	2,094,596
Biological assets	705	625	750	650
CURRENT ASSETS				
Cash and bank balances	103,943	299,326	244,507	320,560
Receivables from non-exchange transactions	27,979	0	34,575	47,992
Receivables from exchange transactions	48	1,770	6,922	2,691
Inventories	1,665	752	4,995	4,171
Students debtors	15,528	10,655	35,221	29,872
TOTAL ASSETS	2,120,407	2,330,002	2,364,757	2,500,534
CURRENT LIABILITIES				
Trade and other payables	4,801	3,980	3,600	2,441
Development account	8,392	6,478	533	1,974
Kirinyaga central TVC	-	-	2,350	12,301
Ndaragwa TVC	5,723	12	53	-
Employees Advances	260	362	-	-
Caution money	3,828	5,251	6,928	5,720
Examination funds	10,095	18,034	483	9,548
Prepaid fees/ student creditors	4,715	4,200	3,629	4,703
Retention Moiety	4,301	4,144	287	-
SUB TOTAL	42,115	42,461	17,863	36,687
FINANCED BY				
Reserves	1,995,295	2,010,696	2,070,871	2,062,360
Accumulated fund	66,283	246,243	197,309	293,779
Capital Funds	16,714	30,602	78,714	107,707
	2,078,292	2,287,541	2,346,894	2,463,847
TOTAL LIABILITIES	2,120,407	2,330,002	2,364,757	2,500,534

Financial performance analysis

Financial analysis is the process of evaluating businesses or organisations, financial-related transactions to determine their performance and suitability. Typically, financial analysis is used to analyse whether an entity is stable, solvent, liquid, or profitable enough to warrant a monetary investment. The Polytechnic financial analysis for the period ended 30th June, 2022 is as follows.

Statement of Financial Performance Analysis

Figures converted into '000'

Surplus/deficit

A trend analysis on financial performance shows Surplus in the financial year 2021/2022 of Kshs 96,570, compared to the financial years 2020/2021 and 2018/2019 which had deficit of Kshs 48,933 and Kshs 38,857 respectively. This surplus was as a result of Post-Covid-19 recovery and the increase in trainees population, this improved the Polytechnic Appropriation in Aid.

Revenue Analysis

In the period under review Financial year 2021/22 there was increase in revenue collection where the Polytechnic collected Kshs 547,376 Compared to Kshs 343,654 in 2020/2021, Kshs 493,585 in 2019/2020 and Kshs 326,913 in 2019/2018. The revenue in the past 4years was composed of Capitation fees, National Youth service fees, Internally generated revenues and grants from the Ministry of Education State Department for Vocational and Technical Training.

Expenditures Analysis

In the financial year 2021/2022 the total operating expenses Kshs 450,833 was the highest compared to the last three financial years this was because the Polytechnic employed more Council trainers to meet the growing number of trainees, tuition expenses also went up. Examinations expenses also increased this was because trainees Population increased in 2021/2022 compared to financial years 2020/2021, 2019/2020 and 2018/2019.

Statement of Financial Position

Assets

Figures converted into '000'

Property Plant and Equipment

Analysis on the statement of financial position for the past 4 years indicates that the Polytechnic Property Plant and Equipment have been increasing. This increase as a result of The Polytechnic acquiring modern equipment and machines, Motor vehicles, construction of new buildings and revaluation of the existing Assets.

Cash and Bank Balances

Analysis on the statement of financial position for the past 4 years indicates that the Polytechnic Cash and bank balances have been increasing as a result of increase of trainees population. This cash and bank balances are held in the various accounts of the Polytechnic at KBC Bank, National Bank and Equity bank. In the year under review the Polytechnic bank balance was Kshs 320,560 40% of this amount is for the construction of Hospitality Complex phase 1-B.

Net Assets

Analysis on the statement of financial position for the year 2021/2022 indicates that the Polytechnic Net assets was Kshs 2,500,534 compared to Kshs 2,364,757 in 2020/2021 This increase as a result of The Polytechnic acquiring modern equipment and machines, Motor vehicles, construction of new buildings and revaluation of the existing Assets.

Liabilities

Reserves, Accumulated funds and capital funds have increased in the FY 2021/2022 compared to the 2020/2021, 2019/2020 and 2018/2019 financial years. This implies that there is an upward trend on the Polytechnic financial position indicating a stable going concern.

Major risks facing the Polytechnic

a) Financial risks or credit risks

Credit risks are the risks that the counter party will default in its contractual obligation resulting to financial loss to the Polytechnic.

Some of the risks are:

- **Capitation fees balances**

The Polytechnic is faced with the risk of meeting some of its essential obligations and offering services e.g payment of examinations since the government has not been fulfilling its obligation to pay capitation fees of Ksh 30,000 per student per year on time. Due to this challenge the Polytechnic has not been able to meet some of the Short-term obligations when they fall due and this has affected the A- in- A.

• **Market risks**

The dynamics of changes in market prices of goods and services, interest rates and inflation have affected budgetary control hence reporting some variances in the budget comparison and variance analysis.

• **Operational Risks**

In the year under review the Polytechnic operations were affected by the COVID -19 pandemic. This affected the operations and interactions. Some of the staff were also working from home.

Surplus remission

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit to the Consolidated Fund, ninety per cent of its surplus funds reported in the audited financial statements after the end of each financial year.

In the Financial Year 2021/2022 The Polytechnic did not receive any funds directly from the consolidated fund and did not make any surplus.

Auditors

The Auditor General is responsible for the statutory audit of the Polytechnic in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

VOTE-HEADS

In the year under review the Polytechnic operated the following vote heads.

a) T.E.S/Materials:

T.E.S stands for Tuition Equipment and Stores. In this vote we charge stationery and training materials.

b) Personal Emolument

In this vote we pay employee compensation.

c) Local Transport and Travel

This vote head caters for expenses relating to staff and lecturers while on official duties, Polytechnic vehicles fuel, repairs, maintenance and vehicles insurance.

d) Electricity Water and Conservancy (E.W.C)

This vote head caters for electricity bills, water bills and repairs related to water and electricity.

e) Repair, Maintenance and Improvement (R.M.I)

This vote head caters for repair, maintenance and improvement of the Polytechnic facilities

f) Activity Expense

This vote head caters for co-curricular and extracurricular activities

g) Medical Expense

This vote head caters for medical expenses.

h) Insurance expense

This vote head is used to cover our students against accidents while in session and on attachment.

i) Library expense

This vote head caters for the library expenses

j) Student Welfare

This vote head is used to finance student welfare activities in the Polytechnic.

k) Development

This vote head is used to finance development projects.

l) Administration

This vote caters for administration expenses

m) Generator Maintenance

This vote is used in the maintenance and servicing of the Polytechnic standby generator

n) Attachment

This vote caters for supervision fee for the students on attachment, Logbooks for the students, placement and certificates.

o) Hostel

This vote is used in the repair and maintenance of Polytechnic hostels.

p) Caution fee

This vote caters for caution fee which is refundable after a student has completed the course and upon clearing with the Polytechnic.

q) Application fees

This vote head caters for application fees paid by applicant when applying for the courses

r) Registration fees

This vote head caters for the registration of the students at the polytechnic.

s) Student ID Card

This vote head caters for the production of student ID card.

t) Examination

Each student is expected to pay his/her examination fees. This amount is forwarded to examining bodies such as KNEC and NITA.

u) Grant and Grant in Aid

This vote head caters for the aid received from the government. The amount is used in consultation with the Governing Council.

v) Rent

This vote caters for rent received from staff houses and business centres

w) Farm/Dairy Unit

This vote head caters for dairy farming.

x) Pay As You Eat system

This vote caters for the student meals.

y) Production units

This vote head caters for hire of facilities and short courses

Council Meetings held in the financial year 2021/2022

	Type of the Meeting	Number of meetings
1	Full Council meeting	4
2	Finance Resource Mobilization and administration Committee	4
3	Audit, Risk & Compliance Management Committee	4
4	Academic and Research Committee	3

Breakdown of the meetings attended by each Council member

S/No	Member	Full Council	Finance Resource Mobilization and Administration	Academic & Research	Audit, Risk & Compliance
1.	Mr. Richard K. Gikuhi	4	1	-	-
2.	Mrs. Grace Bruno	4	4	-	-
3.	Mrs. Evelyn Anupi	4	4	-	2
4.	Dr. Victor Muyembe	4	4	-	-
5.	Rev. Julia Mwangi	3	3	3	-
6.	Ms. Jane Mugure	4	-	1	4
7.	Dr. Maureen Cheserek	4	-	3	3
8.	Mr. Joseph Muhota	3	-	3	4
9	Mrs. Anne N. Mwangi	4	4	3	-

ENVIROMENTAL AND SUSTAINABILITY REPORTING

The Nyeri 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 found on putting the customer/Citizen first, delivering relevant goods and services and improving operational excellence. Below is a brief highlight of our achievements:

1. World Environment Day celebrations was held from 2nd to 6th June, 2022

This was a week long period of celebrations characterized by public lectures and tree planting

The participants were:-

- Trainers- in OHS, presidential award and Wildlife club patrons
- Trainee leaders-Student leader in environment; club chairmen for wildlife and presidential award
- Presidential award and Wildlife Club members(30 members)

2. Landscaping sensitization workshop was held on 8th and 9th September 2021

The participants were staff at the Nyeri Polytechnic.

Content covered were:-

- Process of landscaping,
- Landscape designs
- Plants suitable for landscaping
- Health and safety issues in landscaping
- Visit to a landscaped garden

3. Environment sustainability and occupational health and safety integration within KEFEP partnering institutions' workshop held on 21st to 22nd July, 2021:

This involved:-

- Sensitization on OHS regulations
- OHS screening of the institution
- Development of risk register

4. Membership of Nyeri Hospice

The Polytechnic is a member of Nyeri Hospice where the Polytechnic participate in various activities of helping the needy in the society.

REPORT OF THE COUNCIL

The Council members submit their report together with the audited financial statements for the year ended June 30, 2022 which show the state of the Polytechnic affairs.

Principal Activities

The Principal activities of the Nyeri National Polytechnic as outlined in the Legal Notice No.91 of June 2016 are to:

- a) Provide, directly or in collaboration with other institutions of higher learning, facilities for technical trainers in technological, professional, scientific education;
- b) Participate in technological innovation and in the discovery, transmission and enhancement of knowledge for economic, social, cultural, scientific and technological development;
- c) Contribute to industrial and technological development of Kenya, in collaboration with the industry and other organizations, through transfer of technology;
- d) Promote and establish a culture of innovation in engineering and technology and technology transfer amongst staff and trainees;
- e) Develop an institution with excellence in teaching, training, scholarship, entrepreneurship, research, consultancy, community service, among other educational services and products, with emphasis on technology and its development, impact and application within and outside Kenya;
- f) Provide a multi-level system of post-secondary school education and training programmes relevant to the needs of the community, covering a wide range of fields and levels with provision for recognition of prior learning and flexibility of transition between programmes;
- g) Provide high quality educational, research, residential, commercial, cultural, social, recreational, sporting and other facilities;
- h) Advance knowledge and its practical application by research and other means, the dissemination of outcomes of research by various means and the commercial exploitation of research results;
- i) Promote critical inquiry within the Polytechnic and in the general community;
- j) Participate in commercial ventures and activities;
- k) Foster the general welfare of all staff and trainees;
- l) Provide opportunities for development and further training for staff of the Polytechnic;
- m) Develop and provide educational, cultural, professional, technical and vocational services to the community and in particular, foster corporate social responsibility;
- n) Provide programmes, products and services in ways that reflect the principles of equity and social justice;

- o) Facilitate trainee mobility between different programmes at different technical training institutions and other national polytechnics;
- p) Conduct examinations and grant such academic awards as may be provided under this Order; and
- q) Collaborate with recognized universities for the conduct and award of degree programmes in technology.

Results

The results of the Polytechnic for the year ended 30th June, 2022 are set out on page 1 to 4

Council Members

The Council members who served during the year are shown on page ix-x. During the year the tenure of County director Mr Charles Nyota ended and was replaced by Ms Evelyn Anupi. Mrs Grace Bruno was appointed to represent the principal Secretary National Treasury and Planning.

Auditors

The Auditor General is responsible for the statutory audit of the Polytechnic in accordance with Article 229 of the Constitution of Kenya and Public Audit Act (2015). The Auditor General is empowered to nominate other auditors to carry out the audit on his behalf.

Kenya National Audit Office staff were nominated by the Auditor General to carry out the audit of the Polytechnic for the period ending 30th June, 2022.

By Order of the Council



Mrs. Anne N. Mwangi.

Chief Principal/Council Secretary

STATEMENT OF THE COUNCIL RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and the TVET Act 2013, require the Council to prepare financial statements of The Nyeri National Polytechnic, which give a true and fair view of the state of affairs of the Polytechnic at the end of the financial year/period and the operating results of the Polytechnic for that year/period. The Council is also required to ensure that the Polytechnic keeps proper accounting records which disclose with reasonable accuracy the financial position of the Polytechnic. The Council is also responsible for safeguarding the assets of the Polytechnic.

The Council is responsible for the preparation and presentation of the Polytechnic financial statements, which give a true and fair view of the state of affairs of the Polytechnic for and as at the end of the financial year ended 30th June, 2022. This responsibility includes:

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Polytechnic;
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safeguarding the assets of the Polytechnic;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Council accept responsibility for the Polytechnic financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Council is of the opinion that the Polytechnic financial statements give a true and fair view of the state of the Polytechnic transactions during the financial year ended 30th June, 2022 and of the Polytechnic financial position as at that date. The Council further confirm the completeness of the accounting records maintained by the Polytechnic, which have been relied upon in the preparation of the Polytechnic financial statements as well as the adequacy of the systems of internal financial control.


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

Approval of the Financial Statements

The Polytechnic financial statements were approved by the Council on 27/09/2022 and signed on its behalf by:

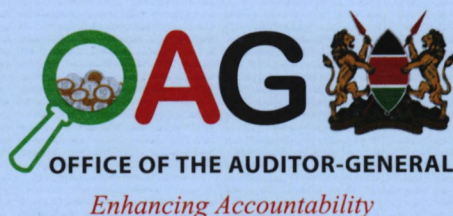

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Mrs. Anne N. Mwangi
Chief Principal


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FCS Richard Kiana Gikufi
Chairman of the Council

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REPORT OF THE AUDITOR-GENERAL ON THE NYERI NATIONAL POLYTECHNIC FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of The Nyeri National Polytechnic set out on pages 1 to 26, which comprise of the statement of financial position as at

30 June, 2022, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of The Nyeri National Polytechnic as at 30 June, 2022 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Technical and Vocational Education and Training Act, 2013.

Basis for Qualified Opinion

Inaccurate Property, Plant and Equipment Balance

The statement of financial position as at 30 June, 2022 reflects properly, plant and equipment balance of Kshs.2,094,596,268 as disclosed at Note 22 to the financial statements. However, the balance erroneously includes cost or valuation opening balance of Kshs.2,028,502,720 as at 1 July, 2020 for the year ended 30, June, 2021 instead of as at 01 July, 2021 balance of Kshs.2,149,685,109 thereby understating the balance by Kshs.121,182,389.

Further, during the year under review the Polytechnic Assets were valued by consultant which resulted in a net revaluation loss of Kshs.8,510,979 as tabulated below:

No.	Asset Class	Net Book Value (Kshs)	Revalued Amount (Kshs)	Gain/Loss (Kshs)
1.	Motor Vehicles	29,196,000	43,500,000	14,304,000
2.	Furniture and Fittings	24,180,970	20,250,000	(3,930,970)
3.	Computers and Accessories	27,668,350	32,470,000	4,801,650
4.	Plant and Machinery	181,542,580	157,856,921	(23,685,659)
Total		262,587,900	254,076,921	(8,510,979)

However, the total revaluation amount of Kshs.254,076,921 was erroneously added to the total property, plant and equipment cost/valuation balance of Kshs.2,068,111,794 instead of the net loss of Kshs.8,510,979, thereby over-restating the value of assets by Kshs.262,587,900 or the original value prior to revaluation.

In addition, the total accumulated depreciation of Kshs.227,592,447 also includes an amount of Kshs.171,828,209 being depreciation charge for the for assets revalued at the close of the year on 30 June, 2022.

In the circumstances, the accuracy and completeness of property, plant and equipment balance of Kshs.2,094,596,268 as at 30 June, 2022 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of The Nyeri National Polytechnic Management in accordance with ISSAI 130 on 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.

Key Audit Matters

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

Other Matter

Under-Disbursement of Capitation Fees

The statement of comparison of budget and actual amounts reflects final Exchequer grants/capitation budget and actual on comparable basis of Kshs.183,030,000 and Kshs.145,312,500 respectively, resulting to an underfunding of Kshs.37,717,500 or 21% of the budget.

The underfunding affects the planned activities of the Polytechnic and may have negatively impacted on service delivery to the public.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Staff Ethnic Diversity

Review of human resource records revealed that during the year, the Polytechnic had three hundred and thirty-eight (338) employees out of which two hundred and seventy-eight (278) or eight two per cent (82%) were from the dominant community. This is contrary to Section 7(2) of the National Cohesion and Integration Act, 2008 which states that no public establishment shall have more than one third of its staff from the same ethnic community.

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

2. Failure to Insure the Polytechnic's Assets

The statement of financial position as at 30 June, 2022 reflects property, plant and equipment balance of Kshs.2,094,596,268 as disclosed under Note 22 to the financial statements. Included in this amount is net book value of assets of Kshs.969,430,274 in respect of the Polytechnic's buildings, furniture and fittings, computers and accessories and plant and equipment. However, review of documents provided for audit revealed that these assets had not been insured. This was contrary to Part IV(i)(c), Section 80(3) of The National Treasury Guidelines on Asset and Liability Management in the Public Sector of March, 2020, which provides that the Accounting Officer shall arrange for timely acquisition of insurance cover and renewal of all insurance policies to ensure that they are budgeted for and that the public sector entity's assets are adequately protected. Failure to insure the Polytechnic's assets against accidental loss exposes the entity into huge loss in the event of disaster and other unforeseen eventualities.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and the Governing Council

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Polytechnic to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Polytechnic to cease sustaining its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Polytechnic to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

18 March, 2023

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE, 2022			
	Notes	2021/22 Kshs	2020/21 Kshs
Revenue from non-exchange transactions			
Transfers from Government (Grants and Capitation)	1	174,306,185	170,030,000
Total revenue from non-exchange transaction		174,306,185	170,030,000
Revenue from exchange transactions			
Rendering of services – Fees from students	2	361,700,780	163,613,461
Sale of Goods and Services	3	6,834,915	7,398,562
Rental revenue from (Staff houses and Business Centers)	4	868,685	648,685
Other Incomes	5	3,693,149	1,963,517
Total revenue from exchange transaction		373,097,529	173,624,225
Total revenue		547,403,714	343,654,225
Expenses			
Use of Goods and Services	6	241,725,822	198,674,828
Employees Costs	7	92,250,591	69,359,232
Remuneration of Polytechnic Council	8	8,154,144	6,261,903
Depreciation	9	55,519,026	63,917,045
Contracted Services	10	5,809,240	4,441,740
Repairs and Maintenance	11	14,048,298	14,338,954
Ndaragwa TVC Expenses	12	2,374,111	7,735,584
Hospitality Complex	13	12,347,127	5,692,730
Kirinyaga Central TVC	14	18,605,542	18,897,424
Total expenses		450,833,901	389,319,440
Gain/Loss on Revaluation of Assets	15	-	(3,268,430)
Surplus/ (deficit) for the period		96,569,813	(48,933,645)

Notes set out on pages 14 to 18 form an integral part of this financial statement

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2022				
	Notes	2021/22 Kshs	2020/21 Kshs	
Assets				
Current Assets				
Cash and cash equivalents	17	320,560,240	244,507,333	
Receivables from non exchange transactions	18	47,992,500	34,575,000	
Receivables from exchange transactions	19	2,691,582	6,922,032	
Inventories	20	4,171,247	4,995,000	
Students' receivables/debtors	21	29,872,835	35,221,528	
Total Current Assets		405,288,404	326,220,893	
Non-Current Assets				
Property, Plant and Equipment	22	2,094,596,268	2,037,787,033	
Biological Assets	23	650,000	750,000	
Total Non- Current Assets		2,095,246,268	2,038,537,033	
Total Assets		2,500,534,672	2,364,757,926	
Liabilities				
Current Liabilities.				
Trade and other payables from exchange transactions	24	2,440,570	3,600,000	
Development funds-Hospitality Complex	25	1,974,373	532,893	
Ndaragwa TVC	26	-	53,549	
Kirinyaga Central TVC	27	12,300,877	2,350,201	
Caution funds	28	5,720,372	6,927,815	
Prepaid fees	29	4,703,063	3,629,107	
Retention Money	30	-	286,605	
Examination funds	31	9,548,291	483,149	
Total current liabilities		36,687,546	17,863,319	
Net Assets				
Reserves	33	2,062,360,742	2,070,871,721	
Accumulated surplus	34	293,779,534	197,309,721	
Capital Fund	35	107,706,850	78,713,165	
Total net assets		2,463,847,126	2,346,894,607	
Total net assets and liabilities		2,500,534,672	2,364,757,926	


The Financial statement set out on this page were signed on behalf of the Council

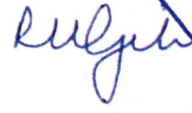

CHIEF FINANCE OFFICER
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CPA James Mungai Kamau
Chief Finance Officer
ICPA(K) Number 14097


Anne N. Mwangi
Chief Principal


FCS Richard K. Gikulu
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Notes set out on pages 18 to 22 form an integral part of this financial statement

Statement of Changes in Net Assets for the year ended 30th June 2022

	Revaluation Reserves	Retained Earnings	Capital Reserves	Total
	Kshs	Kshs	Kshs	Kshs
Financial Year 2020/2021				
As at 1 st July 2020	2,010,696,376	246,243,366	30,601,362	2,287,541,104
Revaluation	60,175,345			60,175,345
Comprehensive income Surplus/Deficit	-	(48,933,645)	-	(48,933,645)
Donated Equipment/Capital	-	-	48,111,803	48,111,803
Total Net Assets 30th June 2021	2,070,871,721	197,309,721	78,713,165	2,346,894,607
Financial Year 2021/2022				
As at 1 st July 2021	2,070,871,721	197,309,721	78,713,165	2,346,894,607
Comprehensive income Surplus/Deficit	-	96,569,813	-	96,569,813
Revaluation Gain/loss	(8,510,979)	-	-	(8,510,979)
Loss on Biological Assets	-	(100,000)	-	(100,000)
Capital grants	-	-	28,993,685	28,993,685
Total Net Assets 30th June 2022	2,062,360,742	293,779,534	107,706,850	2,463,847,126

Disclosures

Revaluation Loss

Polytechnic Assets were valued by **Sec & M Co Ltd**, and revaluation loss of Ksh 8,510,979 was arrived as indicated below:

Asset Class	Net Book Value	Revalued amount	Gain/loss
Motor Vehicles	29,196,000	43,500,000	14,304,000
Furniture and Fittings	24,180,970	20,250,000	(3,930,970)
Computers and Accessories	27,668,350	32,470,000	4,801,650
Plant and Machinery	181,542,580	157,856,921	(23,685,659)
Total	262,587,900	254,076,921	(8,510,979)

(See the property plant and equipment schedule note 22)

Biological Assets were revalued by **Daniel Muriithi Ngunjiri** a valuer and Veterinary officer)

Details	Net Book Value	Revalued amount	Gain/loss
Polytechnic cows	750,000	650,000	(100,000)

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2022			
	Notes	2021/22	2020/21
		Kshs	Kshs
Cash flow from operating Activities			
Receipts			
Transfers from Government (Grants and Capitation)		174,306,185	170,030,000
Rendering of Service – Students Fees		325,273,922	153,321,477
Sales of goods and services		6,834,915	17,690,546
Rental revenue		868,685	648,685
Other Incomes		3,693,149	1,963,517
Total Receipts		510,976,856	343,654,225
Payments			
Goods and services		241,725,822	198,674,828
Employees Costs		92,250,591	69,359,232
Remuneration of Polytechnic Council		8,154,144	6,261,903
Repairs and Maintenance		14,048,298	14,338,954
Contracted Services		5,809,240	4,441,740
Total Payments		361,988,095	293,076,657
Net cash flows from operating activities	32	148,988,761	50,577,568
Cash flow from investing Activities			
Ndaragwa TVC Construction	12	2,374,111	7,735,584
Development Account – Hospitality Complex	13	12,347,127	5,692,730
Kirinyaga Central TVC	14	18,605,542	18,897,424
Purchase of Non-Current Assets	16	39,609,074	73,070,586
Net cash flows used in Investing Activities		72,935,854	105,396,324
Net increase/ (Decrease) in cash and cash equivalents	-	76,052,907	(54,818,756)
Cash and Cash Equivalent at the beginning of the Year 01/07/2021	17	244,507,333	299,326,089
Cash and Cash Equivalent at the end of the Year 30/06/2022	17	320,560,240	244,507,333

Notes set out on pages 14 to 18 form an integral part of this financial statement

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2022

	Original Budget	Adjustments	Final Budget	Actual on Comparable basis	Performance Difference	Utilization difference (%)	Explanation of Material Variance
	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022
Incomes							
Transfers from Government:							
1 Exchequer grants/Capitation	183,030,000	0	183,030,000	145,312,500	37,717,500	21	a
2 GOK Capital Grants	28,992,000	0	28,992,000	28,993,685	(1,685)	-	b
	212,022,000	0	212,022,000	174,306,185	37,715,815		
Rendering of Services- Fees :							
3 Tuition fees	46,506,000	33,494,000	80,000,000	75,902,008	4,097,992	5	-
4 Local Transport & Travel	12,242,000	(1,242,000)	11,000,000	10,279,600	720,400	7	-
5 Electricity & Water	15,347,000	(2,347,000)	13,000,000	12,467,218	532,782	4	-
6 Repairs & Maintenance	6,001,000	699,000	6,700,000	6,185,300	514,700	8	-
7 Administration	10,501,000	(501,000)	10,000,000	9,236,635	763,365	8	-
8 Activity	10,501,000	0	10,501,000	10,052,404	448,596	4	-
9 Medical	3,000,000	300,000	3,300,000	3,324,666	(24,666)	-	-
10 Library	3,000,000	(1,000,000)	2,000,000	1,869,532	130,468	7	-
11 Insurance	2,500,000	1,400,000	3,900,000	3,853,710	46,290	1	-
12 Student Welfare	3,752,000	(752,000)	3,000,000	2,978,501	21,499	1	-
13 Attachment Fees	6,750,000	3,250,000	10,000,000	9,475,000	525,000	5	-
14 Hostel	6,000,000	(2,500,000)	3,500,000	3,203,748	296,252	8	-
15 Application Fees	2,000,000	(100,000)	1,900,000	1,855,000	45,000	2	-
16 Registration Fees	2,000,000	1,000,000	3,000,000	2,773,060	226,940	8	-
17 Student ID Fees	2,400,000	200,000	2,600,000	2,411,000	189,000	7	-

*The Nyeri National Polytechnic Annual Report and Financial Statements
For the Year Ended 30th, June 2022*

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2022

	Original Budget	Adjustments	Final Budget	Actual on Comparable basis	Performance Difference	Utilization difference (%)	Explanation of Material Variance
	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022
Incomes							
18 Examination Fees	46,000,000	10,000,000	56,000,000	55,200,000	800,000	1	-
19 Short Courses Incomes	14,335,000	(2,835,000)	11,500,000	12,794,068	(1,294,068)	10	-
20 NYS student fees	7,545,000	23,270,100	30,815,100	30,815,100	-	-	-
21 Recurrent Grants	50,000,000	(50,000,000)	-	-	-	-	-
22 Personnel Emoluments	-	15,900,380	15,900,380	15,900,380	-	-	-
23 Examinations Practical's	10,480,000	-	10,480,000	10,480,000	-	-	-
24 HELB Loans and bursaries	-	47,158,566	47,158,566	47,158,566	-	-	-
25 Bursaries from CDF	-	29,937,248	29,937,248	29,937,248	-	-	-
26 Material Fees	-	3,225,454	3,225,454	3,225,454	-	-	-
27 Research and Innovation	-	322,582	322,582	322,582	-	-	-
	260,860,000	108,880,330	369,740,330	361,700,780	8,039,550		
28 Rent Receivable							
Rent Income	852,000	48,000	900,000	868,685	31,315	3	-
Sale of Services/Goods							
29 Hire of Facilities	559,290	-	559,290	559,290	-	-	-
30 Pay As You Eat	14,472,000	(9,872,000)	4,600,000	4,527,379	72,621	2	-
31 Food and Beverages	0	719,791	719,791	719,791	-	-	-
32 Disposal of Unserviceable Assets	300,000	(276,000)	24,000	22,000	2,000	8	-
33 Farm Produce	996,000	104,000	1,100,000	1,001,505	98,495	9	-
34 Sanitizers	0	4,950	4,950	4,950	-	-	-
	16,327,290	(9,319,259)	7,008,031	6,834,915	173,116		
Other Incomes							
35 Graduation Income	2,000,000	(999,500)	1,000,500	1,000,500	-	-	-
36 Caution Fees	2,000,000	800,000	2,800,000	2,679,265	120,735	4	-

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37	Photocopies	0	13,384	13,384	13,384	-
		4,000,000	(186,116)	3,813,884	3,693,149	120,735
	Total Income	494,061,290	99,422,955	593,484,245	547,403,714	46,080,531

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2022

	Original Budget	Adjustments	Final Budget	Actual on Comparable basis	Performance Difference	Utilization difference (%)	Explanation of Material Variance
	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022
Expenses							
Use of Goods and Service							
38 Tuition Expenses	46,506,000	(10,666,000)	35,840,000	34,342,965	1,497,035	4	
39 Local Transport and Travel	11,464,000	(6,274,000)	5,190,000	5,192,841	(2,841)	0	
40 Electricity and water	16,000,000	(5,400,000)	10,600,000	10,698,408	(98,408)	1	
42 Administration Cost	6,301,000	4,268,740	10,569,740	10,569,740	-	0	
43 Activity	10,281,000	(4,581,000)	5,700,000	5,612,609	87,391	2	
44 Medical	3,000,000	(2,396,500)	603,500	601,658	1,842	0	
45 Library	3,000,000	(2,245,000)	755,000	756,830	(1,830)	0	
46 Insurance	2,500,000	350,000	2,850,000	2,846,576	3,424	0	
47 Student Welfare	3,752,000	(2,472,000)	1,280,000	1,271,827	8,173	1	
48 Attachment Expenses	6,750,000	(5,050,000)	1,700,000	1,699,737	263	0	
49 Hostel Expenses	6,000,000	(5,154,000)	846,000	844,764	1,236	0	
51 Application Expense	2,000,000	170,000	2,170,000	2,157,500	12,500	1	
52 Caution Expense	2,000,000	(1,410,000)	590,000	588,000	2,000	0	
53 Student ID Expense	2,400,000	(2,400,000)	-	-	-	-	

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STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2022									
	Original Budget	Adjustments	Final Budget	Actual on Comparable basis	Performance Difference	Utilization difference (%)	Explanation of Material Variance	2021-2022	2021-2022
	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022
54	Registration Expenses	2,000,000	(1,575,000)	425,000	421,500	3,500	1	-	-
55	Research and development	3,000,000	(1,270,000)	1,730,000	1,732,121	(2,121)	0	-	-
56	Examinations	46,000,000	14,000,000	60,000,000	59,374,502	625,498	1	-	-
57	Polytechnic vehicles fuel	2,160,000	(760,000)	1,400,000	1,388,361	11,639	1	-	-
58	Rent Expense	852,000	(742,000)	110,000	108,900	1,100	1	-	-
59	Farm Expense	996,000	(496,000)	500,000	476,214	23,786	5	-	-
60	Pay as You Eat Expense	14,472,000	2,728,000	17,200,000	16,951,813	248,187	1	-	-
61	Disposal of Idle Assets	300,000	(300,000)	-	-	-	-	-	-
62	HELB Refunds		981,158	981,158	981,158	0	-	-	-
63	Production Unit Expense	14,335,000	(6,335,000)	8,000,000	7,770,000	230,000	3	-	-
64	Workshops, team building and Conferences	8,000,000	(5,905,717)	2,094,283	2,094,283	-	-	-	-
65	NYS Trainees Accommodation	10,000,000	(8,150,000)	1,850,000	1,794,240	55,760	3	-	-
66	Subscriptions	260,000	140,000	400,000	393,920	6,080	2	-	-
67	Performance Contracting	1,500,000	-	1,500,000	1,417,312	82,688	6	-	-
68	Dairy Processing Plant	-	17,695,699	17,695,699	17,695,699	-	-	-	-
69	Ramp Connecting administration Block A to D	1,500,000	72,265	1,572,265	1,572,265	-	-	-	-
70	VAT Withholding tax@2%	-	1,506,076	1,506,076	1,506,076	-	-	-	-
71	KEFEP Activities	-	70,000	70,000	66,000	4,000	6	-	-
72	Advertisement and Publicity	2,000,000	7,822	2,007,822	2,007,822	-	-	-	-
73	Research and Innovation		1,186,220	1,186,220	1,186,220	-	-	-	-
74	Graduation	2,000,000	4,000,000	6,000,000	5,920,311	79,689	1	-	-

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STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 TH JUNE 2022									
	Original Budget	Adjustments	Final Budget	Actual on Comparable basis	Performance Difference	Utilization difference (%)	Explanation of Material Variance	2021-2022	2021-2022
75	ICT Support H&S	10,000,000	-	10,000,000	9,936,084	63,916	1		
76	Income tax Withholding tax@3%	-	1,702,360	1,702,360	-	-			
77	Internet Services	4,200,000	1,800,000	6,000,000	5,560,412	439,588	7		
78	Newspapers	288,000	(98,000)	190,000	178,920	11,080	6		
79	Sanitary Services	360,000	(190,000)	170,000	158,760	11,240	7		
60	CCTV Cameras Installation	-	365,000	365,000	362,380	2,620	1		
61	Pedestrian roadside walkway	4,000,000	(1,000,000)	3,000,000	2,987,556	12,444	-		
62	Telephone bills and Airtime	2,784,000	-	2,784,000	-	-	-		
63	Refunds	-	2,062,444	2,062,444	-	-	-		
64	Retention 10%	-	3,169,930	3,169,930	-	-	-		
65	Strategic Planning Expenses	-	1,872,800	1,872,800	-	-	-		
66	Tilling works at Administration block D	-	531,288	531,288	-	-	-		
67	ISO Expenses	-	890,648	890,648	890,648	-			
68	CBET Curriculum	-	72,400	72,400	-	-	-		
69	Road Marking Paints- Main drive way	-	836,122	836,122	-	-	-		
70	Salary Advance	-	458,652	458,652	-	-	-		
71	Stipends- GIZ Particip trainees	-	2,490,000	2,490,000	2,490,000	-			
72	Hair dressing and beauty Therapy workshop	-	1,278,609	1,278,609	1,278,609	-			
73	student ID expense	-	670,000	670,000	670,000	-			
74	Vehicles Insurance	-	1,680,285	1,680,285	1,680,285	-			
		252,961,000	(7,813,699)	245,147,301	241,725,822	3,421,479			

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STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 TH JUNE 2022							
	Original Budget	Adjustments	Final Budget	Actual on Comparable basis	Performance Difference	Utilization difference (%)	Explanation of Material Variance
	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022
75	86,296,000	5,934,000	92,230,000	92,250,591	(20,591)	0	-
76	7,000,000	1,200,000	8,200,000	8,154,144	45,856	1	-
77	12,440,000	1,620,500	14,060,500	14,048,298	12,202	0	-
78	55,519,026	-	55,519,026	55,519,026	-	-	-
79	4,600,000	1,400,000	6,000,000	5,809,240	190,760	3	-
80	2,374,111	-	2,374,111	2,374,111	-	-	-
81							
82	80,000,000	(67,652,873)	12,347,127	12,347,127	-	0	c
83	28,992,000	(9,992,000)	19,000,000	18,605,542	394,458	2	-
	108,992,000	(77,644,873)	31,347,127	30,952,669	394,458		
	530,182,137	(75,304,072)	454,878,065	450,833,901	4,044,164		
Total							

Explanation of Budget Material Variance

a) Capitation Vote

As at June 30th June, 2022 The Polytechnic had received Capitation fees Kshs 145,312,500 from budgeted amount of Kshs 183,030,000 leading to unfavourable variance of 21%. This poses a financial risk since the government does not pay the entire amount of Kshs 30,000 per trainee per year.

b) Development Funds for Hospitality Complex (GoK)

The Polytechnic had estimated to receive Kshs 80,000,000 for the construction of Hospitality Complex by 30th June, 2022, but the Polytechnic did not receive any funds for the project. The Ministry of Education approved the Construction of the Project through A-IN-A as the Polytechnic awaits development funds from the Government.

a) Kirinyaga Technical and Vocational College

The Polytechnic received Kshs 28,993,685 in the year 2021/22 for mentoring Kirinyaga Technical and Vocational College. The Institution the percentage completion stand at 90% . The amount remaining to pay the contractor including retention is Kshs 12,300,000.

NOTES TO THE FINANCIAL STATEMENTS

GENERAL INFORMATION

Nyeri Polytechnic is established by and derives its authority and accountability from TVET Act 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to offer training services.

Statement of compliance and basis of preparation – IPSAS 1

The financial statements have been prepared in accordance with the international public sector accounting standards IPSAS accrual. That allows the use of estimates and assumptions. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Polytechnic. The cash flow statement is prepared using the indirect method. The financial statements are prepared on accrual basis.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – IPSAS 3

a) Revenue recognition

i) Revenue from non-exchange transactions – IPSAS 23

Fees

The Polytechnic recognizes revenues from fees when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

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

ii) Revenue from exchange transactions – IPSAS 9

Rendering of services

The Polytechnic recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by student performance.

Sale of goods/Services

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

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 – IPSAS 24

The original budget for FY 2021-2022 was approved by the Polytechnic Council on 27/01/2021. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities.

c) Property, plant and equipment – IPSAS 17

Property plant and equipment are stated at cost less any depreciation and impairment losses cost. Cost includes expenditures that are directly attributable to the acquisition of the items. Polytechnic land is free hold and is not subject to amortisation. Depreciation on other property is charged on the cost/ valuation of Assets. Depreciation is not charged in the first year of acquisition of Assets. The following are applicable rates.

	Land	Building	Motor Vehicles	Computer accessories	Plant and machinery	Tractor	Furniture and fittings
Rates	Nil	2%	25%	30%	12.5%	37.5%	12.5%

d) 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. Software is amortised on a straight-line basis over the expected /estimated useful life. The Polytechnic amortise the intangible assets at a rate of 20% per year.

e) Inventories- IPSAS 12

Inventories are Stated at lower of cost and net realisable value. Costs include direct materials and where applicable direct labour and those overheads that have been incurred in bring the inventories to their present location and condition. Cost of issuing the stock is calculated using 'First in First Out' (FIFO) method. Net realisable value represents the estimated selling price less estimated cost of disposal.

h) Biological Assets

Biological assets are measured at the valued amount in the statement of financial position (IPSAS 27). A gain or loss arising from valuation of a biological asset at fair value less cost to sell shall be included in surplus or deficit for the period at which it arises. Biological assets for the Polytechnic are in this case Cows.

f) 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.

g) 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.

h) Provisions for depreciation

The Polytechnic has provided for the depreciation on a reducing balance on the property plant and equipment and the depreciation charge reported in the statement of financial performance

i) Changes in accounting policies and estimates – IPSAS 3

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

j) Employee benefits – IPSAS 25

Retirement benefit Obligation

The Polytechnic Contributes to the statutory National social security fund.(NSSF) this is a defined contribution scheme registered under NSSF Act. The Polytechnic obligation under this scheme are limited to a maximum of Ksh 200 per employee per month, While the employer

contributes Ksh 200 per month. The Polytechnic remits this deduction to National Social security fund and recognise them to the income statement for the period to which they relate.

k) Related parties – IPSAS 20

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

l) Cash and cash equivalents

Cash and cash equivalents are defined as cash balances, bank balances and shortterm investments (Fixed deposits). For the purposes of these financial statements, cash and cash equivalents include cash and bank balances, Imprests and advances to authorised public officers which were not surrendered or accounted for at the end of the financial year.

m) Budget information – IPSAS 24

The original budget for FY 2021-2022 was approved by the Council on 27/01/2021

The Polytechnic Budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. 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 any variance more than 10% is explained.

n) Comparative figures

Audited Comparative figures for the previous financial year 2020/2021 have been indicated to conform to with the IPSAS 1 requirements on presentation of financial statements.

o) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements as 30th June, 2022.

p) Work in Progress

Work in progress represents buildings under construction. It is carried at cost. Depreciation of these assets commence when the assets are ready for their intended use on the same rate as other buildings.

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NOTES TO FINANCIAL STATEMENTS		2021/22	2020/21
		Kshs	Kshs
1. Transfer from the Government			
Unconditional Grants			
Capitation Fees		145,312,500	145,515,000
Conditional grants			
Mentorship Grants for Kirinyaga TVC		28,993,685	22,000,000
Ndaragwa TVC Mentorship funds		-	1,000,000
Mathira TVC Mentorship funds		-	1,515,000
Total grants		174,306,185	170,030,000
		Amount recognized to Statement of Comprehensive Income	Amount recognized to Statement of Comprehensive Income
Ministry of Education state department of Technical and vocational Training		174,306,185	170,030,000
2) Rendering of Services – Trainees fees			
1	Tuition fees	75,902,008	27,951,918
2	Examination Fees	55,200,000	25,172,754
3	Examination Practical	10,480,000	4,196,999
4	Electricity Water and Conservancy	12,467,218	6,124,071
5	Local Transport and Travel Fees	10,279,600	4,017,943
6	Activity Fees	10,052,404	5,495,604
7	Administration Fees	9,236,635	5,544,947
8	Application Fees	1,855,000	1,373,215
9	Development Fees	-	21,010
10	Generator Fees	-	1,025
11	Hostel Fees	3,203,748	2,448,316

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		2021/22	2020/21
12	Medical Fees	3,324,666	682,429
13	Personal Emoluments	15,900,380	5,020,350
14	Repairs and Maintenance Fees	6,185,300	2,099,521
15	Student Welfare Fees	2,978,501	1,179,341
16	Students ID Fees	2,411,000	1,078,110
17	Registration Fees	2,773,060	1,026,070
18	Attachment Feesb	9,475,000	3,105,143
19	Library Fees	1,869,532	809,835
20	Helb Loans/Bursaries	47,158,566	35,962,035
21	Bursaries from CDF	29,937,248	20,150,000
22	NYS Students Fees	30,815,100	1,642,500
23	Insurance Fees	3,853,710	964,123
24	Material Fees	3,225,454	1,407,650
25	Research and Innovations – SITVES	322,582	1,970,639
26	Short courses incomes/part-time tuition	12,794,068	3,805,913
27	Advance receipts	-	362,000
	Total	361,700,780	163,613,461
	3) Sale of Goods and Services		
1	Hire of Facilities	559,290	2,816,311
2	Pay as You Eat Income	4,527,379	1,978,695
3	Food and Beverage Sales	719,791	166,123
4	Disposal of Idle Assets	22,000	148,620
5	Farm Produce	1,001,505	1,011,993
6	Detergents	0	1,250,000
7	Sanitizers	4,950	26,820
	Total	6,834,915	7,398,562
	4) Rent from staff houses and business centers	868,685	648,685
	5) Other Incomes		
1	Graduation fees	1,000,500	-
2	Caution Fees	2,679,265	1,947,110
3	Photocopies	13,384	8,072
4	Other Fees	-	8,335
	Total	3,693,149	1,963,517

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		2021/22	2020/21
	Expenses		
	6) Use of goods and services		
1	Tuition Equipment & stores (TES)	34,342,965	30,799,988
2	Water and electricity	10,698,408	8,514,204
3	Subscriptions-KATTI, CAPA, FKE	393,920	329,400
4	Activity Expenses	5,612,609	2,179,803
5	Administration cost	10,569,740	10,885,871
6	Application fee expense	2,157,500	1,948,620
7	Attachment Expense	1,699,737	2,416,210
8	Caution money refunds	588,000	262,000
9	Examination expenses	59,374,502	45,291,102
10	Farm expense	476,214	491,250
11	Vehicles Insurance	1,680,285	750,240
	Vehicle and generator fuel	1,388,361	
12	HELB Refunds	981,158	181,460
13	Hostel expenses	844,764	813,039
14	Insurance Expenses	2,846,576	1,309,212
15	Library Expense	756,830	372,375
16	Local Travelling & Transport (LT & T)	5,192,841	4,964,876
17	Medical Expenses	601,658	1,679,340
18	NYS Students accommodation expense	1,794,240	2,234,863
19	Pay as you eat expense	16,951,813	15,743,677
20	Refunds	2,062,444	700,505
21	Student Welfare Expenses	1,271,827	130,000
22	Rent expense	108,900	101,200
24	Registration expenses	421,500	206,520
25	Research and development	1,732,121	530,931
26	Short courses	7,770,000	5,914,397
27	Performance contracting	1,417,312	727,100
28	Stipends- GIZ Trainees	2,490,000	-
29	Income Tax With-holding@3%	1,702,360	2,451,542
30	VAT withholding tax 2%	1,506,076	2,007,383
31	KEFEP activities	66,000	61,533
32	Advertisement and Publicity	2,007,822	1,614,001
33	Research and Innovation – SITVES	1,186,220	969,619
34	ICT Support Hardware and Software	9,936,084	7,060,947
35	Internet Services	5,560,412	4,627,608
36	Road Marking Paints – Main drive way	836,122	730,720
37	Salary advance	458,652	362,000
38	Telephone Bills and Airtime	2,784,000	838,500

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		2021/22	2020/21
39	CCTV Cameras Installation	362,380	2,416,873
40	Newspapers	178,920	138,360
41	Work shop, team building and seminars	2,094,283	-
42	Strategic Planning Expenses	1,872,800	-
43	Graduation Expenses	5,920,311	-
44	ISO Expenses	890,648	-
45	Student ID expense	670,000	-
46	CBET Curriculum	72,400	-
47	Projects Retention 10%	3,169,930	-
48	Applied Science Training workshop	17,695,699	-
49	Pedestrian Roadside Walkway	2,987,556	-
50	Ramp Connecting Administration Block A to D	1,572,265	-
51	Hairdressing and Beauty Therapy Workshop	1,278,609	-
52	Tile works at the Administration Block	531,288	-
53	Sanitary Services	158,760	
54	E-Learning	0	3,900,886
55	Installation of Cabro Pavings	0	6,081,558
56	Hostel Tilling Works	0	5,235,200
57	Covid -19 Expenses	0	9,725,148
58	Water Harvesting	0	1,942,121
59	Hire of facilities	0	7,198,886
60	Capitation fees expense	0	1,204,330
61	Tenders	0	12,000
62	Detergents	0	617,430
	Total	241,725,822	198,674,828

7) Employees costs			
	Salaries and wages	91,874,841	67,438,066
	Payment of service gratuity	375,750	1,921,166
	Total	92,250,591	69,359,232

8) Remuneration of Polytechnic Council			
	Polytechnic Governing Council allowance	7,692,144	5,841,903
	Chairman Honoraria	462,000	420,000
	Total	8,154,144	6,261,903

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		2021/22	2020/21
9) Depreciation Expense			
1	Buildings	14,204,077	14,234,576
2	Motor Vehicles	7,299,000	11,654,525
3	Furniture and Fittings	3,022,621	2,931,773
4	Computers and Accessories	8,300,505	12,820,752
5	Plant and Equipment	22,692,823	22,275,419
Total		55,519,026	63,917,045
10) Contracted Services			
	Provision of Security Services	5,809,240	4,441,740
11) Repairs and maintenance			
1	Compound Maintenance	4,946,249	4,950,980
2	Kitchen and dining hall	287,958	314,875
3	Computers and Hardwares	83,500	154,200
4	Buildings , facilities and Works	5,339,344	5,688,700
5	Furniture and fittings	1,192,110	979,749
6	Equipment and Machines	2,199,137	2,250,450
Total		14,048,298	14,338,954
	12) Ndaragwa Facilitation	2,374,111	7,735,584
	13) Development account- Hospitality Complex	12,347,127	5,692,730
	14) Kirinyaga Central TVC	18,605,542	18,897,424
15) Gain/Loss on Revaluation			
1	Motor Vehicles	14,304,000	(4,906,000)
2	Furniture and Fittings	(3,930,970)	-
3	Computers and Accessories	4,801,650	1,637,570
4	Plant and Machinery	(23,685,659)	-
Total		(8,510,979)	(3,268,430)
	16) Purchase of property, plant and equipment	39,609,074	73,070,586
17) Cash and Cash Equivalents			
1	Main Account KCB - A/C NO 1101922435	19,247,974	4,378,289
2	KCB fees collection - A/C NO 1101539208	3,008,654	4,885,439
3	Fund Account KCB - A/C NO 1101922656	3,946,740	1,204,843
4	Production unit - A/C NO 1178564029	11,383,266	1,058,627
5	Development account - A/C NO 1112948198	1,974,373	532,893
6	Equity Bank - A/C NO 0110291894787	268,333,127	228,090,520
7	Ndaragwa TVC - A/C NO 1178382435	-	53,549
8	National bank - A/C NO 01025043119400	354,746	731,696
9	Kirinyaga Central TVC - A/C NO 1261981324	12,300,877	2,350,201
10	Polytechnic SITVES - A/C NO 1276816251	5,083	1,177,012
11	cash in hand	5,400	44,264
Total Cash and Cash Equivalents		320,560,240	244,507,333

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	18) Receivables from Non-Exchange Transactions		
	Capitation Fees	47,992,500	34,575,00
	Receivables from exchange transactions		
	19) Sundry debtors from customers	2,691,582	6,922,032
	20) Inventories		
	Consumable stores (central stores)	3,113,001	3,525,000
	Medical supplies	100,240	120,000
	Offices	58,006	100,000
	Academic departments	900,000	1,250,000
	Total inventories at the lower of cost and net realizable value	4,171,247	4,995,000

	21) Student receivables		
	balance B/F 01/07/2021	35,221,528	10,654,528
	unpaid debtors:		
	Students debtors 2021-2022	15,678,000	18,569,000
	NYS Students fees balances	-	13,498,000
	Less recovered	21,026,693	7,500,000
	Student debtors C/F to 2022/2023 FY	29,872,835	35,221,528

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22) Property, Plant and Equipment Schedule.

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers and Accessories	Plant and Equipment	W.I.P	Total
Depreciation Rate	Nil	2%	25%	12.50%	30%	12.50%		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Cost/ Valuation	1,080,000,000	690,040,000	29,196,000	22,722,970	14,649,750	177,074,000	14,820,000	2,028,502,720
Additions in the year	-	47,005,359	5,300,000	1,412,567	14,298,025	3,554,635	1,500,000	73,070,586
Donated Assets/Equipment's valuation	-	-	-	-	-	48,111,803	-	48,111,803
Capitalization	-	14,820,000	-	-	-	-	(14,820,000)	-
Values as at 30-06-2021	1,080,000,000	751,865,359	34,496,000	24,135,537	28,947,775	228,740,438	1,500,000	2,149,685,109
Revaluation			29,590,000	-	30,585,345		-	60,175,345
Total Values	1,080,000,000	751,865,359	64,086,000	24,135,537	59,533,120	228,740,438	1,500,000	2,209,860,454
Accumulated Depreciation	-	27,325,584	23,896,500	5,680,742	6,226,144	45,027,406	-	108,156,376
Depreciation for the year 2020-2021	-	14,234,576	11,654,525	2,931,773	12,820,752	22,275,419	-	63,917,045
Total Accumulated Depreciation as at 30 th June, 2021	-	41,560,160	35,551,025	8,612,515	19,046,896	67,302,825	-	172,073,421
Net book value as at 30 th June, 2021	1,080,000,000	710,305,199	28,534,975	15,523,022	40,486,224	161,437,613	1,500,000	2,037,787,033
Cost/ Valuation	1,080,000,000	690,040,000	29,196,000	22,722,970	14,649,750	177,074,000	14,820,000	2,028,502,720
Additions in the year				1,458,000	13,018,600	4,468,580	20,663,894	39,609,074
Capitalization	-	20,163,874	-	-	-	-	(20,163,874)	-
Values as at 30 th June 2022	1,080,000,000	710,203,874	29,196,000	24,180,970	27,668,350	181,542,580	15,320,020	2,068,111,794
Revaluation	-	0	43,500,000	20,250,000	32,470,000	157,856,921	-	254,076,921
Total Values	1,080,000,000	710,203,874	72,696,000	44,430,970	60,138,350	339,399,501	15,320,020	2,322,188,715
Accumulated Depreciation	-	41,560,160	35,551,025	8,612,515	19,046,896	67,302,825	-	172,073,421
Depreciation for the year 2021-2022	-	14,204,077	7,299,000	3,022,621	8,300,505	22,692,823	-	55,519,026
Total Accumulated Depreciation as at 30 th June, 2022	-	55,764,238	42,850,025	11,635,136	27,347,401	89,995,647	-	227,592,447
Net book value as at 30 th June, 2022	1,080,000,000	654,439,637	29,845,975	32,795,834	32,790,949	249,403,854	15,320,020	2,094,596,268

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Disclosure

Polytechnic assets were revalued by **Sec and M. Co Ltd.** Work in Progress represents works at the Hospitality complex which was on-going as at 30-06-2022. Capitalization represents buildings which were completed during the year hence transferred to Assets. Additions represent the property plant and equipment that were purchased during the year under review.

	2021/2022	2020/2021
23) Biological Assets - cows		
Valuation as at 30/06/2022	650,000	750,000
24) Trade and other payables from exchange transactions		
Trade payables/creditors	2,440,570	3,600,000
25) Development account- Hospitality Complex		
balance B/F 01/07/2021	532,893	6,479,577
Receipts	14,479,450	-
Payments	13,031,505	5,946,684
Bank charges	6,465	
Balance C/F to 2021/2022 FY	1,974,373	532,893
26) Ndaragwa TVC Account		
The Account was closed in FY 2021/22	-	53,549
27) Kirinyaga Central TVC construction		
Balance B/F 01/07/2021	2,350,201	2,675
Receipts	28,993,685	22,000,000
Payments	19,035,684	19,645,149
Bank charges	7,325	7,325
Balance C/F to financial year 2022/2023	12,300,877	2,350,201
28) Caution funds	5,720,372	6,927,815
29) Prepaid fees	4,703,063	3,629,107
30) Retention Money	-	286,605
31) Examinations Fund	9,548,291	483,149

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	2021/2022	2020/2021
32 Cash Generated From Operations		
Surplus/Deficit for the year	96,569,813	
Adjustments :		
Depreciation	55,519,026	
Gain/loss on disposal	-	
Working Capital Adjustments:		
Decrease in Inventory	823,753	
Increase in Receivables	(3,838,357)	
Decrease in Payables	(1,159,430)	
Increase in Payments received in advance	1,073,956	
Net cash flow from operating activities	148,988,761	

33) Reserves		
Balance B/F	2,070,871,721	2,010,696,376
Revaluation Gain/Loss	(8,510,979)	60,175,345
Balance C/F to financial year 2021/2022	2,062,360,742	2,070,871,721

34) Accumulated Funds		
Balance B/F	197,309,721	246,243,366
Comprehensive Income Surplus/ Deficit for the year	96,542,317	(48,933,645)
Loss on biological Assets	(100,000)	
Accumulated Surplus/deficit	293,752,038	197,309,721

35) Capital Fund		
Balance B/F	78,713,165	30,601,362
Donated Capital/Capital grants	28,993,685	48,111,803
Balance C/F to financial year 2021/2022	107,706,850	78,713,165

Appendix 1- Projects Implemented by the Polytechnic as at 30th June, 2022

	Project Title	Donor	Period	Donor Commitment	Consolidated in Financial Statement	Sources of funds
1	Construction of Hospitality Complex Phase 1-B	GOK	18 weeks	Yes	Yes	GOK/ A-IN -A
2	Proposed construction of Kirinyaga Central TVC	GOK	52 weeks	Yes	Yes	GOK
3	Proposed Construction of a pedestrian roadside paved walkway.	Polytechnic	12 weeks	Yes	Yes	A-IN -A
4	Proposed Ramp connecting (tuition and Administration Block).	Polytechnic	6 weeks	Yes	Yes	A-IN -A
5	Mechanical works at the Dairy processing plant	Polytechnic	6 weeks	Yes	Yes	A-IN -A
6	Gypsum and Electrical Works at the dairy processing Plant	Polytechnic	6 weeks	Yes	Yes	A-IN -A
7	Proposed Solar Water heating at the Dairy processing Plant.	Polytechnic	8 weeks	Yes	Yes	A-IN -A
8	Proposed Tile works at the dairy Processing Plant	Polytechnic	6 weeks	Yes	Yes	A-IN -A
9	Proposed Phase III works at the applied science workshop	Polytechnic	12 weeks	Yes	Yes	A-IN -A
10	Proposed Finishes at the dairy processing Plant	Polytechnic	3 weeks	Yes	Yes	A-IN -A
11	Proposed Hairdressing and beauty Therapy Workshop	Polytechnic	8 weeks	Yes	Yes	A-IN -A

Appendix II- Status of Project completion as at 30th June, 2022

	Project Title	Total project cost	Total expended to date	% Completion	Budget	Actual Amounts	Sources of funds
1	Construction of Hospitality complex Phase 1-B	135,000,000	12,347,127	10%	80,000,000	12,347,127	GOK/ A-IN -A
2	Proposed Construction of Kirinyaga Central TVC	58,993,685	46,862,612	90%	58,993,685	18,605,542	GOK
3	Proposed Construction of pedestrian roadside paved walkway.	3,503,403	3,503,403	100%	3,503,403	3,503,403	A-IN -A
4	Proposed Ramp connecting (tuition block D to administration Block A).	1,572,265	1,572,265	100%	1,572,265	1,572,265	A-IN -A
5	Mechanical works at the Dairy processing plant	3,647,169	3,110,152	100%	3,647,169	3,110,152	A-IN -A
6	Gypsum and Electrical Works at the dairy processing Plant	3,797,144	3,797,144	100%	3,797,144	3,797,144	A-IN -A
7	Proposed Solar Water heating at the Dairy processing Plant.	3,295,270	3,295,270	100%	3,295,270	3,295,270	A-IN -A
8	Proposed Tile works at the dairy Processing Plant	4,983,824	4,983,824	100%	4,983,824	4,983,824	A-IN -A
9	Proposed Phase III works at the applied science workshop	2,201,714	2,201,714	100%	2,201,714	2,201,714	A-IN -A
10	Proposed Finishes at the dairy processing Plant	2,698,044	2,698,044	100%	2,698,044	2,698,044	A-IN -A
11	Proposed Hairdressing and beauty Therapy Workshop	1,499,381	1,349,443	100%	1,499,381	1,349,443	A-IN -A

APPENDIX III: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal person to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external Audit report	Issues/ Observation from the auditor	Management Comments	Focal Person to resolve the issue (name and designation)	Status resolved /Not resolved	Time Frame
1	Note 17 of the financial statements reflects cash and cash equivalents balance of Kshs.244,507,333 as at 30 June 2021. Review of bank reconciliation statement for Production Unit account for the month of June 2021 revealed that this balance excludes long outstanding reconciling items in respect to receipts in bank statements not recorded in the cash book amounting to Kshs.3, 072,401. However, the Management did not explain the nature of these receipts and why the same had not been posted to the cash book as at 30 June 2021.	Reconciliation was done and presented for audit review and the issue was resolved.	James Mungai Kamau Chief Finance Officer	Resolved	1 year
2	Rendering of Services – students fees. The amount of Kshs 153,321,477 presented for Audit was the Actual fees collected from the students instead of the revenue earned or billed contrary to the requirements of paragraph 9 of the IPSAS on revenue recognition.	In the financial year 2020/2021 The Polytechnic procured ERP system reporting on accrual basis but there was a challenge in generating revenues billed. The issue has now been resolved in the financial year 2021/2022	Anne N. Mwangi - Chief Principal James Mungai Kamau - Chief Finance Officer	Resolved	1 year

APPENDIX IV: DISASTER EXPENDITURE REPORTING

Financial Year - 2021/2022

Name of Institution : The Nyeri National Polytechnic

Name of reporting officer: Job Muthui

Designation of reporting officer : Guidance and Counselling Coordinator

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme.	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments
Health care	Diseases surveillance.	Natural Pandemics e.g. Covid-19	Provision of healthcare and awareness to both staff and students.	Medical	200,000	Good progress
	Employee Assistance Program (EAPs) (For persons with alcohol and Drugs related problems)	Natural/Man made	Provision of sensitization and awareness forums on Alcohol and Drug abuse for both trainees and staff	Medical	200,000	On-going
			Training of ADA committee members to equip them with skills to handle staff and trainees with alcohol and drugs related issues.	Capacity Building	200,000	On-going
			Provision of health care and referral services to both staff and trainees with alcohol and drug related problems	Medical	100,000	On-going
	Provision for PPE's to staff	Natural Pandemics	Provision of personal protective equipment's e.g gloves, masks, goggle and safety boots.	Tuition related	300,000	On-going
Environmental	Environmental degradation.	Climatological	Training of staff on effects of Environmental degradation	Activity	150,000	On-going
Safety	Provision of Emergency First Aid items	Geophysical/Fires.	Provision and servicing of fire extinguishers and training staff and trainees on how to use them.	Medical	500,000	On-going
Policies	Policy formation. eg	Natural/Man made.	Developing of policies eg a Occupational health & safety	Administration	50,000	On-going
	Stress management.	Natural/Man made.	Provision of training to guidance and counselling office to equip them to provide the necessary support to staff and trainees.	Capacity Building	200,000	On-going

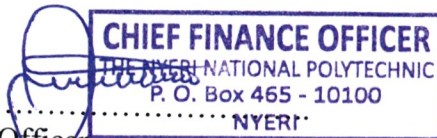
APPENDIX V: REPORTING OF CLIMATE RELEVANT EXPENDITURES

	Project Name	Project Description	Project Objectives	Project Activities	Reporting Quarters				Source of Funds	Implementation Partners
					Q1	Q2	Q3	Q4		
1	Tree Nursery project	A seed bed containing 2500 ornamental seedlings	To give proper landscaping and beautification at the Polytechnic	Relocation of seed beds and tree nursery from triangle garden to the swampy area at the Polytechnic					A-IN-A	NNP Environmental club
2	Tree planting	Planting 2000 eucalyptus trees at Githwariga primary school	To assist the surrounding community to improve the environmental conservation	Using seedlings from NNP tree nursery to donate to the neighbouring Schools.					A-IN-A	NNP Environmental club Staff from Githwariga Primary school
3	Trainees benches	Fixing benches	To create a conducive environment for Trainees.	Landscaping and fixing of benches					A-IN-A	NNP
4	Solar Heating	Solar Heating	To reduce energy cost.	Installation of solar heating at the applied science workshop and the hostels					A-IN-A	NNP

APPENDIX VI : INTER-ENTITY TRANSFERS				
Break down of Transfers from the State Department for Vocational and Technical Training				
	FY 2021/2022			
		Bank statement date	Amount (Ksh)	FY to which the amount relates
A	Capitation Fees			
		18/11/2021	48,660,000	2021/2022
		03/03/2022	48,660,000	2021/2022
		04/06/2022	47,992,500	2021/2022
		Total	145,312,500	
B	Kirinyaga Technical and Vocational College			
		29/09/2021	4,268,180	2021/2022
		17/03/2022	24,725,505	2021/2022
		Total	28,993,685	

The above amounts have been communicated to and reconciled with the Ministry of Education State Department for Vocational and Technical Training.

Signature
Chief Finance Officer
The Nyeri National Polytechnic



Date... 28-09-2022

Signature
Head of Accounting Unit
Ministry Education State
Department for Vocational and
Technical Training.



Date... 28/09/2022

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