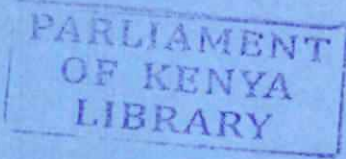


REPUBLIC OF KENYA



Enhancing Accountability

REPORT



OF

THE AUDITOR-GENERAL

ON

**THE SHAMBERERE NATIONAL
POLYTECHNIC**

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

NATIONAL ASSEMBLY PAPERS LAID	
DATE:	06 MAR 2025 DAY Thursday
TABLED BY:	Hon. Naomi Wazir MP Deputy Majority Party Whip
CLERK AT THE TABLE:	Ashibuko



THE SHAMBERERE NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30TH JUNE 2024

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

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

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

COUNCIL	The council of the Shamberere National polytechnic.
ICPAK	Institute of Certified Public Accountants of Kenya.
IPSAS	International Public Sector Accounting Standards.
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute.
ICT	Information and communications Technology.
MOE	Ministry of Education.
TVET	Technical and Vocational Education and Training.
IGA	Income Generating Activities.
P.U	Production Units.
HOD	Head of Department.
CDF	Constituency Development Fund.
MOA	Memorandum of understanding
JOY	Job opportunities for the Youth.
IFAD	International Fund for Agricultural Development .

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B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Information and Management

(a) Background information

The Shamberere National Polytechnic was established under the TVET Act 2013 and is domiciled in Kenya. The Polytechnic is under the Ministry of Education.

The Shamberere National Polytechnic (TSNP) was started in 1982 by Shamberere community as a rural education programme catering for basic craft courses for the local youth. In 1985, it was elevated to a village Youth Polytechnic under the Ministry of Youth Affairs, offering basic craft courses to Std 8 graduates. In 1996 it was awarded a Trade Test Centre to cater for boarders and day scholars. In April 2009, the village polytechnic was upgraded to a Technical Training Polytechnic offering diploma, certificate and artisan courses in Engineering, Agriculture, ICT, Institutional Management and Business. Currently, the Polytechnic offers 18 diploma, 17 certificate and 12 artisan courses across 5 academic departments: ICT, Engineering, Business, Agriculture and Institutional Management. The Polytechnic has 112 trainers, PSC 69, council employed 37 trainers, 6 interns and 30 Non-teaching staff. Student population has steadily grown from 342 in 2015 to 5099 to date. This growth has come with challenges that the Council has consistently addressed

Transition to National Polytechnic

On 18th January 2024, the Institute received notice under legal notice No. 10, up grading Shamberere Technical Training Institute to **The Shamberere National Polytechnic**.

Principal Activities

The principle activity of The Shamberere National Polytechnic is to provide training to artisans, craftswomen and men, technicians, businesswomen and men at artisan, craft and diploma certificate levels.

The mandate of Shamberere NP is as under;

- Implement the prescribed curriculum for technical training at artisan, technician and technologist level.
- Promote, coordinate and popularize research at the institute
- Spearhead the application of research results in technological programmes at the institute
- Monitor and evaluate technical education programmes at the institute
- Promote standards and quality assurance at the ministry
- Implement the MOE policy on TVET

MISSION:

The mission of the Polytechnic is to provide quality human resource through Technical, Vocational, Education and Training (TVET).

VISION:

The vision of Shamberere National polytechnic is to be a centre of excellence in Engineering Technology, Innovation and Action Research in Africa.

MOTTO

Technical and Professional Excellence

CORE VALUES:

- To undertake its mission and realize its vision, Shamberere NP upholds the following values:-
- Excellence - The Polytechnic shall ensure quality teaching, research and provision of excellence in teaching, research and provision of service to the public.
- Equity- The Polytechnic shall ensure fair treatment of staff, students and all other stakeholders without bias.
- Integrity – The Polytechnic staff shall have common decorum reflected in their personal appearances, interactions and conducts.
- Team work - The Polytechnic is committed to teamwork environment where every person is a valued member treated with respect, encouraged to contribute and recognized and rewarded for his or her efforts.
- Innovation – The Polytechnic shall provide opportunities for the creation of new ideas and products for teaching, learning and well-being of the society

OBJECTIVES:

- i) To provide increased training opportunities for school leavers that will enable them to be self-supporting.
- ii) To develop practical skills and attitudes that will lead to income earning activities in the rural and urban areas
- iii) To provide technical knowledge, vocational skills and attitudes necessary for manpower development
- iv) To produce skilled artisans, craftsmen, technicians and technologists for both formal and informal sectors of the economy.

The Shamberere National Polytechnic
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The Shamberere National Polytechnic is committed to providing quality human resource that meet its customer's expectations through technology, innovation and action research in Africa.

(b) Key Management

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

- The council/ Council/ Management etc.
- Accounting officer/ Principal
- Senior Management team

(c) Fiduciary Management

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

SN.	Designation	Name
<u>1.</u>	<u>Principal</u>	Mr. Elisha Nyamu
<u>2.</u>	<u>Deputy principal Admnistration</u>	Mrs. Dorice Burudi
<u>3</u>	<u>Deputy principal Academics</u>	Mr. Patrick Chinyingi
<u>4</u>	<u>Registrar</u>	Mr. Ezra Orina
<u>5</u>	<u>Dean of students</u>	Mr. James Asuka
<u>6</u>	<u>Head of Finance</u>	CPA Josiah Egadwa

Key TSNP Information and Management (Continued)

(d) Fiduciary Oversight Arrangements

1. Finance and infrastructure and human resource committee
2. Education, Research, Training and Innovation committee
4. Risk and Audit Committee
5. Kenya Revenue Authority
6. Office of the Auditor General
7. National Social Security Fund
8. National Hospital Insurance Fund

Key TSNP Information and Management (Continued)

(e) TSNP Headquarters

The Shamberere National Polytechnic
P.O. Box 1316-50100
Kakamega, KENYA

(f) TSNP Contacts

OFF KAKAMEGA WEBUYE ROAD
Telephone: (254) 739922223
E-mail:shambereretti@yahoo.com
Website: www.shambereretechnical.ac.ke

(g) TSNP Bankers

1. Kenya Commercial Bank
Kakamega Branch
P.O. Box 152-50100
Kakamega, Kenya
2. Co-operative Bank of Kenya
Kakamega Branch
P.O Box 595-50100
Kakamega, Kenya
3. National Bank of Kenya
Kakamega Branch
P.O BOX 1773-50100
Kakamega Kenya

4. Diamond Trust Bank
Kakamega Branch
P.O BOX 27556-00506
Nairobi, Kenya

5. Equity Bank
Kakamega Branch
P.O BOX 75104-00200
Nairobi, Kenya

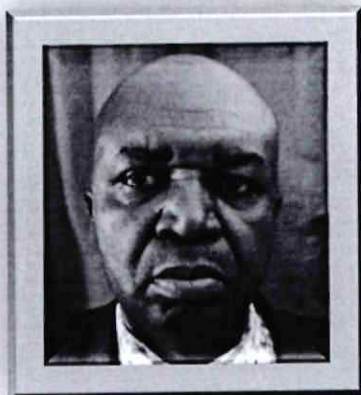
(h) Independent Auditors

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

(i) Principal Legal Adviser

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

3.The The council



Name: Eng. Musa Osieko Kulubi

D.O.B :20/10/1965

Key Qualifications: Bachelor of Technology (Production Engineering) – Moi University

Work Experience: Eng. Musa Osieko Kulubi works as Transport Manager/Senior Mechanical Engineer

Worked at National Water Conservation and Pipeline Corporation the year 2003 – to date

Eng. Musa Osieko Kulubi is the Chairman of the The council.



Name: Boaz Harrison Kavinguha

D.O.B: 20/03/1952

KEY QUALIFICATIONS

2019-2022: North Western Christian University
Doctor of Philosophy (PHD) in leadership Administration and Management.

2016-2018: North Western Christian University
Master’s Degree in conflict and Resolution

2013- 2015: North Western Christian University
Bachelor’s Degree in Counselling Psychology

1977: EAACE (A-Level)
Attained IP and 2S

WORK EXPERIENCE

Year	Institution	Position
2022 to date:	B.O.M Chair Tande Secondary School	
2016-2022:	B.O.M Chair Mang’uliro Secondary School	
2012-2015	B.O.M member Tumbeni Secondary School	
2009 – 2015	B.O.G Member Kimang’eti Mixed secondary school	
2000-2007	Head teacher lugusi Primary School	



Name: Jane Pauline Mito

D.O.B: 19/07 /1991.

Key Qualifications:

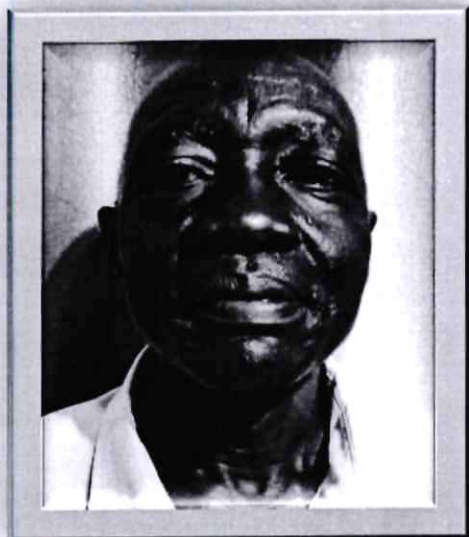
Degree (Bachelor of Engineering in Civil and Structural Engineering)

WORK EXPERIENCE:

2023 to date: self-employed. Running a landscaping business.

2022: Project manager/property manager- Mumbu Holdings Ltd

2019 - 2020 Assistant engineer - KeNHA Corridor C
 Previously Deputy engineer - KeNHA North Rift Region



Name: : Mwalati Masayi Justinian

D.O.B: 9/03/ 1961

KEY QUALIFICATIONS

1983 – 1986: Kenyatta University: B.E.D science (upperSec class Hons)

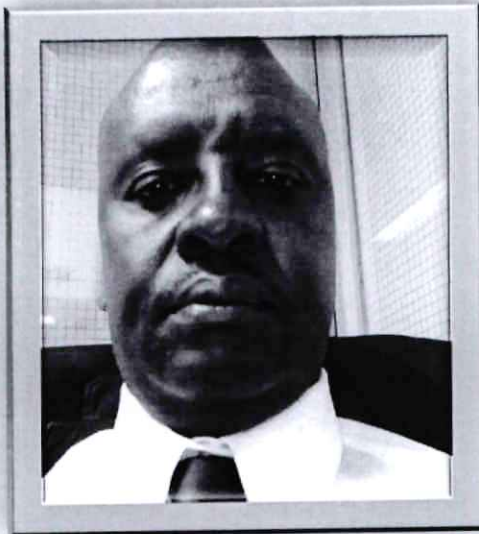
WORK EXPERIENCE

To Date: Education Secretary Malava

Yearly Meeting of Friends

(Quakers)Farmer / Businessman

Year	Position	Institution
2016 –2021	Chief Principal	Kimang’eti Boys
1999 – 2016	Principal	Shamberere Sec school
1998– 1999	Principal	Arnsens High School
1994- 1998	Principal	Samburu Sec. Shool
1994 –1994	Principal	Kapenguria Boys sch.



Name: Thaddeus Orare Oanya

D.O.B: 29th April 1966

Key Qualifications:

Moi University- Master of Business Administration
Kenya Technical Trainers college- PGD in Technical Education

Egerton university- B.Sc in Agricultural Engineering

Friends' school kamusinga KACE

Nyamagwa secondary school KCE

Work Experience

- Deputy Director - Vocational and Technical Education (**Aug. 2019 – To-date**)
- Senior Assistant Director - Technical Education (**Aug. 2018 – July 2019**)

Assistant Director - Technical Education (**May. 2018 – July 2018**)

Teachers Service Commission -Kenya Technical Trainers College (KTTC)

Positions:

- Senior lecturer in Agricultural Engineering (**Dec. 2003 – Sept. 2009**)
- Lecturer in Agricultural Engineering (**July 1999 – Nov. 2003**)
- Assistant lecturer in Agricultural Engineering (**May 1994 – June 1999**)



Name: Mildred Akinyi Wandema

An Advocate of the High Court of Kenya,
Commissioner of oaths and Notary Public Officer and
Certified Professional Mediator and a member of Law
Society of Kenya.

D.O.B : 26/06/1979

ACADEMIC QUALIFICATIONS:

Post Graduate Diploma - Law Development Centre
Kampala

Bachelor of Laws- Makerere University

Certified Professional Mediator- Mediation Training
Polytechnic International

WORK EXPERIENCE:

2022 to date: County Solicitor

2019-2021: Senior Legal Officer

2015-2019: Associate Advocate at M Kiveu

2014: 2015: Associate Advocate at Osundwa and
Company Advocate



Name: Raphael Shiundu

D.O.B: 11/03 1972

KEY QUALIFICATIONS:

1995 – 2000

On-going **Moi University**

Msc. Agricultural
Economics and Resource
Management

Egerton University

Bachelor of Agribusiness
Management

WORK EXPERIENCE:

Jan 2018 – To date: **KALRO - Sugar Research Institute**

Research Scientist 1
Economics

2014 – To date:

**Member of Monitoring
and Evaluation SRI Unit**
Coordinating all monitoring
and evaluation activities
within the Institute

2006 – To date:

Facilitator
Kenya Society of Sugarcane
Technologists (KSSCT)

2004 – Dec 2017:

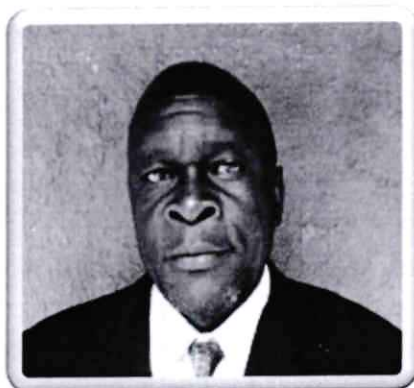
Foundation

Kenya Sugar Research

Assistant Research Scientist
Economics.

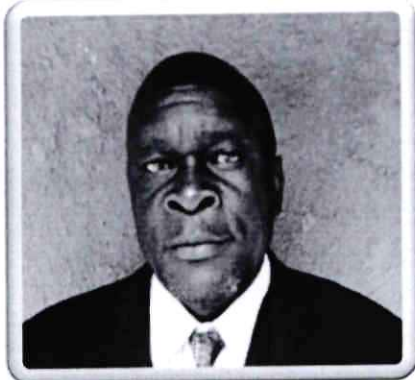



Name : John Miso
 D.O.B : 04. 08. 1954
 Key Qualifications: Bachelor of commerce University of Nairobi.
 CPA Part 11.
 Work Experience: 1981- 1986: GOK – Office of the President, Ministry of Environment and Natural Resources and The treasury.
 Position: Accountant 1 & 11.
 1986-2010: Kenya Tea Packers Limited
 Positions: Accountant I, Management Accountant, Assistant Chief Accountant, Senior Financial Accountant, Ag. Head of Finance.



Name: Elisha Nyamu
D.O.B: 22/01/1969
Key Qualification: BED Information Science and Technology, Higher National Diploma Human Resource Management, Diploma Information Studies
Work Experience: Worked as head teacher Friends Secondary School Lwanda Bungoma from 1989 to 1994. Teacher Bukulunya Secondary School from 1996 to 1998. Teacher Museno Primary School from 1998 to 2005. HOD Games and sports Siaya Polytechnic of Technology from 2005 to 2019. P.C Coordinator Siaya Polytechnic of Technology from 2008 to 2019. D/Principal (Academics) The Shamberere NP from June 2019 to January 2022. Principal Bungoma North TVC from January 2022 to June 2023. June 2023 to date-Principal Shamberere NP

4. Key Management Team

	<p>Name: Elisha Nyamu D.O.B: 22/01/1969 Key Qualification: BED Information Science and Technology, Higher National Diploma Human Resource Management, Diploma Information Studies Work Experience: Worked as head teacher Friends Secondary School Lwanda Bungoma from 1989 to 1994. Teacher Bukulunya Secondary School from 1996 to 1998. Teacher Museno Primary School from 1998 to 2005. HOD Games and sports Siaya Polytechnic of Technology from 2005 to 2019. P.C Coordinator Siaya Polytechnic of Technology from 2008 to 2019. D/Principal (Academics) The Shamberere NP from June 2019 to January 2022. Principal Bunguma North TVC from January 2022 to June 2023. June 2023 to date-Principal Shamberere NP.</p>
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	<p>Name: Patrick W. Chinyingi D.O.B: 26th December 1979 Key Qualification: Master of science in Applied mathematics- MMUST, Bachelor of Education Science Moi University. Work Experience: 2006-2013 Worked as a teacher Moi Girls high school Nangili. 2013-2019 Kisiwa TTI H.O.D, ICT Research and Development Co ordinator. 2019-2022 Deputy Principal Bungoma North TVC. 2022 to date- Deputy Principal Academics Shamberere NP.</p>
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NAME: DORIS NANJALA WAMALWA
D.O.B: 23rd June 1971

ACADEMIC QUALIFICATIONS;
Master of Art (Project Planning and Management) – University of Nairobi
Bachelor of Education (Home Economics Double) – Kenyatta University
Certificate in Kenya Sign Language (KSL) – Kenya Polytechnic of Special Education

WORK EXPERIENCE

Worked as a high school teacher in various secondary schools as shown;
Chemamul Secondary School in Kericho County where I taught Home science and Life skills from September 1995 to May 1999.

St Anthony Kakoyi Secondary in Kakamega County where I taught Biology from May 1999 to January 2000.

Malava Girls High School in Kakamega County where I taught Home science from February 2000 to January 2001.

St Theresa Eregi Girls High school in Kakamega County where I taught Home Science and Biology. I also served as Acting HOD Guiding and Counselling from February 2001 to March 2008.

Machakos Teachers training college where I taught home science. I was deployed by the TSC to serve as HOD in the Integrated Science department July 2008 to March 2017.

Shamberere National Polytechnic where I taught food and beverage then served as Acting HOD Institutional Management, I then served as Acting Guiding and counselling coordinator and then deployed by PSC as Deputy Principal Administration from September 2023 to date.

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



Name: Asuka Francis James

D.O.B: 03/01/1979

Key Qualification: Bachelor of Science in Animal Production – Egerton University, Post Graduate Diploma in Education (PGDE) – Mount Kenya University.

Work Experience: Worked as a principal at Shunem Girls High School Lanet Nakuru from 2006 to 2012, Registrar at Nakuru College of Health Sciences and Management from 2013 to April 2015. Worked as a principal at Shunem Girls High School Lanet Nakuru from May 2015 to August 2019. Technical and Vocational Trainer at The Shamberere National Polytechnic from September 2019 to date. Currently, the acting Dean of Students The Shamberere National Polytechnic.



NAME : EZRA ORINA

DOB : 18th August 1980

Academic Qualifications: Bachelor of education- University of Eldoret

Diploma in technical education-Kenya Technical teachers College

Diploma in Mechanical Engineering(mechanical)- Railways

Training Institute

Other Qualifications : Senior Management Course (SMC)-Kenya School of Government

Work experience: Worked as a maintenance Technician at Twiga Stationers and Printers-Nairobi,

Technical instructor at National Youth Service

Technical college-Mombasa, Examinations officer-The Shamberere National Polytechnic

Internal Quality Assurance Officer- Shamberere technical

training institute, Registrar- The Shamberere National Polytechnic



Name: CPA Josiah A. Egadwa

D.O.B : 01/ 01/1973 **Qualification:** Master of Business Administration (Finance Option)- University of Nairobi, Bachelor of Commerce (Accounting Option)- The Catholic University of Eastern Africa, CPA (K)- Certified Public Accountant of Kenya.

Work Experience: Worked as an Accounts Clerk Chavavo Secondary School 2002 to 2009, Bursar Esalwa Sec school 2009 to 2015. Finance And Administrative officer at Eregi Teachers Training college from 2015- 2021, Finance officer- The Shamberere National Polytechnic 2021 to date.

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

Chairman's Statement

On behalf of the The council of The Shamberere National Polytechnic, I wish to present the Annual Report for the **FY 2023/2024**. I am glad to report the upgrade of our Institute to the status of National Polytechnic vide Government legal notice No, 10 dated 18th January 2024. I wish to appreciate the Government Of Kenya for this recognition and commit ourselves to fulfil our objectives that go along with our new status. The council has with support of the Ministry of Education put in place the necessary infrastructure as outlined in our strategic plan 2019-2024 to meet the expectations of the Ministry of Education and in line with achieving vision 2030 of training individuals with the necessary skills to meet the demands of the labour market through forging partnerships with the private and public sectors. Due to the dwindling support of the government in terms of disbursing capitation to our Polytechnic and low payment of fees by our trainees, the planned implementation of our budgets and strategic plans have suffered a major setback, this therefore calls for concerted efforts to source for funds else where by improving our income generating activities popularly known as production units (P.U.s) and other sources.

The current strategic plan expires this year 2024 and it's the Councils wish and aspirations that the projects set out for completion will in deed be completed. During the current life of our strategic plan (2019-2024) we have implemented the following projects; Construction of phase 1 of the Tuition block, construction of eight classrooms, construction of a hostel, construction of an ablution block, Installation of solar lighting in the administration block, and study room, Expansion of WI-FI Coverage, acquisition and expansion of the Polytechnic land, establishment of a driving school, equipment of the secretarial room, equipment of the relevant staff as per the requirements of Ministry Of Education guidelines and the development of sports grounds.

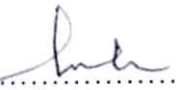
Challenges

The growth in enrolment has spurred the need for us to be more innovative thus creation and introduction of relevant and current courses at all levels. However, this growth comes with challenges which require redress. With the current technological development and the need for online teaching, and blended learning, the Polytechnic requires an upgrade on the current information Technology laboratory to an advanced and modern Technological centre and library. With the increase in enrolment, we need to complete phase two and three of the Tuition block to provide additional space for learning our automotive workshop was completed in 2019, but lacks equipment, our dreams will not be realised with out the support of the Ministry.

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In adequate training staff poses a challenge on our academic performance. The Polytechnic has only 66 PSC Tutors against a trainee population of 5099, this has forced the council to hire 47 more trainers on council terms yet we still have a deficit of 14 trainers. Our personal emoluments budget is therefore so much constrained.

The Polytechnic has in the recent past acquired more land from her neighbours for expansion. However, there are still patches of land not acquired due to over pricing by the land owners. The land owners access their homes through our main gate which poses insecurity to the trainees and the Polytechnic property. It is not also possible to erect a perimeter wall along the fence. I would like to appreciate the Council members, the Management, staff, students and stakeholders for their commitment throughout the financial year. Thank you for your continued support.

Sign 

Eng. Musa Osieko Kulubi

Chairman, Council

The Shamberere National Polytechnic.

5. Report of the Principal

Dear Stakeholders

It gives me great pleasure to present the annual report for the financial year **2023/2024**. I wish to report that this has been another very successful year for us. During this year, Our institute was elevated by the Government of Kenya to The National Polytechnic status under legal notice No. 10 dated 18th January 2024. I wish to appreciate the Government for this award and thank all the stakeholders for their contribution towards this rare achievement. The ball is now in our court to live to the expectations of a well performing National Polytechnic.

Through the years, The Shamberere NP has grown in enrolment and in the number of technical and business courses offered to trainees drawn across the country, from our last graduation with 530 trainees in 2017 to the current enrolment of over 5000 trainees exposed to skills in engineering, Agriculture, Information communications Technology. Business studies and Institutional management. This exponential growth is attributed to expanded partnerships and collaborations we are forging with our partners in matters Technical education, training and environmental management. We remain committed partners in various projects through science, technology, research and innovation. Currently we are partnering with International Fund for Agricultural Development (IFAD) through PROCASUR, ILO and USTADI Foundation to kick start the jobs open for the youth (JOY) project in Agribusiness training for the youth. To ensure sustainability and continuity of the JOY project, TSNP is in the process of establishing an agribusiness and Technological centre (SAtec) to coordinate the JOY project activities at TSNP. The Polytechnic is also partnering with among others; The KCB foundation in youth and empowerment programs (2jiajiri); The Equity bank in environmental management, with the most recent being a tree planting day at the Polytechnic where over 5000 trees were planted; The Michigan University through USAID in a youth training and empowerment program; The Kitale National Polytechnic in implementing the presidential directive of establishing a driving school; The Ministry of environment and forestry in a forest management program; Local industries including West Kenya, Butali and Nzoia sugar companies in fabrication works, (spare parts) and industrial attachment of our trainees. Through this partnerships, the Polytechnic has stood out in the region as a destination for academic excellence in Technical and business courses. Currently the Polytechnic boasts of a centre of excellence in mechanical engineering. The management appreciates the Government for the support in construction and equipping of the mechanical

engineering workshop as a flagship project however the Automotive workshop is yet to be equipped.

TSNP has made tremendous strides in infrastructure, to meet the growing demand for our courses, and enrolment, we commissioned the first phase of our tuition block in the financial year 2019/2020 and constructed 4 classrooms in the FY 2020/2021. Capable of housing 500 trainees. The Polytechnic therefore requires more funding to complete the 2nd and 3rd phase of the construction of the tuition block which will enable us to fully accommodate our students population in terms of learning space. It is also worthy noting that the Polytechnic is still using the some of the facilities initially built by the youth polytechnic that birthed the institute. This includes the Administrative offices hence there is need to put up an administrative block for the staff and heads of department offices.


TSNP suffers from an acute shortage of trainers, currently the Polytechnic has only 69 PSC employed trainers against a trainee population of 5099 giving a ratio of 73 trainees per trainer, this has compelled the council to outsource 37 more trainers and 6 interns to meet the ever increasing student population and still leaves a deficit of 15 trainers. The institutes therefore pleads with the Government to employ and deploy more trainers to TSNP.

The Shamberere National Polytechnic has performed exceptionally well in co curriculum activities. We are active participants in many disciplines of co curriculum activities and won many trophies in music, drama rugby and athletics at National levels.

On mentorship, TSNP successfully mentored and handed over Kongoni TVC and is currently mentoring Chevaywa TVC In Lugari constituency Kakamega county.

I therefore want to appreciate the Government through the Ministry of Education, Various CDF Funds, members of staff, students, parents, guardians, partners, suppliers, local Administration, community and all other stake holders for your support and involvement in bringing TSNP This far.

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

THE
P.O.
Sign: 
Date:

Mr. Elisha Nyamu

Principal/Secretary council

6. Statement of Performance against Predetermined Objectives

The Shamberere National Polytechnic has three strategic pillars as follows:

Pillar 1: Institutional Capacity Building

Pillar 2: Maximizing the Impact of Partnerships and Stakeholders

Pillar 3: Enhancing the Student Experience

The Shamberere National Polytechnic develops its annual Work Plans based on the above three pillars. Assessment of the Council's performance against its annual work plan is done on quarterly basis.

The Shamberere National Polytechnic achieved its performance targets set for the FY 2023/2024 for its three strategic pillars, as indicated in the diagram below:

Strategic Pillar		Objective	Key Performance Indicators	Activities
Pillar 1:	Institutional Capacity Building	<ul style="list-style-type: none"> ✓ Recruitment of staff and development of existing human resource base ✓ Expansion of teaching and learning infrastructure ✓ Acquisition of adequate teaching and learning tools, materials and equipment ✓ Provision of adequate working infrastructure tools and equipment 	<ul style="list-style-type: none"> ✓ Staff establishment ✓ Appointment letters ✓ Developed training programmes ✓ Number of staff trained ✓ Complete classrooms ✓ Tools, equipment and learning materials in place ✓ Number of computers installed ✓ Functional human resource 	<ul style="list-style-type: none"> ✓ Undertake staff establishment survey ✓ Implement staff establishment survey ✓ Recruit additional staff ✓ Develop training programme ✓ Train staff ✓ Construct 4 classrooms ✓ Establish and furnish mode story tuition block ✓ Acquire tools equipment and learning materials

**The Shamberere National Polytechnic
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		<ul style="list-style-type: none"> ✓ Equipping an ultramodern ICT laboratory and installing computers in all study areas 	<ul style="list-style-type: none"> financial management and student management systems 	
Pillar 2:	Maximizing the Impact of partnerships and Stakeholders	<ul style="list-style-type: none"> ✓ Establishing and operationalising the TSNP Alumni Association ✓ Reaching out to donors to partially underwrite the infrastructural developments ✓ Establishing working partnerships with industrial entities locally, regionally and nationally ✓ Maintaining a working relationship with County and national governments on funding the Institute ✓ establishment of income generating across all departments that provide goods/services to the public 	<ul style="list-style-type: none"> ✓ Registration certificate ✓ Functional alumni Association Office ✓ Alumni database ✓ Alumni publicity materials ✓ Number of meetings held ✓ Number of fundraisers held ✓ Donor mapping documents ✓ Number of proposals written ✓ Number of projects funded ✓ Number of corporate industrial entities ✓ Number of MOAs signed with selected corporate entities 	<ul style="list-style-type: none"> ✓ Register the TSNP Alumni association ✓ Establish alumni office ✓ Draw a list of relevant potential donors ✓ Write proposals to selected donors ✓ Draw a list of local, regional and national corporate industrial entities ✓ Enter MOAs with selected corporate industrial entities
Pillar 3:	Enhancing the student experience	<ul style="list-style-type: none"> ✓ Establishment of safe and modern hostels for female and male students 	<ul style="list-style-type: none"> ✓ Number of hostels established ✓ Number of new 	<ul style="list-style-type: none"> ✓ Established safe and modern hostels ✓ Widen the variety of entertainment/leisure activities ✓ Establish adequate classrooms

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		<ul style="list-style-type: none"> ✓ Widening of the variety of sports and games offered ✓ Widening of variety of entertainment ✓ Establishment of a modern dining hall ✓ Establishment of an ICT centre ✓ Establishment of a guaranteed security system 	<ul style="list-style-type: none"> entertainment activities est. ✓ Number of new sports and games established ✓ Classrooms established ✓ Number of ICT centres established ✓ Functional and secure security system 	<ul style="list-style-type: none"> ✓ Establish and furnisha an IC centre ✓ Install a fool proof security system
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7. Corporate Governance Statement

The Institute’s Council of Management was appointed in 14th October 2023 by the Cabinet Secretary, Education as per the Ministry’s regulations and was inaugurated on 16th December 2023 . Members are 9 as listed below,

1. Eng. Musa OsiekoKulubi Chairman
2. Mr. Elisha Nyamu Secretary
3. Mr Theddeus Oanya Member
4. Mr.Boaz Harrison Khavinguha Member
5. Mr. Mwalati Masayi Justinian Member
6. Mr. Jonah Misoi Member
7. Ms Jane Paulin Maeri Mito Member
8. Ms. Mildred Akinyi Wandema Member
9. Mr. Rafael Shiundu Member

The Council is committed to ensuring good governance of the Polytechnic by upholding the values of teamwork, integrity, accountability, transparency and fairness.

The Council Meetings Attendance

The Council consists of 9 members inclusive of the Principal as the secretary. The Council members and their meeting attendance are indicated below;

**The Shamberere National Polytechnic
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FULL COUNCIL MEETINGS AND ATTENDANCE

Previous Council

NO.	NAME	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
		DATE	DATE	DATE	DATE
		28.09.2023			
1.	Eng.Musa Osieko Kulubi	✓	-	-	-
2.	Mr.Elisha Nyamu	✓	-	-	-
3.	CPA.Judith Alubokho Shibu	✓	-	-	-
4.	Mr. Jonah Misoi	✓	-	-	-
5.	Mr.Duncan Wandabwa	✓	-	-	-
6.	Mr .John Daniel Ouma	✓	-	-	-
7.	Mr..Eliud Kulecho	✓	-	-	-
8.	Mr. David Ayah Ounah	x	-	-	-
9.	Mr.Theddeus Oanya	✓	-	-	-

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NAME	QUARTER	QUARTER		QUARTER	QUARTER	
	1	2		3	4	
	DATE	DATE		DATE	DATE	
	28.09.2023	16.12.2023	5.1.2023		8.04.2024	20.5.2024
Eng. Musa Osieko	Previous council Member	✓	✓	-	✓	✓
Mr. Elisha Nyamu	“	✓	✓	-	✓	✓
Mr. Rafael Shiundu	“	✓	✓	-	✓	✓
Mr. Harrison Kavinguha	“	✓	✓	-	✓	✓
Ms. Jane Paulline Mito	“	✓	✓	-	✓	✓
Mr. Jonah Misoi	“	✓	✓	-	✓	✓
Ms. Mildred Wandema	“	✓	✓	-	✓	✓
Mr. Masayi Mwalati	“	✓	✓		✓	✓
Dr. Meshack Opwora	“	✓	X	-	X	X
Mr. Joseph Sunguti	“	✓	X	-	X	X

**The Shamberere National Polytechnic
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**FINANCE AND HUMAN RESOURCE COMMITTEE MEMBERS AND MEETINGS
ATTENDANCE.**

NO	NAME	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
		DATE	DATE	DATE	DATE
		10.7.2023		11.01.2024	4.04.2024
1	CPA Judith Shibu	✓	-	-	-
2	Mr. John Ouma Daniel	✓	-	-	-
3	Mr. Duncan Wandabwa	✓	-	-	-
4	Mr.Elisha Nyamu	✓	-		-
5	Mr Jonah Misoi	-	-	✓	✓
6	Dr. Harrison Kavinguha	-	-	✓	✓
7	Mr. Raphael Shiundu	-	-	✓	✓
8	Mrs.Dorice Wamalwa	-	-	✓	✓

EDUCATION, RESEARCH, TRAINING AND INNOVATION COMMITTEE
MEMBERS AND MEETINGS ATTENDANCE.

NO	NAME	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
		14.09.2023		22.3.2024	-
1	CPA Judith Shibu	✓	-		-
2	Mr. Jonah Misoi	✓	-	✓	-
3	Mr. John Ouma Daniel	✓	-		-
4	Mr .Elisha Nyamu	✓	-	✓	-
5	Raphael Shiundu		-	✓	-
6	Dr.Harrison Kavinguha		-	✓	-

RISK AND AUDIT COMMITTEE MEMBERS AND MEETINGS ATTENDANCE

NO	NAME	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
			22.09.2023		-
1	Mr. Eliud Kulecho	-	✓	-	-
2	Mr. David Ounah	-	✓	-	--
3	Mr. Jonah Misoi	-	✓	-	-

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

Functions of the Council

The Council of Management, during the inauguration on 16th December 2023, was sensitized on their roles and responsibilities according to the TVET Act which were:

- a) Overseeing the conduct of education and training in the Polytechnic in accordance with the provisions of TVET Act 2013 and any other written law.
- b) Promoting and maintaining standards, quality and relevance in education and training in the Polytechnic in accordance with the TVET Act 2013 and any other written law.
- c) Administering and managing the property of the Institute
- d) Developing and implementing the Institute's Strategic Plan – *TSNP Strategic Plan 2019 - 2024 was developed by the Council.*
- e) Preparing annual estimates of revenue and expenditure for the Polytechnic and incurring expenditure on behalf of the Polytechnic – (*TSNP Annual budget for FY 2023/2024 was discussed and approved by the Council on 8th September 2022*)
- f) Receiving, on behalf of the Institute, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institution or other bodies or persons.
- g) Determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of TVET Act 2013
- h) Mobilizing resources for the Institute
- i) Developing and reviewing programmes for training and to make recommendation to TVETA – *the Council is in the process of launching CBET Curriculums*
- j) Regulating the admission and exclusion of students from the Institute, subject to a qualifications framework and the provisions of TVET Act 2013.
- k) Approving collaboration or association with other institutions and industries in and outside Kenya subject to prior approval by the Ministry.
- l) Recruiting and appointing trainers from among qualified professionals and practicing trades persons in relevant sectors of industry.
- m) Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the Polytechnic in consultation with the Authority.
- n) Making regulations governing organization, conduct and discipline of the staff and students
- o) Preparing comprehensive annual reports on all areas of their mandate, including education and

training services and submit the same to the Council.

- p) Providing for the welfare of the students and staff of the Institute
- q) Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the Institute.
- r) Discharging all other functions conferred upon it by TVET Act 2013 or any other written law

To achieve the above objectives, the Council has in place 3 sub-committees:

- a) Finance and infrastructure committee
- b) Education, Research, Training and innovation and human resource committee.
- c) Risk and Audit Committee.

8. Management Discussion and Analysis

The TSNP's operational and financial performance

Financial Performance

SECTION A

The TSNP's operational and financial performance.

The Polytechnic received income from trainees fees for the financial year 2023-2024 of Kshs 141,986,860 and capitation grants from the government of Ksh 74,424,013 on accrual basis, however the actual received was ksh 123,040,209 fees from trainees and Ksh 61,352,013 capitation grants. A further sum of ksh 9,951,505 was received from production units and Ksh 138,000.00 from other income as is explained in the notes to the accounts.

The total cumulative revenue for the financial year 2023/2024 was therefore **Ksh.226,500,378** and total expenditure of **Ksh 224,514,110** resulting into a net surplus of **Ksh 1,986,268.00**

Income generating Activities -Production Units.

Due to fluctuations in the government disbursement of capitation, its envisaged that production Units be enhanced to boost in the implementation of the Polytechnicbudget. However, the current income generating activities are not able to substantially sustain the Polytechnicbudget as is explained below;

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

Statement on performance of production units

Description	Sales	Cost	Profit/Loss
	KShs	KShs	
Cafeteria Sales	3,845,256	10,310,995	-6,465,739
Sale of farm produce	584,735	3,113,002	-2,528,267
Guest House	2,257,165	2,993,400	-736,235
Mechanical Workshop	2,682,749	1,427,242	1,255,507
Total Loss from sale of goods	9,369,905	17,844,639	-8,474,734

SECTION B

TSNP's compliance with statutory requirements

In the financial year under review The Shamberere NP complied with all the statutory obligations.

SECTION C

Key projects and investment decisions the TSNP is planning/implementing).

The Polytechnic has the following projects.

i) purchase of land, Construction of 4 classrooms and Ablution block.

An agreement was done for the purchase of land from Mr. Benson Fiketi a neighbour of the Polytechnic measuring 1.60 HA at a price of ksh 9,450,000.00, Improvements ksh 4,202,780 and disturbance allowance ksh 1,050,000.00 total ksh 14,702,780. This amount has since been fully paid and processing of the land transfer is on going.

ii) Construction of four class rooms and a staff room

Richwings Arena Gen. Contractors and supplies Ltd were contracted to construct the four class rooms and a staff room at a contract price of ksh. 7,986,190.00. The project is complete and the contract price fully settled.

iii) Construction of Ablution block

Alowaco co ltd contracted to construct the student ablution block at a contract price of ksh 2,498,570. Work is almost complete and a total sum of ksh 1,075,950.00 already paid.

SECTION D

The Polytechnic financial assets are trade receivables and cash and short term deposits which arise directly from its operations. The Polytechnic has financial liabilities comprising trade and other payables.

The Polytechnic has exposure to the following risks:

- i) Liquidity risks
- ii) Credit risks

The Council has overall responsibility for the establishment and oversight of the Institute's risk management framework. The Council through their regular meetings addresses risks associated with internal operations.

Liquidity risk

Liquidity risk is the risk that the Polytechnic will not be able to meet its financial obligations as and when they fall due. The Institute's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Institute's reputation. Typically the Polytechnic ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters and political violence.

Credit risk

Credit risk is the risk of financial loss to the Polytechnic if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the organization's receivables from customers. The Management ensures that student debtors clear their fees arrears before their documents (Certificates) are released.

Shamberere NP did not have any material arrears in statutory/financial obligations in the year under review.

Shamberere NP did not have any material arrears in statutory obligations in the quarter under review.

SECTION E

Material arrears in financial obligations.

The Shamberere National Polytechnic had pending bills amounting to **ksh 6,751,846.00** as at **30th June 2024**.

SECTION F

The TSNP's financial probity and serious governance issues
The Shamberere National Polytechnic has currently no serious issues on financial probity and governance.

4. Environmental And Sustainability Reporting Statement

The Shamberere National Polytechnic exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on five pillars: putting the customer/citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar.

1. Sustainability Strategy and profile

The Shamberere NP has made progress with regard to sustainability strategy and profile. These have done through clearly setting visions, mission and values that clearly reflects The Shamberere NP culture.

The elements have been integrated into a four year strategic plan with clearly stipulated programmes, targets and key performance indicators.

The institution has received capitation, development grants, HELB bursaries and County Development Funds that has enabled the institution make progress in improving infrastructure, enhance student experience and improve employees' welfare.

Environmental performance

The institution has a keen interest in managing biodiversity and waste management. These has been achieved by ensuring that the institution waste does not find its way into the community and participating in community clean-up exercise and tree planting. The polytechnic has a robust tree

planting program where in we managed to plant over 5000 trees in the just concluded financial year.

Employee welfare

The institution through its strategic plan has a comprehensive staff establishment guidance that stipulates recruitment based on gender, improving skills and managing careers. The institution has supported employees attend seminars and training programmes.

The organization also adheres to Occupational Safety and health Act of 2007, (OSHA).

Market place practice

Responsible competition practice

- The Shamberere NP being a government institution is on the forefront in ensuring responsible competition by supporting surrounding institution offering education.

The college has a complains centre that handles corruption related cases and reports them to the The council and has created awareness on corruption through anti-corruption posters and billCouncils

Corporate Social Responsibility / Community Engagements

i) Free HIV/AIDS Sensitization, counselling and Testing

The Guiding and counselling department organised for a free HIV/AIDS sensitization counselling and testing exercise through the government health department of Malava Sub county hospital. A notice to create awareness of this event was put at various strategic points within the community. The community responded positively and the event was successful. Under this program, the community was sensitized on; sexually transmitted diseases, Importance of HIV testing, prevention services ie PEP, PREP, HEI (HIV Exposed Infant), prophylaxis, Importance of ARVs in relation to HIV and importance of pf partner testing.

ii) Development and Knowledge Dissemination to small holder farmers in Shamberere Area in Partnership with YARA East Africa

The above program involved field days for farmers and stakeholders in crop production around the Shamberere Community. These were conducted at the Polytechnic on established demonstration farm units in a 2-acre piece of land provided by the Polytechnic. The community was mobilized through local administration and farmer groups to form clusters for training and linkages

Key benefits from the program included

- i) Soil sampling and testing
- ii) Linkages to agribusiness off-takers
- iii) Access to high quality farm inputs
- iv) Trainings on post-harvest management processes
- v) Access to real-time training in cereal crop and vegetable production

Due to the success of the program, the Polytechnic is currently setting up a field farmer school (FFS) for continuous training and certification of farmers on short courses. This shall be done through collaboration with SATeC, Department of Agriculture, Research, and ILO with the intention to ensure quality training, recognition of prior learning, and improved linkages through value chain-based farmer cluster formation.

9. Report of the Council

The Council members submit their report together with the audited financial statements for the year ended June 30th, 2024, which show the state of the *TSNP* affairs.

Principal activities

The principal activities of the *TSNP* is to provide training to artisans, craftswomen and men, technicians, businesswomen and men at artisan, craft and diploma certificate levels.

Results

The results of *TSNP* for the year ended **June 30th June 2024** are set out on page 1 to 6

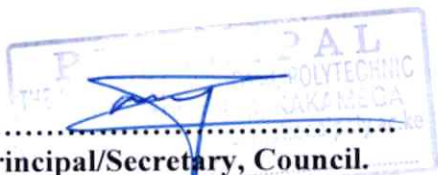
The Council

The members of the Council who served during the year are shown on page xi to xvi. During the year Ms Judy Shibu, Mr. John Oumah, Mr. Duncan Wandabwa, Mr. Eliud Kulecho and Mr David Ounah retired and Mr. Rafael Shiundu, Mr. Harrison Kavinguha, Ms. Jane Pauline Mito, Ms Mildred Wandema and Mr. Masayi Mwalati were appointed with effect from **7th November 2023**

Auditors

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

By Order of the Council



Principal/Secretary, Council.

Date: 18/06/2024

10. Statement of Council Responsibilities

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

The Council members are responsible for the preparation and presentation of the TSNP's financial statements, which give a true and fair view of the state of affairs of the TSNP for and as at the end of the financial year (period) ended on **June 30th 2024**. 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 TSNP, (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 TSNP, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Council members accept responsibility for the TSNP's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and, and the TVET Act. The Council members are of the opinion that the TSNP's financial statements give a true and fair view of the state of TSNP's transactions during the financial year ended **June 30th 2024**, and of the TSNP's financial position as at that date. The Council members further confirm the completeness of the accounting records maintained for the TSNP, which have been relied upon in the preparation of the TSNP's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Principal has assessed the TSNP's ability to continue as a going concern and nothing has come to the attention of the Council members to indicate that the TSNP 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 TSNP's financial statements were approved by the Council on **25th September 2024** and signed on its behalf by:


.....

Name: Eng. Musa Osieko Kulubi.
Chairperson, Council.


.....

Name: Mr. Elisha Nyamu.
Accounting Officer/Principal

REPUBLIC OF KENYA

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NAIROBI

Enhancing Accountability

REPORT OF THE AUDITOR-GENERAL ON THE SHAMBERERE NATIONAL POLYTECHNIC FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

- A. Report on 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 the 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of The Shamberere National Polytechnic set out on pages 1 to 42, which comprise of the statement of financial position

Report of the Auditor-General on The Shamberere National Polytechnic for the year ended 30 June, 2024

as at 30 June, 2024 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 effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of The Shamberere National Polytechnic as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012, and the Technical and Vocational Education and Training (TVET) Act, 2013.

Basis for Qualified Opinion

1. Long Outstanding Trade and Other Receivables Balance

The statement of financial position reflects current portion of receivables from exchange transactions balance of Kshs.305,792,792 and as disclosed in Note 17 to the financial statements. However, review of the receivables ageing analysis revealed that student debtors totalling Kshs.253,615,377 which had been outstanding for a period of more than twelve (12) months did not have a clear framework of recovery.

In the circumstances, the accuracy, completeness and recoverability of current portion of receivables from exchange transactions balance of Kshs.253,615,377 could not be confirmed.

2. Unsupported Security Services Expenditure

The statement of financial performance reflects use of goods and services amounting to Kshs.141,347,195 which, as disclosed in Note 10 to the financial statements, includes tuition expenses of Kshs.24,388,670. However, the expenses include security services expenses amounting to Kshs.2,160,000 which were not supported by suppliers' invoices.

In the circumstances, the accuracy and completeness of security services expenses amounting to Kshs.2,160,000 could not be confirmed.

3. Inaccuracy in the Statement of Changes in Net Assets

The statement of changes in net assets indicates transfer of depreciation/ amortization from capital fund to retained earnings balance of Kshs.37,966,573. However, supporting journal entries and explanation in relation to the nature of the transfer were not provided for audit review.

In the circumstances, the accuracy and completeness of the transfer of depreciation/ amortization from capital fund to retained earnings balance of Kshs.37,966,573 could not be confirmed.

4. Lack of Ownership Documents

The statement of financial position and Note 20 to the financial statements reflect property, plant and equipment balance of Kshs.528,724,680, which include two (2) parcels of land of approximate size of 5.4 HA and valued at Kshs.22,202,780. However, management did not provide ownership documents for the two parcels of land for audit review.

In the circumstances, accuracy, completeness and ownership status of land valued at Kshs.22,202,780 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts indicates that the Polytechnic had a revenue budget of Kshs.218,857,875 against actual receipts of Kshs.194,392,732 or 89% resulting to under-funding of Kshs.24,465,143 or 11% of the budget. Similarly, the statement reflects an approved expenditure budget of Kshs.218,857,875 while the actual total expenditure was Kshs.175,144,648 or 80%, resulting to overall under-expenditure of Kshs.43,713,227 or 20% of the budget.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Undisclosed Transition from Technical Institute to The National Polytechnic

The National Polytechnic through Legal Notice No. 9 of 18 January, 2024 changed from Shamberere Technical Training Institute to The Shamberere National Polytechnic. However, the change has not been disclosed in the financial statements.

Other Information

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

In connection with my audit on the Polytechnic's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with Law on Staff Ethnic Diversity

Review of staff bio data for the month of June, 2024 revealed that the Polytechnic had seventy-two (72) members of staff on contract, permanent and pensionable terms, out of which sixty-six (66) staff members or 92% were from one ethnic community. This was 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. Partial Implementation of Enterprise Resource Planning (ERP) System

The Polytechnic acquired an Enterprise Resource Planning (ERP) system from a local vendor at cost of Kshs.4,788,000 in the financial year ended 30 June, 2021. However, the system audit of the ERP system conducted on 6 December, 2024 revealed that several modules including personnel management were not fully utilized and user logs could not be retrieved.

In the circumstances, the Polytechnic did not achieve value for money spent on the ERP system amounting to Kshs.4,788,000.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Information Communication Technology Internal Control Environment Weaknesses

Review of Information Communication Technology (ICT) control environment and records of the Polytechnic revealed that, although the Polytechnic had an ICT department, it lacked an ICT strategic plan, an ICT steering Committee, and a remote server backup system contrary to Regulation 110 (1) of the Public Finance Management (National Government) Regulations, 2015 which states that Accounting Officer for a National Government entity should institute appropriate access controls needed to minimize breaches of information confidentiality, data integrity and loss of business continuity.

In the circumstances, the Polytechnic lacks oversight function and strategic direction to ensure that ICT department functions properly to assist in achievement of organizational

objectives in an economic, efficient and effective way, while lack of remote backup system exposes the Polytechnic to loss of sensitive data in the event of a disruption or emergency that might have a huge financial impact.

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

Responsibilities of Management and the Council

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

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

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

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

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

Auditor-General's Responsibilities for the Audit


My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


16 January, 2025


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


12. Statement of Financial Performance For The Year Ended 30 June 2024

Description	Notes	Period ended	Period
		30 th June 2024	ended 30 th June 2023
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government – grants/ gifts in kind	6	74,424,013	72,142,500
Total Revenue from non- exchange transactions		74,424,013	72,142,500
Revenue from exchange transactions			
Rendering of services- Fees from students	7	141,986,860	99,293,812
Sale of goods (Production units)	8	9,951,505	2,783,928
Other Income	9	138,000.00	4,000
Revenue from exchange transactions		152,076,365	102,081,740
Total revenue		226,500,378	174,224,240
Expenses			
Use of goods and services	10	141,347,195	90,878,747
Employee costs	11	34,625,736	24,490,642
Council Expenses	12	4,651,043	4,446,765
Depreciation and amortization expense	13	37,966,573	10,368,117
Repairs and maintenance	14	5,771,641	9,551,435
Finance costs	15	151,922	92,702
Total expenses		224,514,110	139,828,408
Net Surplus for the Period		1,986,268	34,395,832

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


 Eng. Musa Kulubi Osieko
 Council, Chairman


 Mr. Elisha Nyamu
 Principal


 CPA Josiah Egadwa
 Finance Officer
 ICPAK No. 14179


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


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

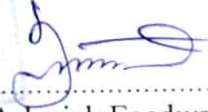
Description	Notes	30 th June 2024	30 th June 2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	16	19,627,712	32,544,796
Current portion of receivables from exchange transactions	17	305,792,792	130,198,769
Receivables from non-exchange transactions	18	13,072,000	27,929,000
Inventories	19	4,122,811	1,346,340
Total Current Assets		342,615,315	192,018,905
Non-Current Assets			
Property, plant, and equipment	20	528,724,680	548,454,679
Intangible assets	21	1,532,089	1,996,985
Biological Assets	22	1,693,270	197,000
Total Non-Current Assets		531,950,039	550,648,664
Total Assets (A)		874,565,354	742,667,569
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	23	6,751,840	14,143,031
Refundable deposits from customers	24	19,366,173	24,214,313
Total Current Liabilities		26,118,013	38,357,344
Non-Current Liabilities		0	0
Total non-current liabilities		0.00	0.00
Total Liabilities (B)		26,118,013	38,357,344
Net Assets (A-B)		848,447,341	704,310,225
Represented By:			
Revaluation Reserves		159,025,813	159,025,813
Accumulated Fund		142,871,865	102,919,024
Capital Fund		546,549,663	442,365,388
Net Assets and Liabilities		874,565,354	742,667,569

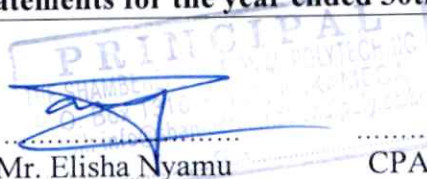
The Financial Statements set out on pages 1 to 6 were signed by:

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


.....
Eng. Musa Kulubi Osieko
Council, Chairman


.....
Mr. Elisha Nyamu
Principal


.....
CPA Josiah Egadwa
Finance Officer
ICPAK No. 14179



14. Statement of Changes in Net Asset For The Year Ended 30 June 2024

Description	Revaluation reserve	Accumulated Fund	Capital Fund	Total
At July 1, 2023 (previous year)		58,155,075	458,618,220	516,773,295
Revaluation gain	159,025,813	-	-	159,025,813
Surplus/(deficit) for the year	-	34,395,832		34,395,832
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	10,368,117	(10,368,117)	-
At June 30, 2023	159,025,813	102,919,024	442,365,388	704,310,225
At July 1, 2023 (current year)	159,025,813	102,919,024	442,365,388	704,310,225
Revaluation gain	-	-	-	
Surplus/(deficit) for the year	-	1,986,268	-	1,986,268
Other Changes	-	-	142,150,848	142,150,848
Transfer of depreciation/amortisation from capital fund to Retained earnings		37,966,573	(37,966,573)	
At June 30, 2024	159,025,813	142,871,865	546,549,663	848,447,341

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

15. Statement of Cash Flows For The Year Ended 30 June 2024

		Period ended 30th June 2024	Period ended 30th June 2023
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities – Gov grants	6	61,352,013	30,322,000
Rendering of services- Fees from students		118,692,957	62,428,595
Sale of goods	8	9,951,505	2,783,928
Other income	9	138,000	4,000
Total Receipts		190,134,475	95,538,523
Payments			
Compensation of employees	11	34,625,736	24,490,642
Use of goods and services	10	134,595,349	76,735,716
Finance costs	15	151,922	92,702
Repairs maintenance and improvements	14	5,771,641	9,551,435
Remuneration of directors	12	4,651,043	4,446,765
Total Payments		179,795,691	115,317,260
Net cash flows from operating activities		10,338,784	(19,778,737)
Cash flows from investing activities			
Purchase of property, plant, equipment		(21,937,598)	(4,981,100)
Proceeds from sale of Biological Assets		36,730	-
Purchase of intangible assets		(300,000)	(1,208,842)
Purchase of Biological Assets		(1,055,000)	(111,000)
Proceeds from sale of property, plant and equipment			-
Net cash flows used in investing activities		(23,255,868)	(6,300,942)
Cash flows from financing activities			
Development grants		-	-
Repayment of borrowings		-	-
Increase in deposits		-	-
Net cash flows used in financing activities			
Net increase/(decrease) in cash and cash equivalents		(12,917,084)	(26,079,679)
Cash and cash equivalents at beginning of the year		32,544,796	58,624,475
Cash and cash equivalents at 30 th June		19,627,712	32,544,796

Notes to the cash flow statements

RECIEPTS

- I. Transfers from other Government entities – Gov grants Ksh 61,352,013. This is cash income from the government of Kenya MOE capitation grants received as per receipts and schedule.
- II. Rendering of services- Fees from students Ksh 118,692,957 refers actual fees received from students as per schedule.
- III. Finance costs Ksh151,922 refers to Bank charges charged by the banks as transaction fees
- IV. Sale of goods Ksh 9,951,505 relates to cash generated from income generating Activities.
- V. Other income of Sh 138,000.00 relates to income from Joy project ksh 135,000.00 and Tender fees sh 3000.00

PAYMENTS

- VI. Use of Goods And services Ksh 134,595,349 refers to payments incurred on re current expenditures.
- VII. Compensation of employees Ksh 34,625,736 refers to salaries and wages paid to employees and casual workers of the Polytechnic
- VIII. Finance costs Ksh 151,922 refers to bank charges charged by the banks as transaction fees.
- IX. Repairs maintenance and improvements refers to purchases of repair materials and labour incurred in maintenance of Polytechnic buildings, repair of the fence and other institute property.
- X. Remuneration of Directors refers to allowances paid to BOG members during meetings and other official functions.
- XI. Purchase of property, plant, equipment ksh 21,937,598 relates to procurement of land sh 14,702,780.00 Computers Ksh 2,496,175, Library books Ksh 272,723 and work in progress Ksh4,465,92

16. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2024

	Original annual Budget a	Adjustments b	Final annual Budget c	Actual Cumulative to 30 th June 2024 d	% of Utilization e=d/c %
	2022-2024	2022-2024	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Revenue					
Transfers from other Govt entities Govt grants	84,000,000	-	84,000,000	74,424,013	88.6
Rendering of services- Fees from students	73,472,000	-	73,472,000	141,986,860	193
Sale of goods	21,845,875	-	21,845,875	9,951,505	45
Total income	218,857,875	-	218,857,875	194,392,732	
Expenses					
Compensation of employees	27,556,000	-	27,556,000	29,974,693	108
Use of Goods and services	181,840,875	-	181,840,875	141,347,195	77
Repairs and maintenance	4,606,000	-	4,606,000	5,771,641	125
Finance costs	155,000.00	-	155,000.00	151,922	98
Remuneration of directors	4,700,000	-	4,700,000	4,651,043	98
Total expenditure	218,857,875	-	218,857,875	175,144,648	
Surplus/Deficit for the period					

Budget notes;

- i) Transfers from other Govt entities Govt grants: Performance here is rated at 88.6% which gives non collection of 11.39% this can be attributed to the variance between our estimated receipt on 2800 trainers in the first quarter against the actual disbursement on 2765 trainers
- ii) Rendering of services; fees from students revenue collection surpassed the budget by 93% due to a rapid increase in the trainee enrolment 2nd 3rd and 4th quarters from 2765 to 3268 to current enrolment of 5099 trainees.
- iii) Use of goods and services recorded an underspending of 23%, this was occasioned by delays in disbursement of the allocated funds by the government and poor actual payments of fees by the trainees.

17. Notes to the Financial Statements

General Information

TSNP is established by and derives its authority and accountability from the TVET Act 2013. The TSNP is wholly owned by the Government of Kenya and is domiciled in Kenya. The TSNP's principal activity is

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the *TSNP's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *TSNP*. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, (*include any other applicable legislation*), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an TSNP. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45: Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46: Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.

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

	The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47: Revenue	<i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an TSNP shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48: Transfer Expenses	<i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49: Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

iii. Early adoption of standards

(The TSNP) did not early adopt any new or amended standards in year 20xx./the TSNP adopted standard xx and xx. The impact of these standards on TSNP's financial statements is xx.(amend appropriately)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2023/2024 was approved by the Council on **8th September 2022**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the TSNP upon receiving the respective approvals to conclude the final budget. Accordingly, the TSNP recorded additional appropriations on the FY 2023/2024 budget following the Council's approval. The TSNP's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page **xx** under section **xxx** of these financial statements.

c) Taxes

Current income tax

The TSNP is exempt from paying taxes as per schedule ***the first schedule*** of the ***income tax Act cap 470***.

Sales tax/ Value Added Tax

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

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

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

d) Investment property

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

e) Property, plant and equipment

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

f) Leases

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

g) Intangible assets

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

h) Research and development costs

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

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

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

i) Financial instruments

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

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

j) Inventories

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

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

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

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

Inventories (Continued)

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

k) Provisions

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

Contingent liabilities

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

Contingent assets

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

l) Social Benefits

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

m) Nature and purpose of reserves

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

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

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

p) Foreign currency transactions

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

q) Borrowing costs

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

r) Related parties

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

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s) Service concession arrangements

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

t) Cash and cash equivalents

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

u) Comparative figures

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

v) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

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

(Include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).

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6. Transfers from other National Government entities

Description	Period ended 30 th June 2024	Period ended 30 th June 2023
	KShs	KShs
Unconditional grants		
Capitation grants		
1 st Quarter 2765 students @ sh. 3,500	9,677,500	
2 nd Quarter 3268 students @ sh. 3,500	11,438,000	
3 rd Quarter 3268 students @ sh. 4,000	13,072,000	
4 th Quarter 3268 students @ sh 4,000 (Not disbursed)	13,072,000	
Sponsorship (New funding model)	27,164,513	
	74,424,013	72,142,500
Total government grants and subsidies	74,424,013	72,142,500

Notes

Capitation Actual recieved

1 st Quarter 2765 students @ sh. 3,500	9,677,500
2 nd Quarter 3268 students @ sh. 3,500	11,438,000
3 rd Quarter 3268 students @ sh. 4,000	13,072,000
Sponsorship Actual received	<u>27,164,513</u>
Total Actual Received	<u>61,352,013</u>

The Ministry of Education is yet to Disburse capitation for the 4th quarter FY 2023/2024 Estimated at ksh 13,072,000.0

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7. Rendering of Services

Description	Period ended	Period ended
	30 th June 2024	30 th June 2023
	KShs	KShs
Tuition fees	5,987,743	6,990,764.00
Training Materials	315,130	31,374
Activity fees	948,945	243,210
Personal Emoluments	522,286	651,756
Local Travel and Transport	211,223	250,267
Repairs Maintenance and Improvements	112,369	113,918
Attachment and Medical fees	261,223	282,037
Students Id TSNP Cards	31,394	92,882.00
Development Fees	1000	2,600
Administration fees	200	380
Book levy	600	1,360
Hostels fees	429,964	1,004,257
Students Council	103,349	150,028.00
Admission fees	70,708	183,500
Application Fees	0	14,500.00
Electricity Water and Conservancies	377,915	373,698.00
Examination fees	20,721,464	7,056,016.00
Council Induction Expenses	1,260,000	
Gratuity	100	
KUCCPS	511,100	
Recognition of Prior Learning (RPL)	91,000	
Students Bursaries	8,181,497	3,774,643
HELB Loans	77,140,659	32,300,000
Salary Advance (Recoveries)	114,000	
Replacement Fund	119,416	504,377
TVETA	107,900	
ICT Packages	4,700	32,500.00
NYS Subsidy	144,800	33,236,593.00
Fees Arrears	42,882,726	35,633,243.00
Totals	160,653,411	122,923,903
Less prepaid fees	18,666,551	23,630,091.00
Total rendering of services	141,986,860	99,293,812

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8.Sale of Goods

Description	Period ended 30th June 2024	Period ended 30th June 2023
		KShs
Hire of facility and bus hire	581,600	186,000.00
Cafeteria Sales	3,845,256	1,517,125
Sale of farm produce	584,735	37,803.00
Guest house	2,257,165	774,220.00
Mechanical workshop	2,682,749	267,880.00
Total Revenue from the sale of goods	9,951,505	2,783,928

9.Other Income

Description	Period ended 30th June 2024	Period ended 30th June 2023
	KShs	KShs
Sale of Tender	3,000	4,000
Joy Project	135,000	0
Total Other income	138,000.00	4000.00

10. Use of Goods and Services

Description	Period ended	Period ended
	30 th June 2024	30 th June 2023
	KShs	KShs
Electricity Water and Conservancies	2,883,375	1,531,927
Tuition Expenses	24,388,670	14,519,935
Local travelling and Transport	8,241,790	5,409,826
Local Travelling and transport-KDG	1,195,040	245,372
Local Travelling and transport-KCE	2,018,102	1,522,720
Local Travelling and transport-KBR	3,945,984	1,739,297
Local Travelling and transport-KAT	147,586	
Training Materials Expenses	10,238,164	1,632,369
Teaching Materials-NYS	52,760	1,149,170
Activity Expenses	6,467,561	8,679,030
Administration Expenses	4,935,813	498,015
Fees Refunds	0	15,000
Medical Expenses	403,467	534,612
Examination Expenses	20,205,200	12,357,650
Examination Gen Expenses	15,313,180	8,638,390
Guest house Expenses	2,993,400	1,911,369
Farm Expenses	3,113,002	909,480
Cafeteria Expenses	10,310,995	5,426,672
Mechanical Workshop Expenses	1,427,242	853,790
Student Council Expenses	1,872,743	1,490,264
HELB Refunds	616,644	395,852
Guiding and counselling	36,960	55,520
Attachment Expenses	2,609,438	1,765,712
Subscriptions to Professional bodies	109,050	207,650
Marketing and Advisement Expenses	945,600	499,239
Joy Project/Satec	94,000	-
Chevaywa TVC	3,656,400	-
Hostel Expenses	2,032,219	1,692,120
KCB 2Jiajiri	0.00	916,308
VAT Withholding	895,770	255,062
Jitume digital	1,461,894	1,883,365
TVET Fair	426,100	
Council Induction	1,557,200	
Pending bills	6,751,846	14,143,031
Total good and services	141,347,195	90,878,747

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11. Employee Costs

	Period ended 30th June 2024	Period ended 30th June 2023
	KShs	KShs
Personal Emoluments Non- Teaching staff	9,245,903	7,351,525
Personal Emoluments COUNCIL Trainers Staff	8,141,961	6,247,751
TSNP Welfare	1,090,927	758,469
Staff Welfare	1,380,229	478,850
SACCO Deductions	2,217,379	1,591,089
NHIF	635,150	530,050
NSSF	2,237,868	1,690,920
PAYE	904,768	907,534
Salary Advances	62,000	41,100
.Staff Training Development Workshops	8,106,164	4,634,414
Gratuity	94,589	258,940
Housing Levy	508,798	-
Total Employee Costs	34,625,736	24,490,642

12. Council Expenses

Description	30th June 2024	30th June 2023
	Kshs	Kshs
Chairman's Honoraria	330,000	210,000.00
Directors Emoluments	2,818,750	2,793,000.00
Other Allowances	1,502,293	1,443,765.00
Total	4,651,043	4,446,765

N/B The chairman's honoraria was effected from October 2022 at the rate of Ksh 30,000.00 per month.

13. Depreciation and Amortization expense

Description	Period ended 30 th June 2024	Period ended 30 th June 2023
	KShs	KShs
Property Plant and Equipment	37,201,677	9,371,122
Arnotization of computer software	764,896	996,995
Total depreciation and amortization	37,966,573	10,368,117

14. Repairs and Maintenance

10. Description	Period ended 30th June 2024	Period ended 30th June 2023
Installation of cabros		4,398,758
Installation of gutters		1,354,210
Repair of the fence		214,000
Painting of Polytechnic buildings		1,793,174
General Repairs	5,771,641	1,791,293
Total repairs and maintenance	5,771,641	9,551,435

15. Finance Costs

Description	Period ended 30th June 2024	Period ended 30th June 2023
	KShs	KShs
Bank Charges	151,922	92,702
Total finance costs	151,922	92,702

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16. Cash and Cash Equivalents

Description	Period ended	Period ended
	30 th June 2024	30 th June 2023
	KShs	KShs
KCB Main A/c 1114269840	790,144.96	20,643,738
KCB Examinations A/c 1114270083	9,566,253.05	1,741,282
KCB Development A/c 1114270032	70,601.25	8,562,725
KCB Kongoni A/c 1179839811	0.00	4,270
Co- op Bank A/c 01139166706600	8,257,266.90	772,047
Diamond Trust Account	713,805	621,016
National Bank	190	190
Petty Cash Main Account	39,225	8,842
Petty Cash Production Units	1,776	1,156
Safaricom Paybill Holding	-	-
Imprest Holdings	188,450	189,530
Total Cash and Cash Equivalents	19,627,712	32,544,796

17.(a) Current Receivables from Exchange transactions

Description	Period ended	Period ended
	30 th June 2024	30 th June 2023
	KShs	KShs
Current receivables		
1. Student debtors		
a) Fees arrears FY2023/2024 Ksh 25,267,860		
b) Previous years Ksh 247,386,069		
	272,653,929	123,185,647
Other debtors		
a) FY 2023/2024 Ksh24,506,580		
b) Previous years Ksh. 8,632,283		
	33,138,863	7,013,122
Total Current Receivables	305,792,792	130,198,769.00

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17. (b) Ageing Analysis of Receivables from Exchange transactions

Description	30 th June 2024		30 th June 2023	
	Kshs.		Kshs.	
		% of total		% of the total
Less than 1 year				
1. Student debtors Ksh 25,267,860.00	51,439,461	16.8%	38,631,605.00	28.3 %
2. Other debtors Ksh 26,171,601.00				
Between 1- 2 years				
1. Students debtors Ksh. 129,468,848.00	132,444,460	43.3%	63,579,182.00	51 %
2. Other debtors Ksh. 2,975,612.00				
Between 2-3 years				
1. Student debtors Ksh. 69,862,383.00	73,854,033	24.1%	12,639,382.00	9.2%
2. Other debtors Ksh.. 3,991,650.00				
Over 3 years				
1. Student debtors Ksh 48,054,838.00	48,054,838	15.7%	15,348,600.00	11.2%
2. Other debtors Ksh 0.00				
Total	305,792,792		130,198,769.00	

18 (a) Receivables from Non-Exchange transactions

Description	Period ended	Period ended
	30 th June 2024	30 th June 2023
	KShs	KShs
GOK capitation grants;		
3 rd Quarter	0.00	8,886,500.00
4 th Quarter 3268 students @ sh 4,000	13,072,000.00	19,042,500.00
Total current receivables	13,072,000.00	27,929,000

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

Description	30 th June 2024		30 th June 2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative	% of the total
Less than 1 year	13,072,000.00	17.5%	27,929,000.00	38%
Between 1- 2 years	-	-	-	-
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total	13,072,000.00		27,929,000.00	

19. Inventories

Description	Period ended 30 th June 2024	Period ended 30 th June 2023
	KShs	KShs
Central store Consumable stores	4,004,996	1,280, 420
Health Units	9,945	25,580
House Keeping stores	78,910	15,690
Catering stores	28,960	24,650
Total inventories at the lower of cost and net realisable value	4,122,811	1,346,340

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20. Property, Plant and Equipment

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Library Books	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation Rate	-	2%	25%	12.5%	33.3%	12.5%	20%		
At 1 July 2022 <i>(previous year)</i>	15,316,000	133,490,818	11,001,160	5,277,078	7,565,343	401,134,630	4,235,503		578,020,532
Additions				88,338	34,499			4,858,263	4,981,100
Transfers/Adjustments	3,684,000	181,084,696	3,797,877	11,806,646	1,975,426	(43,166,362)		-	159,182,283
At 30 th June 2023 <i>(previous FY)</i>	19,000,000	314,575,514	14,799,037	17,172,062	9,575,268	357,968,268	4,235,503	4,858,263	737,325,652
Additions	14,702,780				2,496,175		272,723	4,465,920	21,937,598
At 30 th June 2024 <i>(current year)</i>	33,702,780	314,575,514	14,799,037	17,172,062	12,071,443	357,968,268	4,508,226	9,324,183	754,797,330
Depreciation And Impairment									
At 1 July 2022 <i>(previous year)</i>		8,741,518	5,446,896	1,921,890	5,097,905	155,970,035	2,321,606		179,499,851
Depreciation	-	1,529,169	584,508	476,567	372,740	6,312,444	95,694		9,371,122
At 30 Jun 2023 <i>(previous year)</i>	-	10,270,687	6,031,404	2,398,457	5,470,645	162,282,479	2,417,301	-	188,870,973
Depreciation	-	6,086,096	2,191,908	1,846,700	2,198,065	24,460,723	418,185	-	37,201,677
At 30 th Jun 2024 <i>(current year)</i>	-	16,356,783	8,223,312	4,245,157	7,668,710	186,743,202	2,835,486	-	226,072,650
Net Book Values									
At 30 th Jun 2023 <i>(previous year)</i>	19,000,000	304,304,827	8,767,633	14,773,605	4,104,623	195,685,789	1,818,202	-	548,454,679
At 30 th Jun 2024 <i>(current year)</i>	33,702,780	298,218,731	6,575,725	12,926,905	4,402,733	171,225,066	1,672,740	9,324,183	528,724,680

**The Shamberere National Polytechnic
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Notes to the Financial Statements (Continued)

Depreciation Rates

i) Depreciation Rates

Depreciation rates are applied in accordance with the Finance management policy as follows

- a) Buildings 2%
- b) Motor vehicles 25%
- c) Furniture and fittings 12.5%
- d) Computers 33.3%
- e) Library books 20%
- f) Plant and Equipment 12.5%

ii) Work in progress

Work in progress of ksh 4,465,920 comprises of payments to the construction of a tuition block (Four classrooms and a staffroom) of Kshs 3,389,970 and construction of an ablution block for students of Kshs 1,075,950.

iii) Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were revalued by Pioneer valuers limited professional valuers in September 2022. These amounts were adopted in the financial statements on 30th June 2023

iv) Depreciation After valuation

Depreciation was charged in full at a reducing balance during the financial year of valuation 2022/2023

20 (b) Property, Plant and Equipment at Cost

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

Description	Cost
	Kshs
Land	33,702,780
Buildings	314,575,514
Plant And Machinery	357,968,268
Motor Vehicles including Motorcycles	14,799,037
Computers and Related Equipment	12,071,443
Office Equipment, Furniture, And Fittings	17,172,062
Library Books	4,508,226
Total	754,797,330

21. Intangible Assets

Description	Period ended 30 th June 2024	Period ended 30 th June 2023
	KShs	KShs
Cost		
At beginning of the period 1 st July 2023	6,358,994	5,150,152
Additions during the period	300,000	1,208,842
At end of the period 30 th June 2024	6,658,994	6,358,994
Amortization and impairment		
At beginning of the year	4,362,009	3,365,014
Amortization during the period at 33.33%	764,896	996,995
At end of the period	5,126,905	4,362,009
NBV		
As at 30th June	1,532,089	1,996,985

22. Biological Assets

Cost	Period ended 30 th June 2024	Period ended 30 th June 2023
At the beginning of the period 1 st July 2023	675,000	242,470
Revaluations		- (156,470)
Additions/New Acquisitions	1,055,000.00	111,000
Cost at end of 31 st March 2023		197,000
Less Sale;		-
Sale of cattle	(36,730.00)	-
Net book value	1,693,270	197,000

23. Trade and Other Payables

Description	Period ended 30 th June 2024	Period ended 30 th June 2023
	KShs	KShs
Trade payables	6,751,840	14,143,031
Total trade and other payables	6,751,840	14,143,031

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24. Refundable Deposits From Customers

Description	Period ended 30 th June 2024	Period ended 30 th June 2023
	KShs	KShs
Fees Received in advance	18,666,551	23,630,091
Caution Money		
2021/2023 Bal C/F Sh 584,222.00		
2022/2024 Sh 115,400.00	699,622	584,222
Total deposits	19,366,173	24,214,313

25. Financial Risk Management

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

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

(i) Credit risk

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

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

Financial risk management (continued)

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

The TSNP has significant concentration of credit risk on amounts due.

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

(ii) Liquidity risk management

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

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

(iii) Market risk

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

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

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

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

a) Foreign currency risk

The TSNP has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate

Foreign currency sensitivity analysis

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

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase. A rate increase/decrease of 5% would result in a decrease/increase in profit before tax.

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iv) Capital Risk Management

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

Description	30 th June 2024	30 th June 2023
	Kshs	Kshs
Revaluation Reserve	159,025,813	159,025,813
Retained Earnings		
Capital Reserve	687,543,850	554,157,973
Total Funds	846,569,663	713,183,786
Total Borrowings	26,118,013	36,351,454
Less: Cash and Bank Balances	(19,627,712)	(33,129,267)
Net Debt/(Excess Cash and Cash Equivalents)	(6,490,301)	3,222,187
Gearing	3.7%	6.5%

26. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

- i) The National Government;
- ii) The Parent Ministry;
- iii) Key management;
- iv) Council of directors;

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

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27. Contingent Assets and Contingent Liabilities

28. Events After The Reporting Period

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

29. Ultimate And Holding TSNP

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

30. Currency

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

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1. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

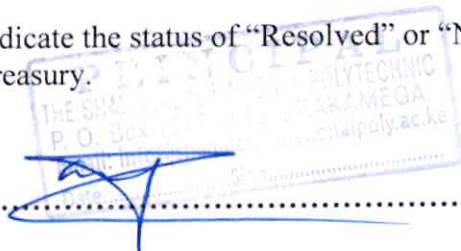
The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/WRO/SHAMBERERE/ 2021/2022/19	Lack of Land Ownership titles	The management has engaged the relevant stakeholders.	Not resolved.	30 th June 2025

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your TSNP responsible for the implementation of each issue;

Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to the National Treasury.



Mr. Elisha Nyamu
Accounting Officer
The Shamberere National Polytechnic
Date : 18/06/2024

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Appendix II: Projects Implemented by The Shamberere National Polytechnic

Projects

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

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1.Purchase of Land		TSNP	2 years	Ksh15m		yes
2.Construction of Ablution block		TSNP	1 years	Ksh 5m		yes
3.Construction of 4 classrooms and a staffroom		TSNP	2 years	Ksh 10m		yes

Status of Projects completion

	Project	Total project Cost Ksh	Total expended to date Ksh	Completion % to date	Budget Ksh	Actual Ksh	Sources of funds
1	Purchase of Land	14,702,780	14,702,780	100%	15m	14,702,780	AIA
2	Construction of Ablution block	2,498,570	1,422,620	95%	5M	1,422,620	AIA
3	Construction of 4 classrooms and a staffroom	7,986,190	7,986,190	100%	8M	7,986,190	AIA

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Appendix III- Inter-TSNP Confirmation Letter

Name of transferring : Government of Kenya (MOE) State Department of TVET
 Name of beneficiary : The Shamberere National Polytechnic

Confirmation of amounts received by The Shamberere National Polytechnic as at 30th June 2024					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
DTE/CAP9/36(135)	02/10/2023	9,677,500		9,677,500	N/A
DTE/CAP9/39(50)	18/01/2024	11,438,000		11,438,000	N/A
DTE/CAP9/40(50)	05/02/2024	13,072,000		13,072,000	N/A
MOE/DTE/SCO/VOL137	27/02/2024	26,653,876		27,164,513	N/A
MOE/DTE/SCO/VOL138)	06/03/2024	510,637			
Total		61,352,013		61,352,013	

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

Head of Accounts Department - Disbursing TSNP:
 Name Sign Date 15/1/24

Head of Accounts Department - Beneficiary TSNP:
 Name Sign Date.....

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Appendix IV: Reporting of Climate Relevant Expenditures

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

Appendix V: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Program me	Sub-program me	Disast er Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/prepa redness)	Expendit ure item	Amou nt (Kshs.)	Comme nts
N/A	N/A	N/A	N/A	N/A	N/A	N/A