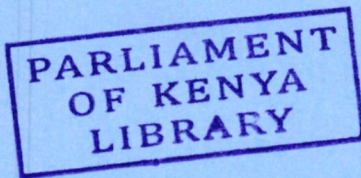


REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**



**OF**

**THE AUDITOR-GENERAL**

**ON**

**KITALE NATIONAL POLYTECHNIC**

DATE	29/10/2025
TABLED BY	Majority Leader
COMMITTEE	
CLERK AT THE TABLE	Belinda

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



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**THE KITALE NATIONAL POLYTECHNIC  
ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30<sup>TH</sup> JUNE 2025**

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



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**Kitale National Polytechnic**  
**Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2025**

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## 1. Acronyms & Definition of Key Terms

### A. Acronyms

GC	Governing Council
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
KNP	Kitale National Polytechnic
ICT	Information Communication Technology
IM	Institutional Management
MoE	Ministry of Education
TVET	Technical Vocational & Education Training
KATTI	Kenya Association of Technical Training Institution
TTI	Technical Training Institution
HELB	Higher Education Loans Board
PAYE	Pay As You Earn
KRA	Key Result Achievement
RPL	Recognition of Prior Learning
CBET	Competency-Based Education and Training
CAPA	Commonwealth Association of Polytechnics in Africa

### B. Definition of key Terms

**Fiduciary Management:** Members of management directly entrusted with the Kitale National Polytechnic financial resources.

**Comparative year:** Means the prior year

## **2. Key Kitale National Polytechnic Information and Management**

### **a. Background information**

The Kitale National Polytechnic (KNP) was established in 1980 as a Technical Secondary School and later became Kitale Technical Training Institute (KTTI) under the provisions of the **Education Act (Cap 211)**. The Polytechnic was built by the Kenya Government with the assistance of the Swedish International Development Agency (SIDA) Technical Education Project.

The Institution was elevated to a National Polytechnic in June 2016 through the **Legal Notice No. 95 of June 2016** and was granted the power to award Higher Diplomas, Diplomas, Certificates and Degrees in collaboration with recognized universities. As a National Polytechnic, KNP operations are guided by various legislations and regulations including the **TVET Act, 2013**, Science, Technology and Innovation Act, 2013(ST&I).

In executing its Mandate, the Polytechnic developed a Strategic Plan covering five years from 2023-2024 to 2027-2028. The Strategic Plan has been instrumental in improving the Polytechnic service delivery, enhancing operational effectiveness and efficiency as well as positioning the Polytechnic for Global competitiveness in training and research.

### **b. Principal Activities**

The principal activity of the Kitale National Polytechnic continues to be the provision of quality education and training, research innovation and outreach services for the benefit of humanity.

#### **Vision**

A polytechnic of excellence in competency-based education and training, and research

#### **Mission**

To produce globally competitive graduates through competency-based education and training, research and innovation for sustainable development

#### **Core Mandate**

Develop an institution with excellence in teaching, training, scholarship, entrepreneurship, research, consultancy, community service, among other education services and products, with emphasis of technology and its development impact and application within and outside Kenya.

### **c. Key Management**

The Kitale National Polytechnic's Day – to – day management is under the following key organs

- Governing Council
- Accounting Officer/Principal
- Management Board
- Departmental Heads

**d. Fiduciary Management**

The Key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

<b>SN</b>	<b>Designation</b>	<b>Name</b>
1.	Chief Principal	Dr. Tom W. Mulati
2.	Deputy Principal Administration	Dr. Clare Muhuha
3.	Deputy Principal Academics	Dr. Onger Lucas
4.	Registrar Admission	Mr. Edwin Keter
5.	Dean of Students	Mr. Jacob M'mbasu
6.	Finance Officer	CPA David Kurgat
7.	Registrar Administration	Mr. Peter Soita
8.	Internal quality Assurance Officer	Mrs. Ruth Niva Ongachi

**e. Fiduciary Oversight Arrangement**

The Polytechnic Council provides fiduciary oversight on the financial operations of the Institution through the Finance, Administration and Infrastructure Committee, The Audit, Risk and Compliance Committee, Human Resource Committee and Education, Training and Research. The Finance, Administration and Infrastructure Committee reviews the Polytechnic Quarterly and Annual Financial Statements before they are submitted to the Ministry of Education and National Treasury.

The Audit, Risk and Compliance Committee provide oversight on the Polytechnic's financial statements and through the Annual review of the financial statement of the Polytechnic, providing oversight on the internal controls and Risk Management Strategies.

The Human resource Committee collaborates with, and responds to Council to: Receive, discuss, deliberate and oversight of HR Unit and consider proposals on policies and strategies related to the National Polytechnic's Human resource issues.

The Education, Training and Research committee is responsible for overseeing academic and student affairs, which includes providing oversight of academic programs and standards, approving training programs, and conducting monitoring, evaluation, and reporting to ensure the quality of these programs. It also ensures that the training offered aligns with labor market demands and undertakes evaluation of the cost and cost-effectiveness of various training initiatives to support informed decision-making and continuous improvement.

The Office of the Auditor General conducts annual audit of the financial operations of the Polytechnic. The reports of the Auditor General are submitted to the National Assembly through the Public Investments Committee (P.I.C), which provides the overall fiduciary oversight on the operations of the Polytechnic. Regular audit and financial and progress reports are provided to development partners who have provided funds to the Polytechnic. This is to ensure financial probity on the utilization of funds in the Polytechnic.

**f. Kitale National Polytechnic's Headquarter**

The Kitale National Polytechnic  
P.O. Box 2162-30200  
Kipsongo Road  
Telephone :(020)2380086, 0721379304  
E-mail: [kitalenationalpolytechnic@gmail.com](mailto:kitalenationalpolytechnic@gmail.com)  
Website: [www.kitalenationalpolytechnic.ac.ke](http://www.kitalenationalpolytechnic.ac.ke)

**g. Kitale National Polytechnic Bankers**

KCB Bank Ltd  
P. O. Box 48400 - 00100  
Nairobi, Kenya

ABSA Bank Kenya Ltd  
P. O. Box 30120 – 00100  
Nairobi Kenya

The Co-operative Bank of Kenya  
P. O. Box 48231 – 00100  
Nairobi, Kenya


**h. Independent Auditors**

Auditor-General  
Office of Auditor General  
Anniversary Towers, University 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. Governing Council

SN.	Member	Details
1.	 <p><b>Bishop Dr. Paul Kibirech Korir</b></p>	<p><b>Date of Birth:</b> 20/03/1967</p> <p><b>Key Qualification:</b> Doctorate Degree in Theology and Ministry from Asbury Theological Seminary (USA).</p> <p><b>Work Experience:</b> Served as a member of the Board of Governors for Ol'Lessos Technical Training Institute for two terms until April 2023. Chair for the National Council of Churches of Kenya (NCCCK), North Rift Region for the period 2018-2021. Currently he is the First Diocesan Bishop of the Anglican Diocese of Kapsabet.</p> <p><b>Membership:</b> Chairman, Governing Council</p>
2.	 <p><b>Mrs. Jane Auru Ajele</b></p>	<p><b>Date of Birth:</b> 01/06/1963</p> <p><b>Key Qualification:</b> Masters in Public Health (Health Management System)</p> <p><b>Work Experience:</b> County Executive Committee Member, Ministry of Health and Sanitation, Ag. County Executive Committee Member Ministry of Energy and Environment and Natural Resources, Ag. County Executive Committee.</p> <p><b>Membership:</b> Independent Member</p>
3.	 <p><b>Mrs. Salina Cheruiyot</b></p>	<p><b>Date of Birth:</b> 12/12/1967</p> <p><b>Key Qualification:</b> Bachelor of Education, Diploma in Guidance and Counseling</p> <p><b>Work Experience:</b> Served as Administrator at the County Government Trans Nzoia. Currently the Director of Eldas Suppliers Construction Company Limited.</p> <p><b>Membership:</b> Independent Member</p> <p><b>Committee:</b> Chairperson Audit, Risk and Compliance Committee</p>
4.	 <p><b>Mr. Harrison Tanga Webbo</b></p>	<p><b>Date of Birth:</b> 16/11/1965</p> <p><b>Key Qualification:</b> Bsc. Agriculture</p> <p><b>Work Experience:</b> General Manager West Kenya Autgrowers Company Limited, Deputy Director at Institute of Community Development and Research Centre, Transport Manager at Sukari Industries Ltd, Ndhiwa, Assistant Project Manager at Kerio Valley Development Authority, Project Manager Kerio Valley Development Authority.</p> <p><b>Membership:</b> Independent Member</p> <p><b>Committee:</b> Chairperson: Finance, Administration and Infrastructure Committee</p>



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SN.	Member	Details
5.	 <b>Dr. Sylus Odongo Were, PhD</b>	<p><b>Date of Birth:</b> 03/09/1959  <b>Key Qualification:</b> Doctor of Philosophy in Organization Leadership), Master of Arts in Project Planning and Management, Bachelor of Arts, Education.  <b>Work Experience:</b> Primary Head teacher, Assistant Executive Secretary KNUT Trans Nzoia Branch, Coordinator of Project at Community Alliance for Change (CBO).  <b>Membership:</b> Independent  <b>Committee:</b> Chairperson: Education, Training and Research, Human Resource.</p>
6.	 <b>Mr. Isaac Mudogo Shaviya</b>	<p><b>Date of Birth:</b> 29/05/1959  <b>Key Qualification:</b> Bed Arts (Hon) Degree  <b>Work Experience:</b> County Director of Education (TSC), Chief Principal of Kabarnet High School in Baringo, Deputy Principal of Musingu High School  <b>Membership:</b> Independent  <b>Committee:</b> Chairperson: Human Resource Committee</p>
7.	 <b>Mr. Evans Samoita Nyakundi</b>	<p><b>Key Qualification:</b> Master's Degree in Supply Chain Management  <b>Work Experience:</b> Head of Supply Chain Management Services in the Ministry of Education - PS TVET.  <b>Membership:</b> Alternate PS VTT Representative.  <b>Committee:</b> Member Education, Training and Research Committee, Finance, Administration and Infrastructure Committee, Human Resource Committee, Audit, Risk and Compliance Committee</p>
8.	 <b>Ms. Noreen Kanyua</b>	<p><b>Date of Birth:</b> 9/4/1982  <b>Key Qualification:</b> Executive Masters in Organizational Development, Bachelor's degree in International Relations  <b>Work Experience:</b> Consultant Project and Change Management, Governance, Corporate Communication, Knowledge and Performance Management, Head of Programmes and Operations at the SME Advisory Unit,  <b>Membership:</b> Alternate, inspector general corporation  <b>Committee:</b> Member Education, Training and Research Committee, Finance, Administration and Infrastructure Committee, Human Resource Committee, Audit, Risk and Compliance Committee.</p>

SN.	Member	Details
9.	 <p data-bbox="212 622 608 656"><b>Mr. Kipngeno Langat Alfred</b></p>	<p data-bbox="676 208 1007 241"><b>Date of Birth:</b> 21/6/1982</p> <p data-bbox="676 248 1485 322"><b>Key Qualification:</b> Bachelor of Arts Degree in Economics and communication</p> <p data-bbox="676 329 1430 403"><b>Work Experience:</b> Senior Assistant Secretary at National Treasury and Assistant County Commissioner.</p> <p data-bbox="676 409 1481 483"><b>Membership:</b> Alternate, PS National Treasury and Economic Planning Representative</p> <p data-bbox="676 490 1430 640"><b>Committee:</b> Member Education, Training and Research Committee, Finance, Administration and Infrastructure Committee, Human Resource Committee, Audit, Risk and Compliance Committee.</p>
10.	 <p data-bbox="212 1267 480 1301"><b>Dr. Tom W. Mulati</b></p>	<p data-bbox="676 701 938 734"><b>Date of Birth:</b> 1967</p> <p data-bbox="676 741 1497 981"><b>Key Qualification:</b> Doctorate of Humane Letter in TVET Governance and Development, Master of Education (Technology Education) - Building Construction Technology and Bachelor of Education in Technology Education (Building Construction Technology) and Higher National Diploma in Building and Civil Engineering.</p> <p data-bbox="676 987 1490 1447"><b>Work Experience:</b> He has 34 years civil service experience growing from Technical Master trainer in 1990, Deputy Principal in a number of TVET institutions over a span of 12 years, Principal Kisiwa TTI (2017-18), Sigalagala National Polytechnic (2018-19) and acting Director for TVET at Ministry of Education 2019 to 2023. He has also served as Chief Principal on short stints at Ramogi Institute of Advanced Technology and Kisii National .He has participated in TVET policy development and implementation; addressing access, equity, quality and relevance at the national and institutional levels.</p>

**Kitale National Polytechnic  
Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2025**

**4. Key Management Team**

SN.	Member	Details
1.	 <p><b>Dr. Tom W. Mulati</b> <b>PHD, Humane Letter in TVET Governance and Development</b></p>	<p><b>Chief Principal</b> Accounting Officer in charge of all Institutional financial resources and day to day management of the Polytechnic. He is the secretary of the Governing Council.</p>
2.	 <p><b>Dr. Clare Muhuha</b> <b>PhD, Food Science and Nutrition</b></p>	<p><b>Deputy Principal Administration</b> In charge of the administration functions of the Polytechnic including human resource management. Responsible for day-to-day management of the Polytechnic in absence of the Chief Principal.</p>
3.	 <p><b>Dr. Onger Lucas</b> <b>PhD Strategic Management</b></p>	<p><b>Deputy Principal Academics</b> In charge of Curriculum implementation and monitoring teaching and Learning in the Polytechnic. Responsible for day-to-day management of the Polytechnic in absence of the Chief Principal.</p>
4.	 <p><b>Mr. Edwin Keter</b> <b>Bachelor's Degree in Education</b></p>	<p><b>Registrar Admissions/Academics</b> In charge of the Polytechnic's Registry, marketing and student admission.</p>

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SN.	Member	Details
5.	 <p><b>Mr. Jacob M'mbasu Shirandula</b> MBA Entrepreneurship</p>	<p><b>Dean of Students</b> In charge of the students' welfare</p>
6.	 <p><b>CPA David Kurgat</b> MBM (Finance)</p>	<p><b>Finance Officer</b> In Charge of Financial Management in the Polytechnic.</p>
7.	 <p><b>Ruth Niva Ongachi</b> MSc. Entrepreneurship</p>	<p><b>Quality and Standards Assurance Officer</b> In charge of monitoring and evaluation of curriculum implementation to ensure quality service delivery.</p>
8.	 <p><b>Mr. Peter Soita</b> Master Degree in information technology</p>	<p><b>Registrar Administration</b> In Charge of Human Resource Activities in the Polytechnic.</p>

## **5. Chairman's Statement**

It is with great pleasure and a deep sense of responsibility that I present this statement on behalf of the Governing Council of Kitale National Polytechnic (KNP), accompanying the financial statements for the financial year 2024/2025.

As the apex governance body of the Polytechnic, the Governing Council has continued to execute its oversight mandate with diligence, integrity, and strategic foresight. Our role has been to ensure that the institution remains focused on fulfilling its core mandate: the provision of quality, industry-responsive technical and vocational education and training (TVET) that empowers learners with the skills needed for national development and global competitiveness.

During the year under review, the Council has guided and supported the management in implementing policies and strategic initiatives that have enabled the Polytechnic to expand in both enrollment and infrastructure. The continued growth of the institution is a testament to effective governance, prudent resource management, and a shared vision between the Council, management, staff, students, and stakeholders.

A major area of focus in 2024/2025 has been the full alignment of our training programs with government directives on the adoption and implementation of modularized Competency-Based Education and Training (CBET) curricula. This transition marks a paradigm shift in how technical training is delivered, assessed, and certified. It emphasizes the demonstration of competencies over theoretical knowledge, with a greater focus on hands-on, practical skills aligned with industry needs.

In response to this directive, Kitale National Polytechnic has made significant investments in both human capital development and training infrastructure. The Council has overseen initiatives aimed at building the capacity of trainers through targeted professional development, including upskilling and exposure to CBET instructional methodologies. We recognize that quality training is only possible when our human resource is adequately prepared to deliver and assess learning in line with the CBET framework.

To support this transition further, two major infrastructural projects were successfully completed during the financial year: the Modern Hospitality Complex and the State-of-the-Art Automotive Garage. These facilities are not only intended to enhance our capacity to deliver CBET-aligned training, but they are also expected to serve as income-generating assets through commercial services. The hospitality project will provide a realistic training environment for hospitality and tourism learners while serving the public, and the garage will similarly support the delivery of automotive engineering programs while generating revenue through commercial vehicle services. These initiatives reflect our commitment to practical, sustainable, and results-oriented training.

Another highlight of the financial year is the significant improvement in the Polytechnic's academic outcomes. The pass rate in external national examinations improved markedly, rising from 60.5% in the previous year to 76.46% in 2024/2025. This notable achievement is attributed to enhanced instructional quality, better student support systems, the availability of modern training equipment, and a stronger focus on learner assessment and feedback. It is an indication that our shift to CBET, coupled with robust institutional support systems, is yielding tangible results.

Kitale National Polytechnic continues to operate as a Qualification Awarding Institution (QAI) in accordance with the Kitale National Polytechnic Order, 2016. As such, we are mandated not only to deliver training but also to assess and award qualifications. In line with this responsibility, the Polytechnic has rolled out 85 modularized CBET programs during the year under review. These

programs are structured to provide learners with flexibility, allowing them to progress at their own pace and re-enter training at various points based on their individual learning journeys. This modular approach supports lifelong learning, employability, and mobility in the job market.

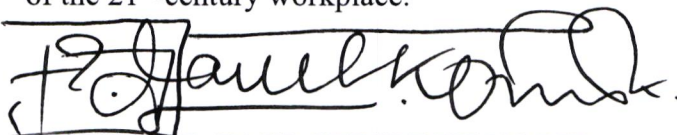
In addition, the Polytechnic has made considerable progress in expanding access to skills recognition and certification through the Recognition of Prior Learning (RPL) programme. RPL is a critical component of inclusive education that allows individuals with informal or non-formal skills and experience to be assessed and certified based on demonstrated competencies. In this financial year, KNP conducted RPL assessments both within the Polytechnic and in the field — notably in Kakuma, Turkana County. This outreach is particularly significant as it brings formal recognition of skills to marginalized and underserved communities, aligning with the national agenda for inclusive growth and social equity.

The successes highlighted above have been made possible through careful financial planning, resource mobilization, and accountability mechanisms overseen by the Council. We have maintained a strong focus on transparency and prudent management of financial resources to ensure that every expenditure contributes meaningfully to our institutional goals. The financial statements presented reflect a healthy fiscal position and demonstrate the Polytechnic's commitment to sound financial stewardship, even in the face of economic and operational challenges.

As we close the 2024/2025 financial year, the Governing Council takes pride in the progress made and acknowledges the collective effort that has propelled the institution forward. We remain committed to guiding the Polytechnic through continued reforms and innovations in TVET, with the goal of positioning Kitale National Polytechnic as a centre of excellence in technical training in Kenya and beyond.

We extend our sincere gratitude to the Ministry of Education, the State Department for Technical and Vocational Education and Training, the National Treasury, the Kenya National Qualifications Authority (KNQA), development partners, local communities, and industry stakeholders for their unwavering support. We also commend the Principal, management team, academic and non-academic staff, students, and alumni for their contribution toward the continued growth and reputation of our institution.

Moving into the next financial year, the Council will remain focused on strengthening institutional governance, expanding partnerships, investing in infrastructure, and deepening the implementation of CBET and RPL frameworks. We are committed to a vision where Kitale National Polytechnic continues to produce competent graduates who are innovative, ethical, and responsive to the demands of the 21<sup>st</sup>-century workplace.



**BISHOP DR. PAUL KIBIRECH KORIR**

**CHAIRMAN, GOVERNING COUNCIL**

## **6. Report of the Chief Principal**

I present this statement accompanying the financial statements of Kitale National Polytechnic for the financial year 2024/2025 with a gratitude and pride. This year has marked yet another significant step in our journey toward realizing our vision of being a Polytechnic of excellence in Competency-Based Education and Training (CBET).

Under the strategic guidance of the Governing Council and with dedicated support from all our stakeholders, the management of the Polytechnic has continued to offer effective leadership in steering the institution toward this vision. As a result, Kitale National Polytechnic has experienced notable growth and transformation—both in terms of student enrollment and infrastructure development. Our student population has risen to 12,329 learners, a clear indication of the growing demand for quality technical and vocational education and the increasing trust placed in us by the community and the nation at large.

In line with government directives on the implementation of modularized CBET curricula, the Polytechnic has prioritized strengthening its human capital and training infrastructure. The successful transition to CBET requires well-equipped trainers and state-of-the-art facilities. Throughout the financial year, we have therefore focused on capacity-building programs for our trainers to ensure that they are adequately prepared to deliver, assess, and support CBET implementation in all training areas.

Our efforts to align with the CBET framework have also been reinforced through key infrastructural developments. I am pleased to report the successful completion of two major capital projects: the Modern Hospitality Complex and the State-of-the-Art Automotive Garage. These facilities represent a combined investment of KES 88 million—KES 68 million for the hospitality project and KES 20 million for the garage. Beyond their contribution to training excellence, these facilities are designed for dual purposes; they will serve as commercial enterprises offering services to the public, while providing our students with real-life, hands-on training experiences in their respective fields.

As a testament to our improved academic standards, the Polytechnic recorded a significant improvement in external examination results during the financial year. The overall pass rate increased from 60.5% in the previous year to an impressive 76.46% in 2024/2025. This achievement is the result of collaborative efforts by trainers, support staff, and the students themselves, and it underscores the impact of quality teaching, rigorous assessment, and sustained learner support systems.

Kitale National Polytechnic, as a Qualification Awarding Institution (QAI) under the provisions of the Kitale National Polytechnic Order, 2016, continues to play a vital role in expanding access to quality, flexible, and market-responsive education. This year, we successfully rolled out 85 modularized CBET programs that are structured to allow learners to acquire competencies in a progressive and flexible manner. These programs are aligned with industry needs and national development priorities, and they form the cornerstone of our academic offering.

In addition to traditional classroom-based training, the Polytechnic has also made great strides in implementing the Recognition of Prior Learning (RPL) programme. This program is a critical pathway for recognizing the skills and knowledge acquired by individuals outside the formal education system. During the year, the Polytechnic assessed a total of 510 candidates through the RPL initiative—394 in

Kakuma, Turkana County, and 116 within the Polytechnic. These assessments enable participants to receive formal certification for their skills, thereby improving their employability and facilitating upward mobility in their careers.

These accomplishments have been made possible through prudent financial management, efficient allocation of resources, and strong accountability systems. The financial statements for the year 2024/2025 reflect a well-managed institution that upholds transparency and value for money in all its operations. Our investment decisions have been guided by the need to strengthen the delivery of CBET programs, improve learner outcomes, and enhance institutional sustainability.

As we close the financial year, I wish to acknowledge the invaluable support we continue to receive from the Ministry of Education, the State Department for Technical and Vocational Education and Training, development partners, the local community, and our industry collaborators. I also extend my sincere appreciation to the Governing Council for their strategic oversight and to our trainers, support staff, and students for their dedication and commitment to excellence.

Looking ahead, the management of Kitale National Polytechnic remains committed to further strengthening our institutional capacity, expanding CBET implementation, deepening industry linkages, and increasing access to quality technical education across all regions of Kenya.



**DR. TOM W. MULATI**

**PRINCIPAL/COUNCIL SECRETARY**



## **7. Statement of Performance Against Predetermined Objectives**

Kitale National Polytechnic has identified six strategic themes within its current Strategic Plan for FY 2024/2025–2027/2028, which provide a clear roadmap towards realizing its vision of becoming a Polytechnic of excellence in Competency-Based Education and Training (CBET) and research. These pillars are:

- (1) Quality and Relevant Training
- (2) Access and Inclusivity
- (3) Trainee Support
- (4) Research and Innovation
- (5) Resource Mobilization
- (6) Cross-cutting, Pertinent, and Contemporary Issues.

Each of these pillars plays a vital role in shaping the Polytechnic’s strategic priorities and institutional development. They inform the preparation of annual work plans and guide decision-making across departments. The Polytechnic conducts quarterly assessments to evaluate its performance against these plans, ensuring accountability and continuous improvement.

During the FY 2024/2025 period, Kitale National Polytechnic successfully met the performance targets set under the five thematic areas. This achievement reflects the institution's strong commitment to delivering quality training, fostering innovation, supporting trainees, and ensuring inclusive access to education. Ultimately, the strategic pillars provide the necessary direction and focus required to strengthen the Polytechnic’s position as a national leader in CBET and research, while addressing emerging societal and industry needs.

The Kitale National Polytechnic achieved its performance targets set for the FY 2024/2025 period of its five strategic pillars/themes as indicated in the below:

**Kitale National Polytechnic**  
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Strategic Issue		Strategic Objective	KRA		Activities	Achievements
i.	Quality and Relevant Training	Produce quality and relevant graduates	KRA 1.1	Develop Curriculum and Assessment Framework	Reviewed the Assessment framework and aligned it to the modularized curricula	KNP CBA framework approved by the Governing Council
			KRA 1.2	Accreditation, Quality Assurance and Standards	IQAS training undertaken for HODs	12 HODS trained on quality monitoring and evaluation
			KRA 1.3	Improved Capacity of Human Capital	SLDP, SMC training undertaken and trainers retooled on delivery of modularized curricula	Trainers were retooled on delivery of modularized curricula
			KRA 1.4	Collaboration, Linkages and Industry Involvement	Industry involvement in assessment, assessed 452 candidates under the RPL program	Quality assessment and release of RPL graduates to the industry
			KRA 1.5	Knowledge and Data Management	Establishment of KNP knowledge and data base	KNP knowledge and data base operationalized
ii.	Access and Inclusivity	Increase Access and Inclusivity in Training and Research	KRA 2.1	Promote accessibility and Inclusion	Adoption of modularized curricula that promote accessibility through flexibility component	Enrollment increased
			KRA 2.2	Infrastructure development	Completion of hospitality building and phase one of the perimeter wall	Hospitality building operational and improved security courtesy of the perimeter wall.
iii.	Trainee Support	Promote Trainee support Services	KRA 3.1	Increased Enrolment, Retention and Transition	Outreach/marketing activities, subsidized PAYE system, curriculum implementation supervision	Enrolment increased from 1150 to 12,329 transition rate at 89% and retention at 91%
			KRA 3.2	Increased trainee satisfaction	Focus on trainee welfare activities	Satisfaction rate improvement from 60% to 72%
iv.	Research and Innovation	Enhance research and innovation	KRA 4.1	Research Publication	Engaged in research conferences and activities	Two publications done in refereed journals
			KRA 4.2	Innovation commercialization	Application for copyrights and patents	Applications being processed
v.	Resource Mobilization	Enhance Resource mobilization for Training, Research and Innovation	KRA 5.1	Increased Revenues streams	Set-up of IGUs	Modern garage operationalized
			KRA 5.2	Adequately resourced Training, Research and Innovation activities	Increase in A-in-A	Training, Research and Innovation activities funded
vi.	Cross-cutting, Pertinent and contemporary Issues	Mainstream Cross-cutting, Pertinent and contemporary Issues	KRA 6.1	Mainstreamed Cross-cutting, pertinent and contemporary Issues	Climate change mitigation measures	Involvement in greening TVET initiative through tree planting

## **8. Corporate Governance Statement**

### **Council Charter**

The Polytechnic is governed by a Council Charter which enables the Council to;

- i. Ensure that all members of the Council and its sub-committees are aware of their duties and responsibilities and that they act in the best interest of the Polytechnic and its stakeholders;
- ii. Ensure that the members apply the principles of good governance in their dealings in respect of, and on behalf of KNP and its stakeholders;
- iii. Set out relevant principles of the KNP Council limits and delegation of authority and matters reserved for final decision-making or pre-approval by the Council; and
- iv. Set out the policies and practices of the Council in respect of matters such as corporate governance, declarations and conflicts of interest, meeting documentation and procedures, composition of the Council and its sub-committees and the nomination, appointment, induction, training and evaluation of members of the Council and its sub-committees.

### **Process of appointment and removal**

Not less than seven and not more than nine members are appointed by the Cabinet Secretary (MoE) after wide consultation from strategic partners and individuals who share the same value, commitments and have an interest to work with TVET institutions. A chairperson or member is replaced upon missing to attend 3 consecutive Board meetings, resignation, when is of unsound mind/sick, bankrupt or with integrity issues or if the Council does not perform its oversight role effectively.

### **Succession Planning**

Succession planning is essential to ensure the sustainability and effectiveness of the governing council at Kitale National Polytechnic (KNP). The Council succession plan provides a roadmap for identifying, training, and supporting new members who are prepared to uphold the institution's mission, vision, and values. This process is vital for maintaining continuity in governance, fostering stability, and enabling future growth.

The primary objective of KNP's succession plan is to ensure a seamless transition when council members retire, complete their terms, or are otherwise unable to serve. The plan aims to:

- i. Identify and develop potential council members who can step into leadership roles.
- ii. Ensure council members possess the requisite knowledge, skills, and commitment.
- iii. Maintain institutional memory and continuity in leadership.
- iv. Support diversity within the council to reflect the polytechnic's community.

### **Role and functions of the council**

The roles and functions of the Council is to

- i. Ensure that a proper management structure is in place and that the management maintains the corporate integrity, reputation and responsibility of the Polytechnic;
- ii. Monitor and evaluate the implementation of strategies, policies, and management plans of the Polytechnic; Constantly review the viability and financial sustainability of the Polytechnic at least once every year;

- iii. Ensure that the Polytechnic complies with all relevant laws, regulations, governance practices and accounting and auditing standards;

### **Conflict of Interest**

In compliance with TVET Act No. 29 of 2013 second schedule article 15, the Council shall declare conflict of interest:

1. If a member is directly or indirectly interested in any contract, proposed contract or other matters before a Council and is present at a meeting of the Council at which the contract, proposed contract or other matter is the subject of consideration, he/she shall, at the meeting and as soon as reasonably practicable after the commencement thereof, disclose the fact and shall not take part in the consideration or discussion of, or vote on, any questions with respect to the contract or other matter, or be counted in the quorum of the meeting during consideration of the matter.
2. A disclosure of interest made under this paragraph shall be recorded in the minutes of the meeting at which it is made.
3. A member of the Council who contravenes subparagraph (1) commits an offence and shall be liable as stipulated in the Act.

### **Board Remuneration**

Council members shall be remunerated for their services in accordance with the prevailing relevant legislative provisions and/or guidance from the relevant authority. In line with best practice, the remuneration should include base pay, attendance and travel allowances.

### **Ethics and conduct as well as governance audit**

The Council adheres to good corporate governance by embracing the following principles:

- i. To observe high standards of ethical and moral behavior;
- ii. To act in the best interests of the organization;
- iii. To remunerate and promote fairly and responsibly;
- iv. To recognize the legitimate interests of all stakeholders; and
- v. To ensure that the organization acts as a good corporate citizen.

In general, Council members shall act in the best interest of the organization and uphold fiduciary responsibilities and duty of care.

### **Council Appraisal**

Council performance appraisal was carried out by the State Corporations Advisory Committee (SCAC) in line with Mwongozo Code of Governance.

**Council Meetings and Attendance**

Member	Date of appointment	Position	COMMITTEE AND COUNCIL MEETINGS																						
			HRC				FAIC				ETRC				ARCC				FULL/SCAC EVAL/ADHOC/CONSULTATIVE/RETREAT						
			Q 1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	ADHOC		
Bisho Dr. Paul K Koriri	15 <sup>th</sup> March 2023	Chairman																	√√	√√	√√√√ √√	√√√√ √√√√			
Dr. Odongo Sylus Werre	15 <sup>th</sup> March 2023	Member		√√	√	√	√						√√	√	√	√			√√	√√	√	√√√√ √√√√			
Mr. Harrison Tanga Webbo	15 <sup>th</sup> March 2023	Member		√√	√	√	√	√√	√	√									√√	√√	√	√√√√ √√√√	√		
Mr. Isaac Mudogo Shaviya	15 <sup>th</sup> March 2023	Member		√√	√	√				√								√	√	√	√√	√√	√	√√√√ √√√√	√
Mrs Salina Cheruiyot	15 <sup>th</sup> March 2023	Member						√					√	√	√	√		√	√	√	√√	√√	√	√√√√ √√√√	√
Mrs Jane Auru Ajele	15 <sup>th</sup> March 2023	Member						√√	√√	√		√√	√	√	√				√√	√√	√	√√√√ √√√√	√		
Mr. Evans Nyakundi		PS VTT Representative				√		√	√√				√	√				√		√		√√√√ √√√√	√		
Ms Noreen Wambui Kanyua	4 <sup>th</sup> November 2023	IG (Corporation) Representative		√√	√	√	√	√√	√√	√			√	√			√	√	√		√	√√√√ √√√√			
Mr. Alfred Langat	23 <sup>rd</sup> November 2023	CS National Treasury Rep		√√	√	√	√	√√	√√	√	√	√	√	√			√	√	√	√	√√	√	√√√√ √√√√		

## 9. Management Discussion And Analysis

### Section A

#### Polytechnic's operational and financial performance

During the financial year 2024-2025 Kitale National Polytechnic's operational and financial performance was a follow;

#### Statement of Financial Performance

Total Income – Kshs. 625,009,673

Total Expenditure – Kshs. 614,971,511

#### Statement of Financial Position as at 30th June 2025

Total Assets – Kshs 3,811,695,533

Total Liabilities – Kshs. 260,232,320

#### Statement of Cash flow

Net Decrease in cash and cash equivalent – Kshs. 237,600,935

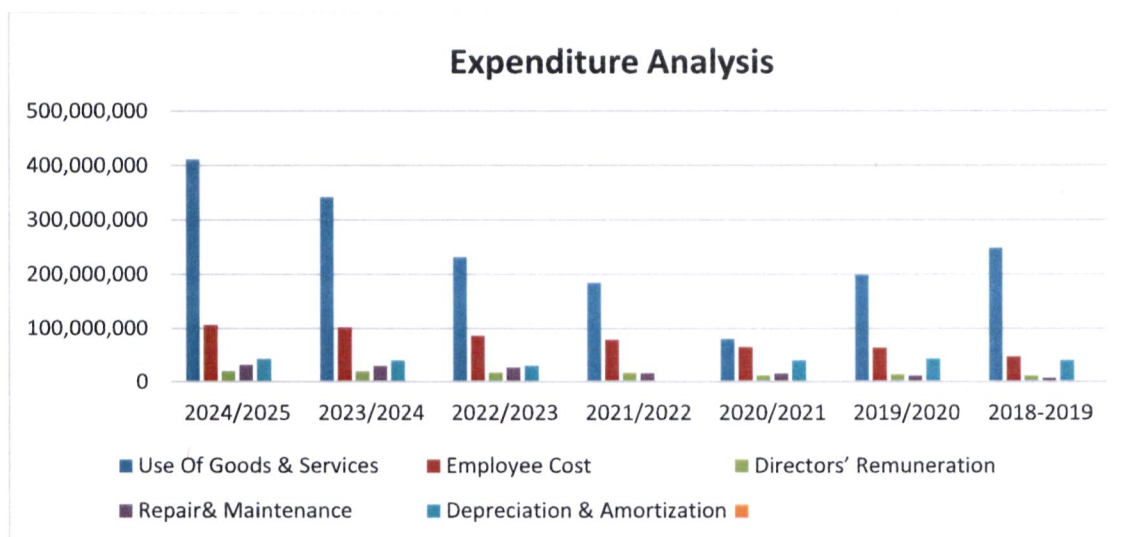
Cash and Cash equivalent as at 30th June 2025 – Kshs. 150,478,491

Cash and Cash equivalent as at 1<sup>st</sup> July 2024 – Kshs. 388,079,425

#### Expenditure Analysis

The expenditure analysis trend is as follows:

FY	Use Of Goods & Services	Employee Cost	Directors' Remuneration	Repair & Maintenance	Depreciation & Amortization
2024/2025	412,473,363	106,518,337	20,657,208	31,855,913	43,466,691
2023/2024	342,944,567	102,105,352	20,086,404	30,218,914	40,608,692
2022/2023	232,676,912	86,145,384	17,563,131	27,313,535	30,676,333
2021/2022	185,132,734	78,189,005	17,199,098	16,415,785	-
2020/2021	80,676,320	64,943,081	12,727,114	16,090,553	40,504,980
2019/2020	199,514,901	63,536,691	14,547,893	12,180,134	43,931,674
2018-2019	249,051,477	47,854,161	12,025,830	8,025,551	40,452,077

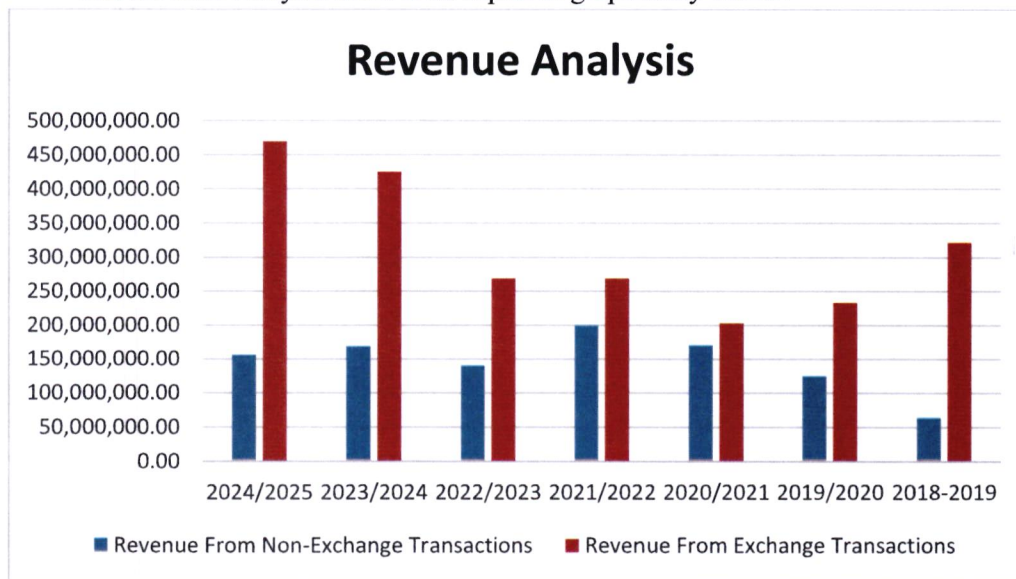


**Revenue analysis**

The revenue analysis trend is as follows:

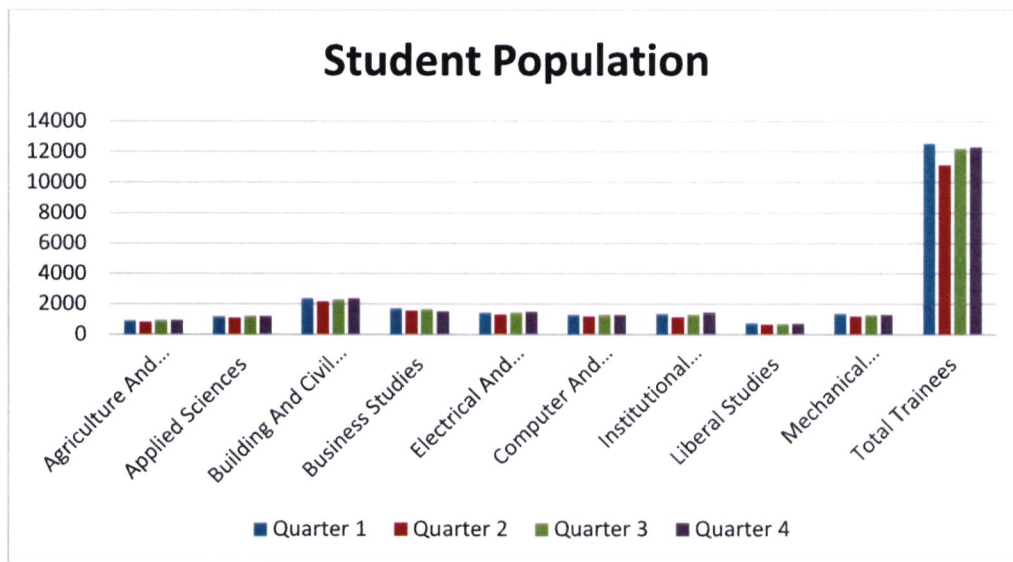
<b>FY</b>	<b>Revenue From Non-Exchange Transactions</b>	<b>Revenue From Exchange Transactions</b>
2024/2025	155,317,075.00	469,692,598.00
2023/2024	168,166,625.00	424,977,944.00
2022/2023	139,416,644.00	268,938,981.77
2021/2022	198,471,407.00	268,805,059.00
2020/2021	169,305,416.00	203,166,512.00
2019/2020	123,881,750.00	233,288,163.00
2018-2019	63,690,278.00	321,490,682.00
2017-2018	50,250,000.00	163,858,686.00

The revenue analysis trend is as captured graphically below:



**Student Population**

<b>Department</b>	<b>Quarter 1</b>	<b>Quarter 2</b>	<b>Quarter 3</b>	<b>Quarter 4</b>
Agriculture And Environmental Studies	925	830	959	964
Applied Sciences	1212	1094	1222	1205
Building And Civil Engineering	2401	2160	2322	2372
Business Studies	1729	1556	1666	1522
Electrical And Electronics Engineering	1456	1301	1460	1494
Computer And Information Technology	1309	1181	1310	1288
Institutional Management	1370	1146	1316	1448
Liberal Studies	770	657	712	722
Mechanical Engineering	1393	1207	1281	1314
<b>Total Trainees</b>	<b>12565</b>	<b>11132</b>	<b>12248</b>	<b>12329</b>



**SECTION B**

**Kitale National Polytechnic’s compliance with statutory requirements**

The Polytechnic fully complies with the statutory requirements as follows;

**PAYE**

Income Tax Act 1973, Laws of Kenya, allows employees to deduct and remit monthly income tax for all employees and be remitted to the paymaster general on or before the 9<sup>th</sup> day of the following month. The Polytechnic has complied with the deadline for remission.

**NSSF**

The NSSF Act, 2013. Laws of Kenya, requires employers to deduct and remit NSSF deductions every month and remit the same on or before 9<sup>th</sup> of the following month. The Polytechnic has been remitting the deductions to NSSF on time.

**SHIF**

SHIF Act, 1988, Laws of Kenya, requires the employer to deduct the SHIF dues and remit the same on or before the 9<sup>th</sup> of the following month. The Polytechnic has complied with the SHIF act.

**HELB**

HELB Act 1995, Laws of Kenya, requires employers to deduct from the wages or remuneration of the loanee(s) the amount of any loan as instructed by the board and submit within 15 days after the end of each month. The Polytechnic implements HELB loans deduction as required and submits the same within the stipulated 15 days after the end of each month.

**SECTION C**

**Implemented the Following Projects**

During the FY 2024/2025 Key projects and investment decisions the Kitale National Polytechnic implemented the following projects: Perimeter wall, Modern garage, Kwanza TVC and Hospitality & Institutional Management Workshop

**SECTION D**

**Major risks facing the Kitale National Polytechnic**

The Polytechnic principal financial assets are trade receivable and cash in short term deposits which are arise directly from its operations. The institution has financial liabilities comprising trade and other payables. The Polytechnic is exposed to the following risks;

- i) Partial remittance of Capitation by the Government
- ii) Encroachment of the Polytechnic land approximately 47 acres
- iii) Failure by contractors to complete project works on time.
- iv) Delay in budget approval by the relevant authority

**SECTION E**

**Material arrears in statutory/financial obligations**

Currently The Polytechnic does not have any loan default, pending bills, tax default, outstanding staff and pension obligation/actuarial deficit.

There is no major financial impropriety reported by internal audit/ audit, risk management and compliance committee of the Polytechnic Council and external auditors

**SECTION F**

**The Kitale National Polytechnic's financial probity and serious governance issues**

There is no conflict of interest amongst the management and Governing Council. The Polytechnic is currently audited by Office of the Auditor General

## **10. Environmental and Sustainability Reporting Statement**

At Kitale National Polytechnic, we are deeply committed to fostering sustainability and environmental stewardship across all facets of our institution. We recognize our responsibility to lead by example in promoting financial health, environmental responsibility, employee welfare, and ethical marketplace practices.

Financially, we pledge to manage our resources prudently and transparently, ensuring long-term viability while investing in programs that drive sustainable growth. Environmentally, we are dedicated to reducing our carbon footprint through energy-efficient infrastructure, waste reduction initiatives, and conservation education, actively promoting a green and healthy campus.

We value our employees as key stakeholders in our mission. By cultivating a supportive, inclusive, and safe working environment, we ensure their well-being and empowerment, which directly enhances institutional resilience and performance. In our marketplace practices, we uphold integrity, fairness, and accountability in all engagements with suppliers, students, and partners.

Our ultimate goal is to contribute meaningfully to our community, the national economy, and the planet. Through education, innovation, and collaboration, Kitale National Polytechnic strives to instill sustainability as a core value—preparing our students and stakeholders to become responsible global citizens and stewards of a more equitable and environmentally secure future.

### **a) Kitale National Polytechnic Sustainability Strategy and Profile**

Kitale National Polytechnic is firmly committed to a sustainability strategy that emphasizes prudent financial management as a cornerstone of long-term institutional success. Operating in a challenging macroeconomic environment, marked by Kenya's economic constraints, the Polytechnic has maintained financial stability by implementing strategic cost-cutting measures and enhancing operational efficiency.

Our sustainability approach ensures that every resource is maximized for impact while minimizing waste. Through careful planning and performance monitoring, we have remained resilient and adaptive, aligning our operations with both current realities and future demands. These efforts have not only safeguarded our financial health but also empowered us to pursue growth and innovation.

Key achievements underscore the effectiveness of our strategy. We have successfully increased our student enrollment to 12,250 and expanded our academic portfolio to 148 courses. These milestones reflect our unwavering commitment to broadening access to quality, affordable, and relevant education.

Kitale National Polytechnic continues to build a sustainable institution that can respond effectively to socioeconomic shifts while supporting Kenya's development goals. Our focus remains on long-term value creation for students, staff, and the wider community, ensuring that financial responsibility and educational excellence go hand in hand.

### **b) Environmental Performance**

Kitale National Polytechnic is dedicated to promoting environmental sustainability through targeted greening initiatives, in line with directives from the Ministry of Education and the State Department of TVET. Central to these efforts is the establishment of a tree nursery with a capacity of 15,000 indigenous trees. This initiative supports reforestation, climate change mitigation, and biodiversity conservation. By engaging in these green practices, we are actively reducing our environmental footprint and fostering ecological balance within our community. Our commitment is clearly reflected in the various greening activities undertaken, as documented in the following photos showcasing our environmental stewardship in action.



**c) Employee Welfare – Summary**

Kitale National Polytechnic is committed to promoting the well-being and professional development of its staff. Central to this effort is the Kitale National Polytechnic Human Resource Policy and Procedure Manual, which provides clear guidelines on recruitment, performance appraisal, and staff development. As an ISO 9001:2015-certified institution, we prioritize safety by fully complying with the Occupational Safety and Health Act of 2006, ensuring a secure and supportive work environment. Employee development is further enhanced through regular Training Needs Assessments (TNA), which help identify skill gaps and provide opportunities for growth and advancement. Through these comprehensive strategies, Kitale National Polytechnic ensures that staff are well-supported, motivated, and equipped to contribute effectively to institutional and national development goals.

**d) Marketplace Practices**

Kitale National Polytechnic upholds responsible competition and ethical marketplace practices in all its operations. In alignment with national education standards and equitable access, the institution primarily admits trainees into modularized curricula aligned with the Kenya National Qualifications Authority (KNQA) Levels 3 to 6. This approach ensures transparency, fairness, and inclusivity in student admission and program delivery. By focusing on competency-based training, we equip learners with practical skills relevant to the job market, while maintaining integrity and quality across all academic and administrative processes. Our commitment reflects our dedication to ethical excellence in education and service provision.

**e) Corporate Social Responsibility / Community Engagements**

Kitale National Polytechnic actively engages in Corporate Social Responsibility (CSR) initiatives that strengthen our relationship with the surrounding community and enhance the safety of our trainees. Recent CSR activities include community clean-up campaigns, participation in local environmental conservation programs, and outreach initiatives supporting vulnerable groups. We have also collaborated with local leaders and security agencies to improve community policing and safety around the institution by erecting security floodlights masts in the neighboring slum area. These efforts have fostered goodwill, mutual respect, and a sense of shared responsibility, leading to a more secure and supportive environment for our students and staff while reinforcing our role as a responsible community partner.

## **11. Report of the Council**

The council submit their report together with the audited financial statements for the year ended June 30<sup>th</sup>, 2025 which shows the state of Kitale National Polytechnic.

### **Principal activities**

The principal activities of the Kitale national Polytechnic continue to be the provision of quality education and training, research innovation and outreach services for the benefit of humanity.

### **Result**

The results of the Kitale National Polytechnic for the year ended June 30<sup>th</sup> 2025 are set out on page 1.

### **Council of Governors**

The members of the Council of who served during the years are shown on page vi-viii

### **Auditors**

The auditor general is responsible for the statutory audit of Kitale National Polytechnic in accordance with Article 229 of the constitution of Kenya and public Audit Act 2015 for the year ended June 30<sup>th</sup>, 2025.

By the order of the Governing Council

Signature.....  


Name: **Dr. Tom W. Mulati**

Chief Principal

## **12. Statement of Councils' Responsibilities**

Section 81 of the Public Finance Management Act, 2012 and *Technical and Vocational Education and Training Act, 2013* - require the council members to prepare financial statements in respect of the Kitale National Polytechnic, which give a true and fair view of the state of affairs of the Kitale National Polytechnic at the end of the financial year ended 30<sup>th</sup> June 2025 and the operating results of the Polytechnic for that year/period. The Council members are also required to ensure that the Polytechnic keeps proper accounting records which disclose with reasonable accuracy the financial position of the Polytechnic. The council members are also responsible for safeguarding the assets of the Polytechnic.

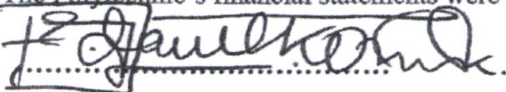
The Council members are responsible for the preparation and presentation of the Polytechnic's financial statements, which give a true and fair view of the state of affairs of the Polytechnic for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Kitale National Polytechnic, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the Polytechnic, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Council members accept responsibility for the Polytechnic's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and *Technical and Vocational Education and Training Act, 2013*. The council members are of the opinion that the Polytechnic's financial statements give a true and fair view of the state of Polytechnic's transactions during the financial year ended June 30, 2025, and of the Polytechnic's financial position as at that date. The Council members further confirm the completeness of the accounting records maintained for the Polytechnic, which have been relied upon in the preparation of the Polytechnic'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 Polytechnic's ability to continue as a going concern. Nothing has come to the attention of the Council members to indicate that the Polytechnic will not remain a going concern for at least the next twelve months from the date of this statement.

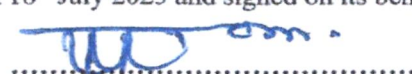
### **Approval of the financial statements**

The Polytechnic's financial statements were approved by the council on 18<sup>th</sup> July 2025 and signed on its behalf by:



**BISHOP DR. PAUL KIBIRECH KORIR**

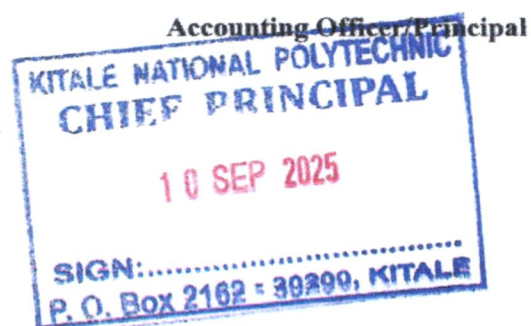
**Chairperson of the Board/Council**



**DR. TOM W. MULATI**

**Accounting Officer/Principal**

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# REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

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

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

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

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Opinion

I have audited the accompanying financial statements of Kitale National Polytechnic set out on pages 1 to 31, which comprises of the statement of financial position as at 30 June, 2025 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, the financial statements present fairly, in all material respects, the financial position of Kitale National Polytechnic as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013, the Science, Technology and Innovation Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Opinion**

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Kitale 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 opinion.

### **Emphasis of Matter**

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

The statement of comparison of budget and actual amounts reflects final budgeted revenue and actual revenue of Kshs.724,486,600 and Kshs.625,009,673 respectively resulting in an underfunding of Kshs.99,476,927 or 14% of the budget.

The underfunding affected the planned activities and may have negatively impacted service delivery to the stakeholders.

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. I have determined that there are no other key audit matters to communicate in my report.

### **Other Matter**

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

The audit report for the year ended 30 June, 2024 highlighted issues under the report on lawfulness and effectiveness in use of public resources and report on effectiveness of

internal controls, risk management and governance. Although Management has indicated in the report on progress made in follow up of auditor's recommendations that some matters were resolved, the actual status of the matters will be confirmed after deliberations and recommendations by oversight bodies. The pending matters are shown in the **Appendix 1** attached to this report.

### **Other Information**

The Management is responsible for the other information set out on page iii to xxix which comprises of key entity information and management, Chairman's statement, report of the Chief Principal, statement of performance against predetermined objectives, corporate governance statement, management discussion and analysis, environmental and sustainability reporting statements, report of the Council, and statement of Council's responsibilities. The other information does not include the financial statements and my audit report thereon.

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Delay in Completion of Proposed Construction of the Hospitality and Institutional Management Block**

Review of Tender no. KNP/OT/01/2021-2022 for Proposed Construction of the Hospitality and Institutional Management Block revealed that the works were awarded to a firm at a contract sum of Kshs.56,123,461 in 2021/2022 financial year. Through a variation order dated 8 October, 2024, the County Works Officer approved a contract variation of works amounting to Kshs.12,333,675 (22% of the contract sum) increasing the contract sum to Kshs.68,457,554. The contract was for a period of 52 weeks, commencing on 14 February, 2022 to 13 February, 2023. Scrutiny of the project file revealed the that contractor through letter ref: E.C.C/KNP/12/2024 dated 3 September, 2024 requested for

a contract extension of contract period due to approved contract variation which was granted on 10 September, 2024 for extension up to 28 October, 2024 and was specified as the last contract extension. However, at the time of audit in July, 2025 the project was at 98% completion, and therefore had delayed by one hundred and twenty-one (121) weeks.

In the circumstances, the Polytechnic did not enjoy the benefits accruing from the completed project.

## **2. Collapsed Automotive Engineering Workshop Block at the Proposed Chepararia Technical Training Institute**

As previously reported, the Ministry of Education Science and Technology undertook implementation of proposed Erection and Completion of Automotive Engineering Workshop Block at the proposed Chepararia Technical Training Institute which was under the mentorship of Kitale National Polytechnic at a contract sum of Kshs.48,820,604, for a contract period of fifty-two (52) weeks commencing on 2 February, 2015. The contractor was paid a total of Kshs.26,611,252 being amount for seven (7) certificates of work done representing about 55% of the contract sum. However, review of the contract records revealed that the building collapsed on 28 February, 2017.

No evidence was provided to confirm the building works were insured as required by Section 13.1 of the general conditions of contract which required that the contractor should have an insurance with joint names with the Ministry for among other risks, loss of or damage to the works, plant and materials. Further, there was no evidence that the land on which the project was implemented was owned by the Institution and also whether environmental impact assessment had been carried out and the project approved.

In addition, although the building collapsed in 2017, the project implementation status report as at 30 June, 2025 indicates that the project is at 55% completion. Available information indicates the project structural engineer concluded that the contractor should start the project afresh at a new site at the cost of the contractor. However, as at the time of audit in September 2025, no evidence was provided that the contractor had started the construction and the project had delayed by 496 weeks while the contractor was not on site.

In the circumstances, the public did not enjoy the benefits accruing from completed projects.

## **3. Noncompliance with a Third of Basic Pay Rule**

Review of payroll data extracted from the electronic resource planning system for permanent and pensionable employees revealed that several employees were receiving net salaries that were less than a third of their respective basic salaries. This was contrary to Section 19(3) of the Employment Act, 2007 which states that without prejudice to any right of recovery of any debt due, and notwithstanding the provisions of any other written law, the total amount of all deductions which under the provisions of subsection (1), may be made by an employer from the wages of his employee at any one time shall not exceed

two thirds of such wages. Management has not provided a satisfactory reason or justification for paying net salaries that were less than one-third of employee's respective basic salaries.

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

#### **4. Failure to Absorb 5% of Employees from People Living with Disabilities**

During the year under review, the Polytechnic recruited a total of fifty-eight (58) number staff comprising of fifty-three (53) trainers and five (5) non-teaching staff. However, none of these new staff members were drawn from people living with disability. Further, review of the staff biodata provided revealed that only four (4) members were from people living with disabilities, representing 1% of the total staff composition of three hundred and twenty-five (325). This was contrary to Article 54 of the Constitution of Kenya, 2010 which provides that at least 5% of employment opportunities in the public sector should be reserved for people with disabilities.

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

#### **5. Failure to Deduct and Remit Public Procurement Capacity Building Levy**

Review of the financial statements revealed that, the Polytechnic made payments for goods and services amounting to Kshs.551,261,903. However, Management did not deduct and remit the capacity building levy totalling Kshs.165,379. This was contrary to Section 3(1) of Legal Notice 206 of the Levy Order 2023 which states that there shall be paid a levy by a supplier on all procurement contracts signed between the supplier and a procuring entity, at the rate of zero point zero three per centum (0.03%) of the value of the signed contract, exclusive of applicable taxes. The non-remittance may lead to potential penalties amounting to Kshs.8,269.

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

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

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

#### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters 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**

### **1. Non-alignment of Risk Management Policy with Strategic Plan**

Review of internal controls revealed that the Polytechnic had a Risk Management Policy which was last reviewed in November, 2022. However, the Polytechnic's current Strategic Plan was developed and approved in the year 2024. As a result, the existing Risk Management Policy was not aligned with the current Strategic Plan. In addition, the Polytechnic did not undertake a formal risk assessment during the year under review contrary to the provisions of Regulation 170(1) of the Public Finance Management (National Government) Regulations, 2015, which requires entities to identify and assess risks on a continuous basis. Further, there was no risk register maintained during the year, limiting the Polytechnic's ability to document, monitor, and mitigate risks that could affect the achievement of its strategic objectives.

In the absence of an updated Risk Management Policy aligned with the current Strategic Plan, and failure to conduct a risk assessment, the Polytechnic was not adequately prepared to manage risks that may affect the implementation of its strategic objectives and deliver on its mandate.

### **2. Non-Establishment of Strategic Theme Committee**

Review of the internal control systems and governance structures of the Polytechnic revealed that the Management had not established the strategic theme committee as envisaged in the strategic plan. Further, no formal mechanism was in place for systematic data collection, monitoring, or evaluation of performance against the strategic objectives and Key Result Achievements (KRAs).

In the absence of the strategic theme committee, the Polytechnic lacks a structured approach to data collection, analysis, and reporting on the implementation of the Strategic Plan. This compromises the reliability and accuracy of performance measurement, limits timely decision-making, and hinders the institution's ability to demonstrate accountability and progress toward achieving strategic outcomes.

### **3. Failure to Operate a Separate Retention Account for Contractor Payments**

The statement of financial position reflects trade and other payables from exchange transactions of Kshs.219,354,080 as disclosed in Note 21(a) to the financial statements. Review of supporting documents and schedules revealed an amount of Kshs.6,702,906 relating to retention fees. However, the Management did not operate a separate account to separate the money held on behalf of contractors as retention fees. Similarly, the Management did not maintain separate bank account for the students' refundable caution money amounting to Kshs.2,549,870.

In the circumstances, the funds are at risk of being applied on other uses and may not be available as and when required to settle the obligations.

#### **4. Weak Internal Controls on ERP System**

Review of the Polytechnic's systems revealed that the enterprise resource planning (ERP) system in use allows editing of ledger entries including cash book entries without limiting time cut off, even after the end of the financial period. This weakness in the accounting system affects the reliability of the Polytechnic's ledgers.

In the circumstances, the reliability of the ERP system on ledger management and control could not be confirmed.

#### **5. Lack of Debt Recovery Strategy**

The statement of financial position reflects Kshs.500,970,269 in respect of receivables from exchange transactions as disclosed in Note 18 to the financial statements. Review of student debtors' schedules revealed that student debtors increased from Kshs.280,859,819 in the financial year 2023/2024 to Kshs.453,012,472 in 2024/2025, representing a 61% increase. Further, the Polytechnic did not have an approved debt management and recovery policy.

In the circumstances, failure to have debt management and recovery policy may lead to difficulties in future recovery of debts and cash flow shortfalls.

#### **6. Lack of Transfer of Ownership Documents for Motor Vehicles**

The statement of financial position reflects property, plant and equipment balance of Kshs.3,144,535,761 as disclosed in Note 26 to the financial statements. This includes ten (10) motor vehicles with a net book value of Kshs.32,372,217. Review of ownership documents revealed that the log book for one (1) motor vehicle is under joint ownership with a commercial bank. In addition, the logbook for one vehicle with a GK registration plate was not provided for verification. Although Management explained that the vehicle was donated by the Ministry of Education, no satisfactory reason was provided for the delay to transfer the vehicle to the Polytechnic.

Further, included in the balance of Kshs.32,372,217 in respect of motor vehicles were four (4) tractors donated by the Ministry of Education in 2018 with net book value of Kshs.4,981,500. However, Management did not provide ownership documents or records on specifications, chassis and engine numbers.

In the circumstances, the ownership of the vehicles could not be confirmed.

#### **7. Land Encroachment by the Public**

The statement of financial position reflects property, plant and equipment balance of Kshs.3,144,535,761 as at 30 June, 2025 which includes cost of 33.72 Hectares of land of Kshs.2,041,389,000 as disclosed in Note 26 to the financial statements. However, the fixed asset register provided for audit review contains two more parcels of land measuring 9.057Ha and 10.048 Ha which were not included in the valuation report and financial statements. The land had no ownership documents. Available information revealed that

the land had been encroached by members of the public and the polytechnic may not be able to utilize the land.

In the circumstances, the ownership of the two parcels of land could not be confirmed.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Nairobi**

**07 October, 2025**



<b>Appendix 1. Unresolved Prior Issues</b>		
1	Un-remitted Capitation	Review of the supporting documents including invoices and bank statements revealed that out of the Kshs.218,310,000 invoiced, the polytechnic received an amount of Kshs.117,744,725 leaving a balance of Kshs.100,565,275 outstanding.
2	Unconfirmed Ownership of Land	The PPE balance of Kshs.3,136,348,855 excludes the value of two (2) parcels of land measuring approximately 9.057 Ha and 10.048 Ha owned by the Polytechnic through allotment letters. The two parcels of land have been encroached by outsiders and the Polytechnic cannot utilize the property.
3	Long Outstanding Student Debtor Receivables	Included in the receivables from exchange transactions of Kshs.316,797,108 is an amount of Kshs.305,066,331 in respect of student debtors out of which Kshs.151,917,848 has been outstanding for a period of more than one (1) year. In the circumstances, the recoverability of the student debtors amount of Kshs.151,917,848 is doubtful.
4	Collapsed Automotive Engineering Workshop Block at Chepararia Technical Training Institute	As previously reported, the Ministry of Education Science and Technology undertook implementation of proposed Erection and Completion of Automotive Engineering Workshop Block at Chepararia Technical Training Institute which was under the mentorship of Kitale National Polytechnic at a contract sum of Kshs.48,820,604, the contract for 52 weeks commencing on 2 February, 2015. The contractor was paid a total of Kshs.26,611,252 being amount for 7 certificates of work done representing about 55% of the contract sum. However, review of the contract records revealed that the building collapsed on 28 February, 2017. No evidence was provided to confirm the building works were insured as required by Section 13.1 of the general conditions of contract. The contract requires that the contractor should have an insurance with joint names with the Ministry for among other risks, loss of or damage to the works, plant and materials. Further, there was no evidence that the land on which the project was implemented was owned by the Institution and also whether environmental impact assessment had been carried out and the project approved.



**14. Statement of Financial Performance For The Year Ended 30th June 2025**

Description	NOTE	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfer from National Government Ministries-operational grants	6	15,000,000	50,421,900
Transfer from National Government Ministries-capitation	6	140,317,075	117,744,725
<b>Total Revenue from non-exchange transactions</b>		<b>155,317,075</b>	<b>168,166,625</b>
<b>Revenue From Exchange Transactions</b>			
Rendering of Services-fees from students	7	445,703,202	387,015,546
Sale Of Goods	8	9,004,325	15,814,943
Rental revenue From Facilities and Equipment	9	9,641,080	12,016,100
Miscellaneous Income	10	5,343,991	10,131,355
<b>Total Revenue From Exchange Transactions</b>		<b>469,692,598</b>	<b>424,977,944</b>
<b>Total Revenue</b>		<b>625,009,673</b>	<b>593,144,569</b>
<b>Expenses</b>			
Use of Goods and Services	11	412,473,363	342,944,567
Employee Cost	12	106,518,337	102,105,352
Directors remuneration	13	20,657,208	20,086,404
Depreciation and amortization expense	14	43,466,691	40,608,692
Repairs and Maintenance	15	31,855,913	30,218,914
<b>Total Expenditure</b>		<b>614,971,511</b>	<b>535,963,929</b>
<b>Surplus for the period</b>		<b>10,038,162</b>	<b>57,180,640</b>

The Financial Statements set out on page 1 to 30 were signed by:

*[Handwritten Signature]* .....

*[Handwritten Signature]* .....

Chairman Governing Council  
 Name: Bishop Dr. Paul Kibirech  
 Korir

Chief Principal  
 Name: Dr. Tom W. Mulati

Finance Officer  
 Name: CPA David K. Kurgat

Date .....

**KITALE NATIONAL POLYTECHNIC**  
**CHIEF PRINCIPAL**  
 10 SEP 2025  
 SIGN: .....  
 P. O. Box 2162 - 30200, KITALE

**FINANCE OFFICER**  
**THE KITALE NATIONAL POLYTECHNIC**  
 ICPAK NO: 14422  
 Date: 10 SEP 2025  
 P. O. Box 2162 - 30200,  
 KITALE

**15. Statement of Financial Position as At 30th June 2025**


Description	NOTE	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	16(a)	150,478,491	388,079,425
Inventory	17	5,982,029	3,378,358
Receivables from Exchange Transactions	18(a)	500,970,269	316,797,108
<b>Total Current Assets</b>		<b>657,430,788</b>	<b>708,254,891</b>
<b>Non-current Assets</b>			
Property, Plant & Equipment	26(a)	3,144,535,761	3,136,348,855
Intangible Assets	20	6,185,920	5,718,240
Biological assets	23	3,543,064	4,357,674
<b>Total Non-current Assets</b>		<b>3,154,264,744</b>	<b>3,146,424,769</b>
<b>Total Assets</b>		<b>3,811,695,533</b>	<b>3,854,679,660</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables from Exchange transactions	21(a)	219,354,080	272,508,710
Refundable deposits from customers	22	40,878,240	40,886,289
<b>Total Liabilities</b>		<b>260,232,320</b>	<b>313,394,999</b>
<b>Total Net Assets</b>		<b>3,551,463,213</b>	<b>3,541,284,660</b>
<b>Represented by:</b>			
Accumulated Surplus		463,322,325	453,284,163
Revaluation Reserves		1,516,303,248	1,516,162,858
Capital Reserves		1,571,837,639	1,571,837,639
<b>Total Net Assets</b>		<b>3,551,463,212</b>	<b>3,541,284,660</b>

The Financial Statements set out on page 1 to 30 were signed by:

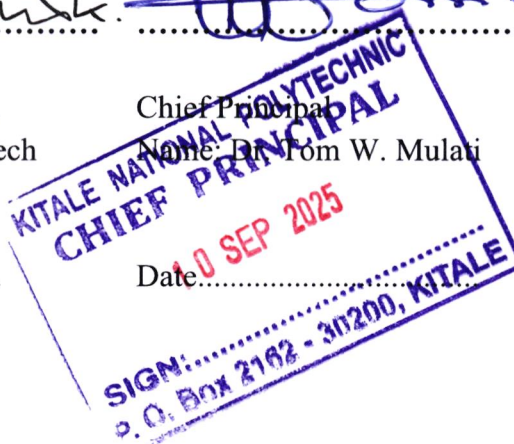
 .....

Chairman Governing Council  
Name: Bishop Dr. Paul Kibirech  
Korir

Date.....

 .....

Chief Principal  
Name: Dr. Tom W. Mulati



Date.....

 .....

Finance Officer  
Name: CPA David K. Kurgat



Date.....

**16.Statement of Changes in Net Asset for the Year Ended 30th June 2025**

Description	Revaluation	Accumulated	Capital	Total
	reserves	Funds	Grants/Funds	
	Kshs	Kshs	Kshs	Kshs
<b>Balance as at July 1st 2023</b>	<b>1,518,193,814</b>	<b>396,103,523</b>	<b>1,670,882,557</b>	<b>3,585,179,894</b>
Revaluations gain	-	-	-	-
Prior year adjustments for related parties note 26	-	-	(107,344,918)	(107,344,918)
Revaluation Loss (biological assets)	(2,030,956)	-	-	(2,030,956)
Fair value adjustment(biological assets)	-	-	-	-
Total Comprehensive income	-	57,180,640	-	57,180,640
Capital/Development grants Received	-	-	-	-
Transfer of dep/amort from capital funds	-	-	-	-
Fair Value Adjustments on computers	-	-	8,300,000	8,300,000
<b>As at 30TH JUNE 2024</b>	<b>1,516,162,858</b>	<b>453,284,163</b>	<b>1,571,837,639</b>	<b>3,541,284,660</b>
<b>Balance as at July 1st 2024</b>	<b>1,516,162,858</b>	<b>453,284,163</b>	<b>1,571,837,639</b>	<b>3,541,284,660</b>
Revaluations gain				
Prior year adjustments for related parties note 26				
Revaluation Loss (biological assets)	(814,610)			(814,610)
Fair value adjustment(biological assets)				-
Total Comprehensive income		10,038,162		10,038,162
Capital/Development grants Received				-
Transfer of dep/amort from capital funds				-
Fair Value Adjustments on(tractor)	955,000	-		955,000
<b>As at 30TH JUNE 2025</b>	<b>1,516,303,248</b>	<b>463,322,325</b>	<b>1,571,837,639</b>	<b>3,551,463,212</b>

17. Statement of Cash Flows For The Year Ended 30th June 2025

Description	NOTE	FY 2024/2025 Kshs	FY 2024/2023 Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfer from other Government entities/ Government grants	6	155,317,075	168,166,625
Rendering of services – fees from students	7	261,530,042	302,326,891
Sale of goods	8	9,004,325	15,814,943
Rental revenue from facilities and equipment	9	9,641,080	12,016,100
Miscellaneous Income	10	5,343,991	10,131,355
<b>Total receipts</b>		<b>440,836,512</b>	<b>508,455,914</b>
<b>Payments</b>			
Use of goods and services	11	468,239,713	232,160,527
Employee costs	12	106,518,337	102,105,352
Remuneration of Directors	13	20,657,208	20,086,404
Repair, maintenance and improvements	14	31,855,913	30,218,914
<b>Total payments</b>		<b>627,271,171</b>	<b>384,571,197</b>
<b>Cash flows from operating activities</b>	<b>24</b>	<b>(186,434,658)</b>	<b>123,884,717</b>
<b>Cash flows from Investing activities</b>			
Purchase of Property, plant and Equipment	26(d)	(48,199,077)	(92,463,158)
Purchase of intangible asset	20	(2,967,200)	
Proceeds from sale of Property, plant and Equipment		-	-
<b>Net cash flows from investing activities</b>		<b>(51,166,277)</b>	<b>(92,463,158)</b>
<b>Cashflow from Financing Activities</b>			
Proceeds from Borrowing		-	-
Repayment of Borrowings		-	-
<b>Net cashflows Used in Financing Activities</b>		<b>-</b>	<b>-</b>
<b>Net Decrease in Cash and Cash Equivalent</b>		<b>(237,600,935)</b>	<b>31,421,559</b>
Cash and cash equivalent as at 1 <sup>st</sup> July 2024		388,079,425	356,657,867
<b>Cash and cash equivalents as at 30th June 2025</b>		<b>150,478,491</b>	<b>388,079,425</b>

**Kitale National Polytechnic**  
**Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2025**

**18. Statement of Comparison of Budget & Actual amounts For Year Ended 30th June 2025**

Description	original annual budget	adjustments	Final Annual Budget	Actual on comparable basis	difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Revenue</b>						
Public contributions and Donations	-	-	-	-	-	-
Rendering of Services	476,433,800	-	476,433,800	445,703,202	-30,730,598	-6%
Rental revenue From Facilities and Equipment	4,972,800	-	4,972,800	9,641,080	4,668,280	94%
Sale Of Goods	18,300,000	-	18,300,000	9,004,325	-9,295,675	-51%
<b>Transfer from Government</b>					0	#DIV/0!
Transfer from National Government Ministries fees-capitation	204,780,000	-	204,780,000	140,317,075	-64,462,925	-31%
Transfer from National Government Ministries operational grants	-	15,000,000	15,000,000	15,000,000	0	0%
Miscellaneous Income	5,000,000	-	5,000,000	5,343,991	343,991	7%
<b>Total Income</b>	<b>709,486,600</b>	<b>15,000,000</b>	<b>724,486,600</b>	<b>625,009,673</b>	<b>-99,476,927</b>	<b>-14%</b>
<b>Expenses</b>						
Depreciation and amortization expense	-	-	-	-	-	-
Employee Cost	96,541,905	16,000,000	112,541,905	106,518,337	6,023,568	5%
Remuneration of Directors	17,265,920	5,700,000	22,965,920	20,657,208	2,308,712	10%
Repairs and Maintenance	41,097,172	11,190,951	52,888,123	31,855,913	21,032,210	40%
Use of Goods and Services	291,947,942	192,142,710	484,090,652	412,473,363	71,617,289	15%
Development (Major renovation of class rooms)	-	52,000,000	52,000,000	51,166,277	833,723	2%
<b>Total expenditure</b>	<b>447,452,939</b>	<b>277,033,661</b>	<b>724,486,600</b>	<b>622,671,098</b>	<b>101,815,502</b>	<b>14%</b>
<b>Surplus for the period</b>	<b>-262,033,661</b>	<b>-</b>	<b>-</b>	<b>2,338,575</b>	<b>-</b>	<b>-</b>

**Reconciliation between the Financial Performance and Statement of Comparison of Budget and Actual Amount**

Description	Amount (Ksh)
Actual Surplus as per The Budget	2,338,576
Increase In Receivables	(184,173,161)
Decrease In Payables	(53,154,630)
Increase In Inventories	(2,603,671)
Refundable Deposit	(8,049)
Cash and Cash Equivalent as at 1st July 2024	388,079,425
Cash and Cash Equivalent as at 30th June 2025	150,478,490

## **Budget Notes**

Depreciation is non-cash item and therefore not in the statement of comparison of budget and actual amount.

## **Revenue**

### **Rendering of Services**

The management during the financial year 2024/2025 could not attain the collection of fees from students' projections amounting to Kshs. 476,433,800 by Kshs. 214,903,759 due to the challenges of new funding model and the partial remittance of HELB loan to the successful students.

### **Rental revenue From Facilities and Equipment**

This positive increase is due to increased demand for facility rentals, from external organizations using the polytechnic's halls for seminars, conferences, and private events

### **Sale Of Goods**

Farm income shortfall in production due to un achieved diversification

Pay as you eat sales decline due to un achieved sales to students guest participating in co-curricular activities held in other institution.

### **Transfer from National Government Ministries fees-capitation**

There was shortfall of capitation due to partial disbursement by the Government and as at 30<sup>th</sup> June 2025 there was no commitment to pay the outstanding balance. However, If the government will pay the outstanding capitation of ksh.64,462,925 the management will adjust its financial statement retrospectively.

### **Transfer from National Government Ministries operational grants**

Operational grant received for renovation and improvement of classrooms.

## **Expense**

### **Remuneration of Directors**

Increase in Council remuneration is attributable to retreat for policies formulation in line with revised strategic plan.

### **Repairs and Maintenance:**

The institution planned critical repairs involving the removal of asbestos-containing materials. However, delays in obtaining environmental clearance from the National Environment Management Authority (NEMA) postpone these works. Since asbestos handling requires regulatory compliance and specialist contractors, the delay directly impacted scheduled maintenance activities.

### **Use of Goods and Services:**

The cost associated with the use of goods and services in line with the institution core mandate. However, the closure of the financial year is not concurrent with the academic program. Whereas the financial year ends at 30<sup>th</sup> June the term program is ending in July hence the utilization of the budget could not be realized 100%.

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

### **1. General Information**

The Kitale National Polytechnic (KNP) was established in 1980 as a Technical Secondary School and later became Kitale Technical Training Institute (KTTI) under the provisions of the Education Act (Cap 211). The Polytechnic was built by the Kenya Government with the assistance of the Swedish International Development Agency (SIDA) Technical Education Project.

The Institution was elevated to a National Polytechnic in June 2016 through the Legal Notice No. 95 of June 2016, and was granted power to award Higher Diplomas, Diplomas, Certificates and Degrees in collaboration with recognized universities. As a National Polytechnic, KNP operations are guided by various legislations and regulations including the TVET Act, 2013, Science, Technology and Innovation Act, 2013 (ST&I).

In 2023, polytechnic developed a strategic plan covering a five-year period 2023 - 2028 with a focus on improving service delivery, enhancing operational efficiency and effectiveness as well as positioning the Polytechnic for global competitiveness in training and research.

The principal activity/mission of the Polytechnics to produce globally Competitive Graduates through Competency Based Education and Training, Research and Innovation for Sustainable Development.

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

The Kitale National Polytechnic's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Kitale National Polytechnic, the accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

### **3. Adoption of new and revised standards**

i) Relevant new standards and amendments to published standards effective for the year ended 30 June 2024.

There are no new standards in the year ended 30<sup>th</sup> June 2025

ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30<sup>th</sup> June 2025.

Standard	Effective date and impact:
IPSAS 47: Revenue	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that Kitale National Polytechnic shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48: Transfer Expenses	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49: Retirement Benefit Plans	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><b><i>Applicable 1<sup>st</sup> January 2027</i></b></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> <li data-bbox="379 1160 1501 1234">i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li data-bbox="379 1245 1501 1361">ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li data-bbox="379 1373 1501 1570">iii. Disclosures that identify and explain the amounts in the entity’s financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ol>

**Early adoption of standards**

The Kitale National Polytechnic did not early adopt any new or amended standards in year 2024

**4. Summary of significant accounting policies**

**a) Revenue recognition**

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

**Transfers from other government entities**

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

**ii. Revenue from exchange transactions – IPSAS9**

**Rendering of services**

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

**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.

**Budget information – IPSAS24**

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the Kitale National Polytechnic. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or The Kitale National Polytechnic differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

**c) Taxes – IAS12**

**Current income tax**

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where The Kitale National Polytechnic operates and generates taxable income.

Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Sales 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 – IPSAS16**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 30-year period.

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 – IPSAS17**

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

**Property Plant and Equipment- IPSAS 45**

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 recognized 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.

### **Non- Current Assets Held for Sale and Discontinued Operations- IPSAS 44**

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.

#### **f) Leases**

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Kitale National Polytechnic. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Kitale National Polytechnic also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability 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 Kitale National Polytechnic will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Kitale National Polytechnic. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

#### **IPSAS 43**

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 Kitale National Polytechnic.

The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.

#### **g) Intangible assets – IPSAS31**

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.

**h) Research and development costs**

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

The technical feasibility of completing the asset so that the asset will be available for use or sale

Its intention to complete and its ability to use or sell the asset

How the asset will generate future economic benefits or service potential

The availability of resources to complete the asset

The ability to measure reliably the expenditure during development

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

**i) Financial instruments – IPSAS 29**

**Financial assets**

**Initial recognition and measurement**

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

**Loans and receivables**

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

**Held-to-maturity**

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when The Kitale National Polytechnic has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

**Impairment of financial assets**

The Kitale National Polytechnic assesses at each reporting date whether there is objective evidence that a financial asset or a Polytechnic of financial assets is impaired. A financial asset or a Polytechnic or financial assets is deemed to be impaired if, and only if, there is objective

evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or Polytechnic financial assets that can be reliably estimated. Evidence of impairment

may include the following indicators:

The major debtors or some of debtors are experiencing significant financial difficulty

Default or delinquency in interest or principal payments

The probability that debtors will enter bankruptcy or other financial reorganization

Observable data indicates a measurable decrease in estimated future cash flows

(e.g. changes in arrears or economic conditions that correlate with defaults)

### **Financial liabilities**

#### **1. Initial recognition and measurement**

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

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

#### **2. Loans and borrowing**

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

IPSAS 29.65

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

#### **j) Inventories – IPSAS12**

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

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

Raw materials: purchase cost using the weighted average cost method

Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

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

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

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

#### **k) Provisions – IPSAS19**

Provisions are recognized when The Kitale National Polytechnic has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic

benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

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

**Contingent liabilities**

The Kitale National Polytechnic 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 Kitale National Polytechnic does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Polytechnic in the notes to the financial statements. Contingent assets are assessed continually to ensure 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 Kitale National Polytechnic recognizes a social benefit as an expense for the social benefits scheme at the same time that it recognizes a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the Kitale National Polytechnic will incur in fulfilling the present obligations represented by the liability.

**m) Nature and purpose of reserves**

The Kitale National Polytechnic creates and maintains reserves in terms of specific requirements. The Kitale National Polytechnic to state the reserves maintained and appropriate policies adopted.

**n) Changes in accounting policies and estimates – IPSAS3**

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

**o) Employee benefits****Retirement benefit plans**

The Kitale National Polytechnic provides retirement benefits for its employees on gratuity basis. Defined contribution plans are post-employment benefit plans under which The Kitale National Polytechnic pays fixed contributions into a separate The Kitale National Polytechnic (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 – IPSAS4**

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 – IPSAS5**

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 – IPSAS20**

The Kitale National Polytechnic regards a related party as a person or an officer/member with the ability to exert control individually or jointly, or to exercise significant influence over The Kitale National Polytechnic, or vice versa. Members of key management are regarded as related parties and comprise the Chairman, the Chief executive officer (principal), Governing Council members, top management members and any other officer working for the polytechnic.

**s) Service concession arrangements – IPSAS 32**

The Kitale National Polytechnic 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 Kitale National Polytechnic 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 Kitale National Polytechnic 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 authorized 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 – IPSAS14**

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.

**Fixed assets and depreciation –IPSAS17**

Fixed assets are stated at cost or valuation, less accumulated depreciation. Depreciation is calculated on the straight-line basis, at annual rates estimated to write off carrying values of the assets over their expected useful lives. Assets acquired during the year are fully depreciated.

The annual depreciation rates of assets in use are as follows:-

<b><u>Assets</u></b>	<b><u>Rate (p.a)</u></b>
Buildings	2%
Motor vehicles	10%
Furniture	12.5%
Computers	20%
Plant and equipment	10%
Amortization	20%

**Freehold land is not depreciated as it is deemed to have an infinite life.**

**i) Agriculture – IPSAS 27**

Biological assets were dealt as per IPSAS 27 which outlines the accounting treatment for agricultural activity, the biological transformation and harvest of biological assets and conversion into agricultural produce. Biological assets were measured at fair value less costs to sell unless fair value measurement is unreliable.

**Significant judgments and sources of estimation uncertainty – IPSAS 1**

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

State all judgments, estimates and assumptions made: e.g.

**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 amount of assets and liabilities within the next financial year, are described below. The Kitale National Polytechnic 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 Kitale National Polytechnic. Such changes are reflected in the assumptions when they occur.

### **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 Kitale National Polytechnic

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 36.

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.

Assumptions were used in determining the provision for rehabilitation of landfill sites. Landfill areas are rehabilitated over years and the assumption was made that the areas stay the same in size for a number of years.

Provision is made for the estimated cost to be incurred on the long-term environmental obligations, comprising expenditure on pollution control and closure over the estimated life of the landfill. The provision is based on the advice and judgment of qualified engineers.

The estimates are discounted at a pre-tax discount rate that reflects current market assessments of the time value of money.

The increase in the rehabilitation provision due to the passage of time is recognized as finance cost in the statement of financial performance.

The cost of ongoing programs to prevent and control pollution and rehabilitate the environment is recognized as an expense when incurred.

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

The preparation of the Kitale National Polytechnic's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of 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 Kitale National Polytechnic 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 Kitale National Polytechnic. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

**Measurement -IPSAS 46**

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 standard also introduces a public sector specific measurement bases called the current operational value.

**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 Kitale National Polytechnic.

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 stock and how management estimates these provisions).

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**6. Transfers from other National Government entities**

description	FINANCIAL YEAR	FINANCIAL YEAR
	2024/2025	2023/2024
	Kshs	Kshs
Operational grants	15,000,000	<b>50,421,900</b>
Tuition Fees -Capitation	140,317,075	117,744,725
<b>Total Transfer from National Government Ministries</b>	<b>155,317,075</b>	<b>168,166,625</b>

**7. Rendering of Services**

description	FINANCIAL YEAR	FINANCIAL YEAR
	2024/2025	2023/2024
	Kshs	Kshs
Tuition Fees	171,246,894	114,029,581
Activity Fees	32,178,620	33,438,384
Electricity Water and Conservancy	26,573,143	25,184,535
Personal Emoluments	95,127,894	98,523,636
Repair , Maintenance and Improvement	19,866,387	18,029,038
Medical, insurance and industrial attachment	21,441,708	26,000,615
Local Transport and Travelling	30,197,011	30,577,325
Accommodation Fee	13,343,440	12,759,740
Application Fees	1,916,505	1,962,887
Library Penalty	48,576	24,965
Supplementary Income	23,100	37,400
Tuition-Driving School	4,427,996	4,122,000
Student I.D	1,986,400	1,920,000
Center fee	2,047,900	729,140
Graduation fee	3,173,134	3,511,300
Examination materials	9,153,495	7,671,500
K.U.C.C.P	5,510,500	5,725,500
T.V.E.T.A Quality Assurance Fee	1,836,500	1,908,000
Research and Innovations	-	110,000
Tuition fee R.P.L	5,604,000	750,000
<b>Total Revenue from The Rendering of Services</b>	<b>445,703,202</b>	<b>387,015,546</b>

**8. Sale Of Goods**

description	FINANCIAL YEAR	FINANCIAL YEAR
	2024/2025	2023/2024
	Kshs	Kshs
<b>Sale Of Goods</b>		
<b>Farm Produce</b>		
Maize Income	626,500	1,059,102
Milk Income	444,900	462,000
Sale of Animal	614,500	465,240
Sukuma Wiki Income	274,810	362,178
Sale of Chicken	374,220	587,350
Other Vegetables Income	-	-
Sale of vegetables	20,400	-
sale of cabbages	77,232	-
Sale of Eggs	-	303,750
Sale of Tomatoes	-	48,160
<b>Total sale of farm produce</b>	<b>2,432,562</b>	<b>3,287,780</b>
Pay As You Eat Income	6,571,763	12,527,163
<b>Total Revenue from Sale Of Goods</b>	<b>9,004,325</b>	<b>15,814,943</b>

**9. Rental revenue From Facilities and Equipment**

description	FINANCIAL YEAR	FINANCIAL YEAR
	2024/2025	2023/2024
	Kshs	Kshs
exams photos	323,500	132,300
Hire of Facility	7,586,230	10,714,500
Tuition fee motor rewinding	903,950	-
Rent Income	827,400	1,169,300
<b>Total Rental revenue From Facilities and Equipment</b>	<b>9,641,080</b>	<b>12,016,100</b>

**10. Miscellaneous Income**

description	FINANCIAL YEAR	FINANCIAL YEAR
	2024/2025	2023/2024
	Kshs	Kshs
Sale of firewood	10,200	-
Interest Earned From oncall Deposit	5,333,791	10,131,355
<b>Total Other Income</b>	<b>5,343,991</b>	<b>10,131,355</b>

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**11. Use of Goods and Services**

description	FINANCIAL YEAR	FINANCIAL YEAR
	2024/2025	2023/2024
	Kshs	Kshs
Activity	38,328,270	34,000,920
Accommodation	4,357,910	4,202,184
Administration Cost	41,587,438	37,160,436
Advertising	4,113,931	3,166,712
Common Wealth Association of Polytechnics in Africa	995,500	1,627,590
Capacity Building	7,897,075	3,235,865
Centre Fee	-	1,733,000
Driving School Expenses	919,958	884,848
Electricity, Water and Conservancy	14,680,091	16,352,839
Fire Equipment	461,513	317,200
Graduation	7,446,586	5,446,961
Hire of Facilities	3,218,458	3,500,171
I.S.O	302,091	871,650
Insurance, Attachment and Medical	15,230,357	9,088,418
ICT Integration	14,761,548	5,228,658
Kenya Association of Technical Training Institutions	60,000	1,185,466
Library	3,934,674	332,258
Local Transport and Travelling Expense	32,477,668	28,258,250
Pay As You Eat	27,993,236	39,603,357
Performance Contract	1,344,649	554,370
Professional Subscriptions and Training	-	-
Students Center stalls	100,000	-
Research and Innovations	3,254,491	9,989,433
Security Costs	4,849,373	4,156,011
Training expense (Tuition)	156,346,552	105,860,274
Vehicle Cover Insurance	1,356,438	1,306,373
Marketing	13,114,329	6,865,942
Production unit	1,466,273	248,123
Staff uniforms	1,652,490	-
Examination expenses	64,700	39,000
Maize Expense	460,800	770,300
Vegetable Expenses	140,700	197,350
Dairy Expense	695,705	244,450
pigs feeds	583,900	-
Bank charges	141,219	205,357
Application expense	875,500	1,016,400
Tax on Interest Earned From Deposits	874,605	971,528
Corporate Social Responsibilities	739,621	176,500
Chicken Expenses	747,465	1,418,568
KUCCPS Expenses	-	2,400,000
R.P.L Assessment	4,898,250	
K.R.A arrears	-	10,327,805
<b>Total Use of Goods and Services</b>	<b>412,473,363</b>	<b>342,944,567</b>

**12. Employee Cost**

description	FINANCIAL YEAR	FINANCIAL YEAR
	2024/2025	2023/2024
	Kshs	Kshs
Salaries and Wages	4,411,344	58,647,427
Housing Benefits and Allowances	6,412,150	4,658,380
Leave Allowances	345,000	326,000
Service Gratuity	2,559,992	-
NSSF Employer Contribution	4,957,413	1,092,551
Basic Salary	79,034,250	25,646,562
Medical Allowance	750,740	778,620
Risk Allowance	72,000	-
Responsibility Allowance	390,000	-
Commuter Allowance	3,467,000	3,014,815
Overtime payments	377,014	-
Performance and other allowances	479,360	418,029
Pension Scheme and remittance	1,863,144	-
Other payments (Christmas gifts, medical cover and staff motivation trip)	-	7,522,968
Housing levy	1,398,930	-
<b>Total Employee Cost</b>	<b>106,518,337</b>	<b>102,105,352</b>

**13. Directors remuneration**

description	FINANCIAL YEAR	FINANCIAL YEAR
	2024/2025	2023/2024
	Kshs	Kshs
Sitting allowance	6,395,000	5,985,000
Transport	2,428,680	2,145,684
Per Diem	7,374,370	7,682,760
Airtime	210,000	99,500
Chairman Monthly Allowance	975,000	650,000
Administrative cost	260,400	
Capacity Building		406,000
Insurance	718,840	718,888
P.A.Y.E	2,294,918	2,398,572
<b>Total Council Expenses</b>	<b>20,657,208</b>	<b>20,086,404</b>

**14. Depreciation and Amortization expense**

description	FINANCIAL YEAR	FINANCIAL YEAR
	2024/2025	2023/2024
	Kshs	Kshs
Land	-	-
Buildings and Structures	17,749,743	17,661,216
Motor Vehicles	3,664,113	4,236,570
Furniture and Fittings	4,014,985	3,969,333
Computers	10,435,820	8,218,469
Amortization of intangible assets	2,499,520	1,906,080
Plant & Equipment	5,102,510	4,617,023
<b>Total Depreciation and amortization expense</b>	<b>43,466,691</b>	<b>40,608,692</b>

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**15. Repairs and Maintenance**

description	FINANCIAL YEAR 2024/2025	FINANCIAL YEAR 2023/2024
	Kshs	Kshs
Property Repairs	12,664,142	26,255,552
Vehicles Repairs	4,901,554	3,406,319
R.M.I Plumbing Works	10,774,806	217,348
R.M.I ELECTRICAL	-	205,360
R.M.I Students Play Field	410,071	110,935
Road recarpeting	155,400	23,400
Furniture and Fittings Repairs	1,672,779	-
Removal of asbestos	803,000	
Other General Repairs	474,160	-
<b>Total Repairs and Maintenance</b>	<b>31,855,913</b>	<b>30,218,914</b>

**16 (a) Cash and Cash Equivalents**

description	FINANCIAL YEAR 2024/2025	FINANCIAL YEAR 2023/2024
	Kshs	Kshs
Petty Cash	156,615	93,802
ABSA-main/fees account	79,985,363	319,745,880
Undeposited Funds	701,344	735,344
KCB College Account	11,590,069	9,259,784
KCB Kapenguria Account	17,845,652	9,500,948
COOP Farm Account	731,550	712,280
COOP Development Account	469,220	9,023,130
KCB. SIGOR Technical Training Institute	12,513,213	12,518,863
COOP-CHEPARERIA TTI -0113985509403	25,815,157	25,817,557
KCB- KWANZA Technical and Vocational Centre	670,307	671,837
<b>Total Cash and Cash Equivalents</b>	<b>150,478,491</b>	<b>388,079,425</b>

**16 (b) Cash and Cash Equivalents**

description	Account Number	FINANCIAL YEAR 2024/2025
	Kshs	Kshs
<b>1. Absa main Account/School Fees Account</b>	<b>003-821950</b>	
Petty Cash		156,615
Cheques In Transit (Undeposited Funds)		701,344
Cash at Bank		79,985,363
<b>Sub-Total</b>		<b>80,843,322</b>
<b>2. Kcb-College Account</b>	<b>110808921</b>	
PettyCash		-
Cash at Bank		11,590,069
<b>Sub-Total</b>		<b>11,590,069</b>
<b>3. Kcb Kapenguria (Students meals) Account</b>	<b>1128048566</b>	
PettyCash		-
Cash at Bank		17,845,652
<b>Sub-Total</b>		<b>17,845,652</b>
<b>4. Co-operative Bank (Farm) Account</b>	<b>1120085509400</b>	
PettyCash		-
Cash at Bank		731,550
<b>Sub-Total</b>		<b>731,550</b>
<b>5. Co-operative Bank (Development) Account</b>	<b>1139085509401</b>	
PettyCash		-
Cash at Bank		469,220
<b>Sub-Total</b>		<b>469,220</b>
<b>6. Co-operative Bank (Chepareria T.T.I) Account</b>	<b>1139085509403</b>	
PettyCash		-
Cash at Bank		25,815,157
<b>Sub-Total</b>		<b>25,815,157</b>
<b>7. Kcb (Sigor T.T.I) Account</b>	<b>115735212</b>	
PettyCash		-
Cash at Bank		12,513,213
<b>Sub-Total</b>		<b>12,513,213</b>
<b>KCB - Kwanza TVC</b>	<b>1322404143</b>	<b>670,307</b>
<b>TOTAL</b>		<b>150,478,491</b>

**17. Inventories**

description	FINANCIAL YEAR 2024/2025	FINANCIAL YEAR 2023/2024
	Kshs	Kshs
Consumable Stores	3,497,972	1,465,450
Maintenances stores	787,830	748,730
Health unit stores	237,434	177,349
Electrical stores	1,092,823	447,258
Cleaning stores	196,930	79,351
Catering stores	169,040	460,220
<b>Total Inventories</b>	<b>5,982,029</b>	<b>3,378,358</b>

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**18.(a) Receivables from Exchange Transactions**

description	FINANCIAL YEAR 2024/2025	FINANCIAL YEAR 2023/2024
	Kshs	Kshs
Students Debtors	453,012,472	280,859,819
Sundry Debtors	26,025,766	24,111,512
Internal Debtors	2,765,660	3,274,870
System change over opening balances	14,206,762	7,500,177
Control Account	258,000	1,050,730
Exam fee CDACC	-	
Performance bond	2,941,910	
Staff salary advance	103,529	
I.C.D.L Exam fee	1,656,170	-
<b>Total Receivables from Exchange Transactions</b>	<b>500,970,269</b>	<b>316,797,108</b>

**18.(b) Ageing Analysis of Receivables from Exchange transactions**

description	FINANCIAL YEAR 2024/2025		FINANCIAL YEAR 2023/2024	
	Kshs	% of the total	Kshs	% of the total
<b>90 Days</b>	224,444,489	45	88,979,545	29
<b>180 Days</b>	33,422,469	7	38,339,931	13
<b>275 Days</b>	28,729,924	6	10,063,672	3
<b>366 Days</b>	6,960,188	1	15,765,335	5
<b>Greater than 366 Days</b>	207,413,199	41	151,917,848	50
<b>Totals</b>	<b>500,970,269</b>	<b>100</b>	<b>305,066,331</b>	<b>100</b>

**19. Property, Plant & Equipment**

description	Cost	Accumulated Depreciation	NBV
			Ksh
Land	2,041,389,000	-	2,041,389,000
Buildings	921,590,863	51,853,479	869,737,384
Motor Vehicle	45,129,000	12,151,983	32,977,017
Furniture	40,524,540	12,419,642	28,104,898
Computers	61,717,870	19,974,589	41,743,281
Plant and Equipment	58,979,763	14,690,223	44,289,540
Work In Progress	86,294,640	-	86,294,640
<b>Total Assets</b>	<b>3,255,625,677</b>	<b>111,089,916</b>	<b>3,144,535,761</b>

**20. Intangible Assets**

description	FINANCIAL YEAR	
	2024/2025	2023/2024
	Kshs	Kshs
<b>At the beginning of the year 1st July 2023</b>	9,530,400	9,530,400
Additions	-	-
Additional - internal development	-	-
<b>At end of the year 30th June 2024</b>	9,530,400	9,530,400
<b>Additional 2024-2025</b>	2,967,200	
<b>At end of the year 2024-2025</b>	12,497,600	
<b>Amortization and impairment</b>		
<b>At beginning of the year 1st July 2024</b>	3,812,160	1,906,080
Amortization 2024-2025	2,499,520	1,906,080
<b>At end of year 30th June 2025</b>	6,311,680	3,812,160
Impairment loss	-	-
<b>At end year 2024-25</b>	<b>6,311,680</b>	<b>3,812,160</b>
<b>Net Book Value as at 30th June 2025</b>	<b>6,185,920</b>	<b>5,718,240</b>

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

description	FINANCIAL YEAR	
	2024/2025	2023/2024
	Kshs	Kshs
Recurrent Creditors	12,266,637	23,360,239
Fees Prepayments	172,369,227	175,186,806
Withholding Tax	1,572,889	1,492,269
Retention	6,702,906	8,803,124
Bursary	7,766,654	10,490,126
Examination Fee	11,723,437	35,376,655
HELB Loan	6,803,233	12,255,615
Staff union	113,046	-
students clearance	36,050	29,500
Technology self-help group SACCO		303,825
Salary		3,927,322
NSSF Employee Contribution		562,848
Tuition Fee- N.Y.S Students		393,800
HELB Loan Deduction		97,881
N.H.I.F		228,700
<b>Total Trade and Other Payables from Exchange transactions</b>	<b>219,354,080</b>	<b>272,508,710</b>

**21.(b) Ageing Analysis of Trade and Other Payables from Exchange transactions**

description	FINANCIAL YEAR 2024/2025		FINANCIAL YEAR 2022/2023	
	2024-2025	% of the total	2023-2024	% of the total
	Kshs		Kshs	
<b>90 Days</b>	1,851,887	15	14,655,424	45
<b>180 Days</b>	2,991,190	24	1,265,449	4
<b>275 Days</b>	2,123,920	17	1,916,869	6
<b>366 Days</b>	5,299,640	43	14,490,689	45
<b>Greater than 366 Days</b>			-	-
<b>Totals</b>	<b>12,266,637</b>	<b>100</b>	<b>32,328,431</b>	<b>100</b>

**22. Refundable deposits from customers/ Students**

description	FINANCIAL YEAR 2024/2025	FINANCIAL YEAR 2022/2023
	Kshs	Kshs
Caution Money	2,549,870	2,549,870
KCB. SIGOR Technical Training Institute	12,513,213	12,518,863
COOP-CHEPARERIA TTI -0113985509403	25,815,157	25,817,557
<b>Total Refundable deposits from customers/ Students</b>	<b>40,878,240</b>	<b>40,886,289</b>

**23. Biological Assets**

description	FINANCIAL YEAR 2024/2025	REVALUATION GAIN/LOSS 2023-2024	FINANCIAL YEAR 2023/2024
	Kshs	Kshs	Kshs
Cattle	723,000	53,000	670,000.00
Goats	46,000	19,000	27,000.00
Pigs	214,000	(183,000)	397,000.00
chicken	521,900	(703,610)	1,225,510.00
Trees/Forest	2,038,164	-	2,038,163.53
<b>Total biological assets</b>	<b>3,543,064</b>	<b>(814,610)</b>	<b>4,357,673.53</b>

**24. Cash generated from operations**

description	F.Y 2024-2025	FINANCIAL YEAR 2023/2024
	Kshs	Kshs
<b>Surplus for the year</b>	<b>10,038,162</b>	<b>57,180,640</b>
<b>Adjustments for:</b>		
Depreciation and amortization expense	43,466,691	40,608,692
Non -Cash grants received	-	-
Contributed assets Capital grants for Kwanza TVC	-	-
Impairment	-	-
Gains and Losses on Disposal of Assets	-	-
Contributions to provisions	-	-
Contributions to impairment allowance	-	-
Finance income	-	-
Finance Cost	-	-
<b>Working Capital Adjustments</b>		
Increase in Inventory	(2,603,671)	-
Increase in Receivables	(184,173,161)	-
decrease in refundable deposit	(8,049)	-
Increase in Payables	(53,154,630)	-
Increase in Payments received in advance	-	-
<b>Net Cash Flow from Operating Activities</b>	<b>(186,434,658)</b>	<b>97,789,332</b>

**25. Transactions with related parties**

description	FINANCIAL YEAR	FINANCIAL YEAR
	2024/2025	2023/2024
	Kshs	Kshs
<b>Grants/Transfer from government</b>		
<b>Ministry of education state department of TVETs</b>		
Sigor Technical Training Institute	56,963,779	56,963,779
Chepareria Technical Training Institute	50,381,139	50,381,139
Kwanza Technical and Vocational Centre	10,000,000	-
<b>Total Income</b>	<b>117,344,918</b>	<b>107,344,918</b>
<b>Expenditure</b>		
Sigor Technical Training Institute	44,444,916	44,444,916
Chepareria Technical Training Institute	24,563,582	24,563,582
Kwanza Technical and Vocational Centre	10,000,000	-
<b>Total Expenditure</b>	<b>79,008,498</b>	<b>69,008,498</b>

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**26. (a) Property, Plant and Equipment As At 30th June 2025**

Description	LAND	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant And Equipment	Other Assets	Capital Work in progress	Total
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
<b>Book Values as at 1st July 2023</b>	<b>2,041,389,000</b>	<b>822,126,000</b>	<b>47,073,000</b>	<b>35,482,590</b>	<b>6,601,500</b>	<b>45,146,900</b>	-	<b>176,897,950</b>	<b>3,174,716,940</b>
Additions During the F.Y 2023-2024	-	77,377,335	-	707,400	35,811,147	5,538,016	-	58,576,095	178,009,993
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustment Prior Year	-	-	-	-	-	-	-	(25,738,794)	(25,738,794)
<b>Book Values as at 30th June 2024</b>	<b>2,041,389,000</b>	<b>899,503,335</b>	<b>47,073,000</b>	<b>36,189,990</b>	<b>42,412,647</b>	<b>50,684,916</b>	-	<b>89,218,712</b>	<b>3,206,471,600</b>
Additions During the F.Y 2024-2025	-	22,087,528	-	4,334,550	19,305,223	5,395,847	-	22,398,955	73,522,103
Additions During the F.Y 2024-2025						955,000			
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustment Prior Year	-	-	(1,944,000)	-	-	1,944,000	-	(25,323,026)	-
<b>Book Values as at 30th June 2024</b>	<b>2,041,389,000</b>	<b>921,590,863</b>	<b>45,129,000</b>	<b>40,524,540</b>	<b>61,717,870</b>	<b>58,979,763</b>	-	<b>86,294,640</b>	<b>3,255,625,677</b>
<b>Depreciation and impairment</b>									
At 1st July 2023	-	16,442,520	4,707,300	4,435,324	1,320,300	4,514,690	-	-	31,420,134
Depreciation F.Y 2023-2024	-	17,661,216	4,236,570	3,969,333	8,218,469	4,617,023	-	-	38,702,611
Desposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
<b>Totals</b>	<b>-</b>	<b>34,103,736</b>	<b>8,943,870</b>	<b>8,404,657</b>	<b>9,538,769</b>	<b>9,131,713</b>	<b>-</b>	<b>-</b>	<b>70,122,745</b>
<b>At 30th June 2025</b>									
Accumulated Depreciation (new tractor)									
Depreciation transfer year(tractor)			-			-			
Depreciation	-	17,749,743	3,208,113	4,014,985	10,435,820	5,558,510	-	-	40,967,171
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
<b>Totals</b>	<b>-</b>	<b>17,749,743</b>	<b>3,208,113</b>	<b>4,014,985</b>	<b>10,435,820</b>	<b>5,558,510</b>	<b>-</b>	<b>-</b>	<b>40,967,171</b>
<b>Accumulated Depreciation 30th June 2025</b>	<b>-</b>	<b>51,853,479</b>	<b>12,151,983</b>	<b>12,419,642</b>	<b>19,974,589</b>	<b>14,690,223</b>	<b>-</b>	<b>-</b>	<b>111,089,916</b>
<b>Net Book Values</b>			<b>6,416,226</b>						
<b>At 1st July 2024</b>	<b>2,041,389,000</b>	<b>804,464,784</b>	<b>42,836,430</b>	<b>31,513,257</b>	<b>(1,616,969)</b>	<b>40,529,877</b>	-	<b>89,218,712</b>	<b>3,048,335,091</b>
<b>At 30th June 2025</b>	<b>2,041,389,000</b>	<b>869,737,384</b>	<b>32,977,017</b>	<b>28,104,898</b>	<b>41,743,281</b>	<b>44,289,540</b>	-	<b>86,294,640</b>	<b>3,144,535,761</b>

**26(b) Work In Progress**

PROJECT	Budgeted cost	Contract Sum	Amount paid	Amount paid	Amount paid	Amount paid	Totals
			as at 2021/2022	as at 2022/2023	2023/2024	2024/2025	
Poultry House	1,700,000.00	1,700,000	1,670,000	-	-	-	1,670,000
Tuition Block-Bumula	23,781,991.00	23,781,991	23,781,991	-	-	-	23,781,991
Tuition Block-CHELINI	18,169,690.00	18,169,690	12,254,698	-	-	-	12,254,698
Tuition Block -Building department	5,914,992.00	5,914,992	-	3,675,985	-	-	3,675,985
Open Shade Phase one	10,447,823.00	10,447,823	9,850,365	522,395	-	-	10,372,760
Sigor T.T.I	53,735,530.00	53,735,530	44,444,916	-	-	-	44,444,916
Chepareria T.T.I	48,743,504.00	48,743,504	24,563,582	-	-	-	24,563,582
Modern Garage	11,000,000	11,000,000	2,374,495	6,310,724	2,347,140	837,850	11,870,209
Work in progress C.C.T.V	12,998,438.00	12,998,438	-	6,758,622	6,694,195	-	13,452,817
Institutional Management	56,123,878.00	56,123,878	-	15,198,776	35,526,058	18,065,265	68,790,099
Perimeter wall	17,500,000.00	17,500,000	-	-	14,008,702	3,495,840	17,504,542
<b>TOTAL</b>	<b>148,011,539.00</b>	<b>148,011,539</b>	<b>118,940,047</b>	<b>32,466,502</b>	<b>58,576,095</b>	<b>22,398,955</b>	<b>232,381,599</b>

**26(c) Work In Progress Transferred to Assets during the year ended 30th June 2025**

Project	Budgeted cost	Contract Sum	Amount paid	Amount paid	Amount paid	Amount paid	Totals
			as at 2021/2022	as at 2022/2023	2023/2024	2024-2025	
Modern Garage	12,998,438.00	12,998,438	2,374,495	6,310,724	2,347,140	837,850	11,870,209
Work in progress C.C.T.V			-	6,758,622	6,694,195	-	13,452,817
<b>TOTAL</b>	<b>12,998,438.00</b>	<b>12,998,438</b>	<b>2,374,495</b>	<b>13,069,346</b>	<b>9,041,335</b>	<b>837,850</b>	<b>25,323,026</b>

**26(d)Purchase Of Property, Plant And Equipment**

Description	Amount ksh
Work in progress 2024/2025	22,398,955
Furniture	4,334,550
Computers	5,852,406
Plant and equipment	5,395,847
Buildings	10,217,319
<b>TOTAL</b>	<b>48,199,077</b>

The management excluded the value of two (2) parcels of Land measuring approximately 9.057 Ha and 10.04 Ha owned by the Polytechnic through allotment letters and has been encroached by outsiders hence the Polytechnic cannot utilize the property to gain any economic benefit from the land and due to the encroachment it has denied the Polytechnic access to reliably estimate its value.


The management in collaboration with the responsible government ministries is in the process of repossessing the land and acquiring proper ownership documents before recognizing the assets in the financial statement as guided under IPSAS 17 paragraph 14.

**20. Appendices**

**Appendix I: 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.

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status:(Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
	Unremitted capitation	The issue is being followed up with the Ministry of Education for timely remittance.	Not Resolved	
	Unconfirmed ownership of the land	The management has petitioned the National Land Commission to secure ownership documents.	Not Resolved	
	Long outstanding student debtor receivables	Receivables have been analyzed and recovery efforts for student debtors are ongoing.	Not Resolved	
	Delayed Completion of Automotive Engineering Workshop Block at Sigor TTI	Security-related delays were reported to relevant authorities, and the government is currently addressing the situation to facilitate project completion.	Resolved	
	Collapsed Automotive Engineering Workshop at Chepararia TTI	A joint meeting was held with the contractor and key stakeholders. The contractor agreed to resume the works on 18 /7/2025.	Not Resolved	

  
 .....  
**Dr. Tom W. Mulati**  
**Chief Principal**  
**Kitale National Polytechnic**

**KITALE NATIONAL POLYTECHNIC**  
**CHIEF PRINCIPAL**

10 SEP 2025

**SIGN:.....**  
**P. O. Box 2162 - 30200, KITALE**

**Appendix II: projects implemented by Kitale National Polytechnic**

**Status of Projects completion**

	<b>Project</b>	<b>Total project Cost</b>	<b>Total expended to date</b>	<b>Completion % to date</b>	<b>Budget</b>	<b>Actual</b>	<b>Sources of funds</b>
1	Institutional Management	68,790,099	68,790,099	99%	68,457,554.00	68,790,099	A.I.A
2	Perimeter wall	14,500,000.00	14,008,702.00	100%	14,500,000.00	17,504,542	A.I.A
	<b>Total</b>	<b>83,290,099.00</b>	<b>82,798,801.00</b>		<b>82,957,554.00</b>	<b>86,294,641.00</b>	

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

**Name of transferring entity:** Ministry of Education State Department of TVET

**Name of beneficiary entity:** Kitale National Polytechnic

<b>Confirmation of amounts received by Kitale National Polytechnic as at 30th June 2025</b>					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
156971	10/07/2024	15,000,000	-	15,000,000	Operational Grants
175917	02/05/2025	6,984,000	-	6,984,000	Operational Grants
162778	23/09/2024	29,552,225	-	29,552,225	Capitation
162780	24/09/2024	26,993,425	-	26,993,425	Capitation
169837	20/02/2025	83,771,425	-	83,771,425	Capitation
156942	20/09/2024	19,013,912	-	19,013,912	Scholarship
156952	20/09/2024	17,522,316.20	-	17,522,316.20	Scholarship
156967	24/09/2024	11,683,591	-	11,683,591	Scholarship
156970	20/09/2024	2,881,833.10	-	2,881,833.10	Scholarship
<b>Total</b>		<b>198,402,727.30</b>	-	<b>198,402,727.30</b>	

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

**Head of Accounts Department - Disbursing Entity:**  
 Name ..... Sign ..... Date .....

**Head of Accounts Department - Beneficiary Entity:**  
 Name CPA David Kurgat Sign ..... Date.....

**FINANCE OFFICER**  
**THE KITALE NATIONAL POLYTECHNIC**  
 10 SEP 2025  
 P. O. Box 2162 - 30200,  
 KITALE

Appendix IV: Reporting Of Climate Relevant Expenditures

Project name	Project description	Project objective	Project activities	Quarter				Source of funds	Implementing partners
				Q1	Q2	Q3	Q4		
Going green	Planting trees	To reduce the emission of CO <sub>2</sub>	15,000 trees planted					A-I-A	KEFRI, KNP

Appendix V: Reporting On Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Program	Sub-Program	Disaster type	Category of disaster related activity that require expenditure reporting	Expenditure item	Amount (Ksh.)	Comment
Fire security	Servicing of fire extinguishers	Security related	Mitigation against fire	Fire Equipment's	461,513	