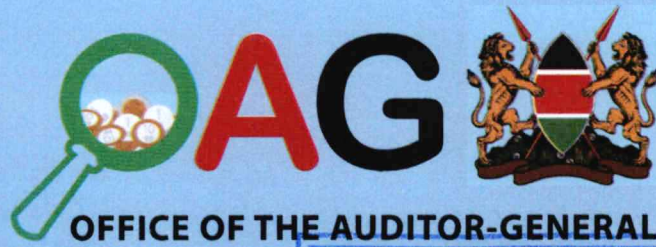


REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

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Benson Inzofu

PARLIAMENT
OF KENYA
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REPORT

OF

THE AUDITOR-GENERAL

ON

**EAST AFRICA SKILLS FOR
TRANSFORMATION AND REGIONAL
INTEGRATION PROJECT (EASTRIP)**

IDA LOAN CREDIT NO. 6334-KE

FOR THE YEAR ENDED

30 JUNE, 2025

MINISTRY OF EDUCATION

**(STATE DEPARTMENT FOR TECHNICAL,
VOCATIONAL EDUCATION AND TRAINING)**

THE NATIONAL ASSEMBLY
PAPER 2 (A)

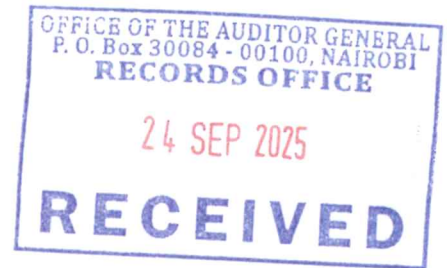
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MEMBER OF
THE HOUSE

LIBRARY
OF KENYA
D. SHAMIRI



**PROJECT NAME: East Africa Skills for Transformation and Regional Integration
Project (EASTRIP)**

**IMPLEMENTING ENTITY: MINISTRY OF EDUCATION (STATE DEPARTMENT
FOR TECHNICAL, VOCATIONAL AND EDUCATION AND TRAINING)**

PROJECT GRANT/CREDIT NUMBER: 6334-KE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2025

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

*East Africa Skills for Transformation and Regional Integration Project (EASTRIP)
Annual Report and Financial Statements for the financial year ended June 30, 2025*

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1. Acronyms and Definition of Terms

CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
WB	World Bank
EASTRIP	East Africa Skills for Transformation and Regional Integration Project
TKNP	The Kisumu National Polytechnic
FY	Financial year
KCNP	Kenya Coast National Polytechnic
MNP	Meru National Polytechnic
TVET	Technical Vocational Education and Training
KIHBT	Kenya Institute of Highways and Building Technology
IDA	International Development Agency
KCB	Kenya Commercial Bank
RFTI	Regional Flagship TVET institute

2. Project Information and Overall Performance

2.1 Name and registered office

Name

The project's official name is **East Africa Skills for Transformation and Regional Integration Project (EASTRIP)**

Objective

The key objective of the project is to increase the access and improve the quality of TVET programs in selected Regional Flagship TVET Institutes and to support regional integration in East Africa.

Address

The project headquarters offices are in Nairobi County, Kenya. The address of its registered office is:

Ministry of Education
State Department for Technical, Vocational Education and Training
Jogoo House B, 8th Floor
P.O Box 9583 00200
Nairobi

The project also has offices/branches as follows:

- The Kisumu National Polytechnic
- Kenya Coast National Polytechnic
- Meru National Polytechnic
- KenGen Geothermal Training Centre (GTC)
- Kenya Institute of Highways and Building Technology (KIHBT)

Contacts: The following are the project contacts

Head Office

P.O. Box: 9583 - 00200

Nairobi

Telephone: (254) 0203318581

E-mail: pstvet@education.go.ke

Website: www.education.go.ke

Kisumu National Polytechnic

P.O. Box 143-40100,

Kisumu

Telephone: (254) 723446773

E-mail: info@kisumupoly.ac.ke

Website: www.kisumupoly.ac.ke

Kenya Coast National Polytechnic

P.O. Box 81220-80100,

Mombasa

Telephone: (254) 712725554

E-mail: info@kenyacoastpoly.ac.ke

Website: www.kenyacoastpoly.ac.ke

Meru National Polytechnic

P.O. Box 111 - 60200, Meru

Telephone: (254) 793937581

E-mail: info@merunationalpolytechnic.ac.ke

Website: www.merunationalpolytechnic.ac.ke

KenGen geothermal Training Centre (GTC)

P.O. Box: 785 – 20117,

Naivasha

Telephone: (254) 705116096

E-mail: kgtc@kengen.co.ke

Website: www.kengen.co.ke

Project information and overall performance (continued)

2.2 Project Information

Project Start Date:	16/09/2019
Project End Date:	31/12/2026
Project Coordinator:	Mr. Archer Arina
Project Development Partner:	World Bank (IDA)

2.3 Project Overview

Line Ministry	Ministry of Education
State Department	State Department for Technical, Vocational, Education and Training
Project number	P163399
Strategic goals of the project	<p>The strategic goal of the project is to strengthen human capital development and promote regional integration through improved, accessible and market – relevant technical, vocational, education and training (TVET) in the following priority sectors:</p> <ul style="list-style-type: none">(i) Textile & Garment Making(ii) Marine Transport and Port Logistics(iii) Building Technology(iv) Geothermal/Oil/Gas(v) Highways Technology
Summary of Project Strategies for achievement of strategic goals	<p>The project management aims to achieve the goals through the following means (Components):</p> <ul style="list-style-type: none">i. Strengthening selected Regional Flagship TVET Institutes for high quality skills development in priority sectors.ii. Creating national TVET enabling environments.

- Other important background information of the project
- iii. Enhancing regional collaboration in TVET and project coordination.
 - i. On October, 2 2017, the World Bank acknowledged Kenya Government's requests of IDA funding of US\$ 60M in support of a proposed "Skills Project".
 - ii. World Bank management cleared the proposed project concept note on September 22, 2017.
 - iii. The World Bank approved the project on 30th October 2018.
 - iv. The Financing Agreement was signed on 18th December 2018.
 - v. Funds were disbursed to Central Bank on 31st January 2020.
 - vi. Project's name was agreed upon as the "East Africa Skills for Transformation and Regional Integration Project (EASTRIP)".
 - vii. The project was granted a no-cost extension and the new completion date is 31st December 2026.

Areas that the project was formed to intervene

The project was formed to intervene in the following problems/gaps:

- i. Creation of Regional Centres of Skill Development
- ii. Involvement of Industry and private sector in training and skills development
- iii. Bridging the inadequacy of financing in TVET
- iv. To address the lack of evidence to market analysis in TVET policy
- v. Provide a learning and knowledge sharing platform
- vi. Address the Fragmented TVET systems

The Project also supports the development of highly specialized TVET programs at Diploma and Degree Levels for training of Technicians and Technologists and also capacity building of TVET faculty, as well as developing industry recognized short-term training which main targets are the regional priority sectors in:

- i. Infrastructure
- ii. Transport
- iii. Energy
- iv. Manufacturing

Project duration

The Project started on **16th September 2019** and is expected to run until **31st December 2026**.

Project Information and Overall Performance (Continued)

2.4 Bankers

Kenya Commercial bank, Kipande Branch
Kenyatta Avenue, Loita Street
P.O Box 30012 – 00100
Nairobi
A/c No: 1271486458

2.5 Independent Auditor

The project is audited by:
The Office of the Auditor General, Kenya
Anniversary Towers, University Way
P.O Box 30084 – 0100
Nairobi

2.6 Roles and Responsibilities

To promote effective coordination, accountability, and seamless implementation, it is important to identify all the key personnel involved in the project.

The individuals listed below, including the Project Coordinator and other key officers, play crucial roles in the planning, execution, monitoring, and evaluation of project activities. Each officer brings unique expertise and responsibilities that collectively contribute to the successful and timely delivery of the project's key objectives.

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No	Names	Title designation	Key qualification	Responsibilities
1	Mr. Archer Arina	National Coordinator	Master of Science in Technology Economics and Management (MSc)	Coordinate the overall implementation of the project across all RFTIs and relevant line Ministries. Supervise and monitor project execution to ensure alignment with planned objectives and timelines. Prepare and deliver periodic updates and reports as required by the World Bank and other stakeholders.
2	Ms. Perpetuah Njeru	Deputy National Coordinator & Environmental and Social Safeguards Officer.	Bachelor of Education (B.Ed.)	Ensure that the project is implemented within the approved timelines and program framework, while maintaining strict adherence to health, safety, gender equity, and social safeguard standards.
3	Ms. Diana Nekesa	Procurement Officer	Bachelor's Degree in Procurement and Logistics, Member KISM, CIPS	To procure goods and services as per WB rules and PPDA 2015.
4	Mr. Titus Chemursoi	Project Accountant	Bachelor of Commerce (B.Com), CPA (K) Member ICPAK	Provide comprehensive accounting services for the project and prepare accurate, timely financial reports in accordance with established guidelines and donor requirements.

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5	Mr. Fredrick Musembi	Finance Officer	Bachelor of Commerce (B.Com), CPA (K) Member ICPAK	Prepare project budgets and closely monitor financial implementation to ensure effective resource management and compliance with approved plans.
6	Ms. Joy Faith Otieno	Monitoring and Evaluation Officer	Bachelor's Degree in Economics and Statistics	To systematically track the project implementation progress and measure outcomes to inform decision-making and ensure alignment with the project's development objectives
7	Ms. Lucy Gakuanyi	Office Administrator	Secretarial	Point of contact for a range of staff and external stakeholders, scheduling meetings and appointments

2.7 Funding summary

The Project spans a period of seven (7) years, from 2019 to 2026, with an approved budget of EUR 51,500,000 (Development Partner currency). The National Project Coordinating Unit (NPCU) is responsible for disbursing funds to three institutions: Kenya Coast National Polytechnic, Kisumu National Polytechnic, and Meru National Polytechnic.

Together with the NPCU, these four entities have been allocated a combined total of EUR 32,940,000. All four projects, including the NPCU, fall under the State Department for Technical and Vocational Education and Training. However, each project operates independently and is responsible for its own reporting.

A summary is provided in the table below

Project information and overall performance (continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Development Partner Commitment		Amount received to date – (30 th June 2025)		Undrawn balance to date	
	Development Partner currency (A)	Kshs (A ²)	Development Partner currency (B)	Kshs (B ²)	Development Partner currency (A)-(B)	Kshs (A ²) - (B ²)

(i) Loan

International Development Bank (IDA)	32,940,000	5,023,116,126	27,936,525	3,806,359,090	4,829,980	736,537,657
Total	32,940,000	5,023,116,126	27,936,525	3,806,359,090	4,829,980	736,537,657

The total Eastrip loan amounted to €51,500,000. Of this amount, €32,940,000 was allocated to the four projects under the Ministry of Education, State Department for TVET. The break down is as follows: €5,100,000 for the National Project Coordination Unit (NPCU), and €9,280,000 each for Kisumu National Polytechnic, Meru National Polytechnic, and Kenya Coast National Polytechnic.

For purposes of converting the loan balance and undrawn funds to Kenyan Shillings, the exchange rate applied was that of 30th June 2025, at 1 Euro = Kshs 152.4929. However, for amounts already received, the applicable exchange rate is based on the prevailing rate at the date of receipt.

Project information and overall performance (continued)

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2025)		Cumulative amount paid to date – (30 th June 2025)		Unutilised balance to date (30 th June 2025)	
	Development Partner currency	Kshs	Development Partner currency	Kshs	Development Partner currency	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Loan						
International Development Bank (IDA)	27,936,525	3,806,359,090	27,373,736	3,720,537,751	562,789	85,821,339
Total	27,936,525	3,806,359,090	27,373,736	3,720,537,751	562,789	85,821,339

Euro rate as at 30th June 2025 was **Kshs 152.4929/Euro**

Project information and overall performance (continued)

2.8 Summary of Overall Project Performance:

- i) Budget performance against actual amounts for the current year and for cumulative to-date,

	Budget (Kshs)	Actual (Kshs)	Absorption (%)
F/Y 2024/2025	760,000,000	748,016,329	98
Cumulative Expenditure	5,023,116,126	3,806,359,090	75

The absorption rate for the 2024/2025 financial year stands at 98%, while the cumulative absorption rate is approximately 75%

- ii) Physical progress based on outputs and outcomes since project commencement,

At the National Level:

- Legal Opinion on the Project was issued by AG on 15-07-2019
- The Project was declared effective by the WB Board on 16/09/2019
- National Project Coordinating Unit (NPCU) at the Ministry established
- Opening Project Bank Account at Kenya Commercial Bank
- Opening of Commercial Bank Account by RFTIs
- Formation and Inauguration of the Project National Steering Committee (NSC)
- Developed TVET Financing Strategy
- Developed TVET Financing Policy
- Developed a Guideline for Students Mobility
- Regional Framework for Assessment and Certification of Occupational Standards and Curricula
- Generated Business Plans for RFTIs.
- Completed Consultancy for Digital Marketing
- Contracted Consultancy for inter institutional framework
- Developed Final Draft of the Project Implementation Policy
- Development/ Review of eighteen (18) Occupational Standards and Packaged Curricula done
- Conducted monitoring and support missions in all the five RFTIs
- Developed the Regional Framework for occupational competence assessment and certification final document

**East Africa Skills for Transformation and Regional Integration Project (EASTRIP)
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- Developed the Regional Policy Framework on Technical and Vocational Education and Training Integration final document
- Developed TVET Qualifications Framework for Ethiopia, Kenya and Tanzania (RTQF-EKT) final document
- Contracted Consultancy for Skills Mapping and Evaluated the submitted Inception Report.
- Integrated Greening concepts and principles into twenty-three (23) curricula and their occupational standards.

At the Regional Flagship TVET Institutes (RFTI)

- Construction at the Kisumu National Polytechnic is at 95%. All equipment has been supplied and installation is ongoing.
- Kenya Coast National Polytechnic is currently at 86% completion. All equipment has been procured, partial installation and training had been done.
- Meru National Polytechnic construction is 51% complete. The institution has evaluated bids received for the new contractor and are yet to award.
- KenGen Construction project is 96% complete. Advertisement of Six (6) tenders for procurement of tools and equipment and one (1) expression of interest (EOI) was done. All seven (7) tenders have been evaluated and currently five (5) of them awarded and awaiting delivery.
- Construction at KIHBT is currently at 94% with equipment delivered and being used for training.

iii) Absorption rate for the last 3 years of the project.

	2022/2023	%	2023/2024	%	2024/2025	%
	Kshs		Kshs		Kshs	
Actual	569,536,966	97.1	1,279,152,843	96.5	748,016,329	98.4
Budget	586,212,255		1,325,000,000		760,000,000	

iv) Implementation challenges and recommend the next steps.

- Escalation of prices of materials.
- Human resource capacity issues (regular transfers of PIU members).
- Slow pace of works in the RFTIs by the contractors.
- Reduction of national budget space for the project.
- Delays in disbursement of funds after the IVA report.
- Custody for equipment which have arrived before completion of the infrastructure.
- Request by the contractors for Extension of construction time

To address these implementation challenges, the following remedies are recommended:

- i. **Escalation of Material Prices:** Conduct cost variation assessments, engage the National Treasury and World Bank for possible reallocation, and include escalation clauses in contracts.
- ii. **PIU Staff Transfers:** Minimize transfers through policy engagement, ensure proper handover protocols, and build a backup technical team through mentorship and coaching to maintain continuity.
- iii. **Slow Contractor Progress:** Enforce contractual penalties, hold regular site meetings, and consider reallocation of contracts where performance is persistently poor.
- iv. **Reduced Budget Space:** Engage the Treasury for prioritization, explore alternative funding, and re-sequence activities based on available resources.
- v. **Delayed Disbursements Post-IVA:** Streamline IVA reporting processes, build RFTIs' capacity on documentation, and pre-position required documents to speed up disbursement.
- vi. **Equipment Custody Challenges:** Secure temporary storage, appoint accountable officers, and prioritize completion of infrastructure for timely installation.
- vii. **Construction Time Extensions:** Assess extension requests objectively, renegotiate timelines with firm conditions, and encourage use of additional resources or faster construction methods.

2.9 Summary of Project Compliance:

- i) The project is currently in its final stage of implementation and has not encountered any non-compliance to date
- ii) The project has received World Bank “no objections” for the entirety of its Eligible Expenditure Program (EEP)
- iii) Each RFTI has developed a risk mitigation framework to proactively address and safeguard against potential risks.
- iv) The project was granted a two-year extension and is now scheduled to close on 31st December 2026.

3. Statement of Performance against Project's Predetermined Objectives

The key development objectives of the project's agreement/ plan are to:

- a) Inclusion of Project budget in the National Budget of FY2024/2025
- b) Disbursement of funds to the RFTIs
- c) Development of the final regional TVET qualifications framework for Ethiopia, Kenya and Tanzania (RTQF-EKT)
- d) Development of the final regional policy framework on Technical and Vocational Education and Training Integration (RPFTI)
- e) Development of the final regional Framework for Occupational Competence Assessment and certification (RFOCAC)
- f) Integration of Greening principles and concepts into curricula and their occupational standards
- g) Contract Consultancy for Skills Mapping
- h) Develop training materials for the IQA training.
- i) Training of internal quality assurance trainers
- j) Training of project teams and Key Staff of the State Department for TVET

k) Progress on the attainment of strategic development objectives

To implement and cascade the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic, and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified to track progress and performance measurement.

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Below, we provide the progress on attaining the stated objectives:

Project	Objective	Outcome	Indicator	Performance
EASTRIP National Component	Inclusion of Project budget in the National Budget of FY2024/2025	EASTRIP budget in ministries vote	EASTRIP Vote	100%
	Disbursement of funds to the RFTIs	Improved accessibility of resources for project implementation	Disbursement Records	100%
	Develop the final regional TVET qualifications framework for Ethiopia, Kenya and Tanzania (RTQF-EKT)	Regional TVET qualifications framework for Ethiopia, Kenya and Tanzania	Final RTQF-EKT document	100%
	Develop the final regional policy framework on Technical and Vocational Education and Training Integration (RPFTI)	Final Regional Policy Framework on Technical and Vocational Education and Training Integration	Final RPFTI document	100%
	Develop the final regional Framework for Occupational Competence Assessment and certification (RFOCAC)	Final Regional Framework for Occupational Competence Assessment and certification	Final RFOCAC document	100%
	Integration of Greening principles and concepts into Twenty-Three (23)	Greened 23 Occupational Standards and their corresponding curricula	23 Greened OS & Curricula, Approval of the activity	100%

curricula and their occupational standards

Contract Consultancy for Skills Mapping	Comprehensive data on skills demand and supply in TVET	Social media advertisement, Skills Mapping contract, Award Letter, Inception report.	20%
Development of Training Materials for Internal Quality Assurance Trainers	Training materials developed	Number of topics covered in the training materials, Copies of training material developed, IQA Assessment tools developed	100%
Training of internal quality assurance trainers	A pool of trained IQA Officers established to strengthen quality assurance systems in TVET institutions.	Number of IQA officers trained.	100%
Training of project teams and Key Staff of the State Department for TVET	Enhanced capacity of project teams and state department staff to effectively implement, coordinate TVET programs	Number of staff trained, Minutes of the MHRAC Copies of certificates of the trainees	100%

4. Environmental and Sustainability Reporting

The project development objective (PDO) is to increase the access and improve the quality of TVET programs in selected Regional Flagship TVET institutes and to support regional integration in East Africa

To ensure sustainability of EASTRIP beyond the project's cycle various strategies and guidance have been put in place as follows.

1. Sustainability strategy and profile

- The government has provided support for the project in the Legal opinion committing resources to the project in terms of human capital
- To achieve the Project Development Objective (PDO) at headquarters (HQs) the National Component is guided by National Education Sector Strategic Plan (NESSP)
- RFTIs are guided by strategic investment plans developed in the Strategic Investment Plan (SIP)
- Marketing of programs offered in the RFTIs attract trainees Nationally, Regionally and Internationally, because they are relevant to the industry.

2. Environmental performance

- **Teaching and Training Mandate:** To develop programs for imparting knowledge to promote environmental management and sustainability practices. The RFTIs shall integrate Education for Sustainable Development (ESD) principles in its curricula to deliver teaching and training based on the principles of environmental management and sustainability
- **Research and Innovation Mandate Objective:** To promote and encourage better research (basic and applied) methods, and appropriate technologies, invention and innovation for sustainable environment
- **Community Outreach and Service Mandate Objective:** To promote public awareness and build understanding of the principles of environment management and sustainability through partnerships with the community in tree planting and decision making

3. Employee welfare

a) Recruitment Policies and Practices

Recruitment across the TVET institutions and departments is governed by the Public Service Commission Act, 2017, the Public Service (Values and Principles) Act, 2015, and

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Annual Report and Financial Statements for the financial year ended June 30, 2025*

institutional frameworks developed under EASTRIP while taking into considerations the stated principals.

b) Gender Consideration and Stakeholder Engagement

The State Department for TVET is consistent with Article 27(8) of the 2010 Constitution of Kenya and the two-thirds gender rule. Equally, Article 26(6), and Article 81(b), both which address gender equality in representation in ensuring gender balance during recruitment and promotions.

c) Skills Development and Career Management

The State Department for TVET has adopted capacity development strategies guided by the; Competency Framework, National Skills Development Policy, Guidelines on Managing Training in the Public Service, National Policy Framework for Career Guidance, Career Management Guidelines, and the TVET Act, 2013.

d) Performance Appraisal and Reward Systems

The State Department for TVET adheres to the Performance Management Framework for the Public Service, which includes annual performance contracting and individual staff performance appraisals which are carried out at the end of every financial year.

e) Safety and Compliance with OSHA, 2007

Compliance with the Occupational Safety and Health Act (OSHA), 2007 is a legal requirement implemented across all government Institutions including the State Department for TVET and its various institutions spread across the country.

The implementation of structured, inclusive, and progressive HR policies demonstrates a firm commitment to building resilient institutions capable of transforming the TVET landscape in the Country. These policies take into account stakeholder engagements, and often undergo improvement and reviews by the government as communicated from time to time.

4. Marketplace practices-

a) Responsible Supply chain and supplier relations-

- At the HQs the officer in charge(director) of procurement advertise tender in the newspaper and at the Ministry of Education website after the Permanent Secretary's (PS's) approval,
- A committee is appointed by procurement officer through the PS to carry out evaluation.
- The awarded bidder, who should be the lowest bidder is loaded on the Systematic Tracking of Exchanges in Procurement (STEP) to get a **NO** Objection from World Bank
- After receiving **NO** Objection from World Bank, the firm is awarded the contract to supply or offer services

***East Africa Skills for Transformation and Regional Integration Project (EASTRIP)
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- The RFTIs advertises its tenders on the daily newspaper and also on the website providing an equal opportunity to all Kenyans to participate in the tendering processes.
- The RFTIs also maintain a register of suppliers categorized into general and other special groups like the women, PWDs, youth etc.
- After signing the contract, suppliers are encouraged to deliver goods or services within a reasonable time to meet user's department needs.

b) Responsible ethical practices

The East Africa Skills for Transformation and Regional Integration Project (EASTRIP I) in Kenya has embedded strong ethical and anti-corruption safeguards within its operational framework to ensure transparency, accountability, and professional integrity.

Key Strategies Implemented:

- i. Adherence to the *Public Officer Ethics Act (2003)*, *Leadership and Integrity Act (2012)*, and *Public Procurement and Asset Disposal Act (2015)*.
- ii. All procurement follows World Bank guidelines (2016) and Public Procurement and Disposal Act PRADA, with regular audits by independent bodies.
- iii. Suppliers sign ethical commitment declarations to guide on behaviour.
- iv. Functional grievance redress systems, with secure, anonymous reporting channels and protection from retaliation.
- v. Project managed by Ministry of Education's TVET Directorate, with no political interference in staffing or resource allocation.

c) Regulatory impact assessment

EASTRIP Phase I conducted regulatory and social impact assessments to mitigate risks and enhance positive outcomes, especially in infrastructure and policy reforms.

Measures Taken:

- i. Environmental & Social Impact Assessments (ESIAs): Conducted in compliance with *EMCA (1999)* and World Bank's ESF (2018). Resulted in ESMPs addressing waste, safety, and land use.
- ii. Stakeholder Engagement: Inclusive consultations with students, staff, communities, and Boards of Governors ensured alignment with local development needs.
- iii. Grievance Redress Mechanisms (GRMs): Functional at all institutions; feedback managed through suggestion boxes, hotlines, and reports.
- iv. Legal Framework: Activities aligned with *TVET Act (2013)*, *Public Finance Management Act (2012)*, and *Constitution of Kenya (2010)*.

5. Community Engagements

- The five (5) RFTIs funded by world Bank mentor small TVET institution in the country.
- Budget support to small TVET institutions in following areas
 - ICT infrastructure development
 - Regional skill competition
 - Staff and trainees study visits among others
- The RFTIs have integrated Greening skills in TVET programmes.
- The RFTIs have planted trees in the community and also offered seedlings.
- The project has so far sponsored the teaching staff from the RFTIs on the following areas:
 - Scholarship to China.
 - Industrial attachment at various industries depending on the sector of the RFTI.
 - Exchange programmes in Tanzania and Ethiopia.
 - Trainees and trainers have undergone exchange programme e.g., Kenya Coast NP student went to Tanzania (Arusha Technical and NIT)
 - Senior management Course (SMC) at Kenya School Of government
 - Staff from RFTIs were capacity build in project planning and management.
 - supervisory skills at Kenya School of Government
 - And many others training and capacity building

5. Statement of Project Management Responsibilities

The Principal Secretary for the State Department for Technical, Vocational Education and Training and the Project Coordinator are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for the financial year 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 project,
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud.
- (iv) Safeguarding the assets of the project.
- (v) Selecting and applying appropriate accounting policies and.
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Principal Secretary for the State Department for Technical, Vocational Education and Training and the Project Coordinator accept responsibility for the Project's financial statements, which have been prepared on the accrual basis method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Principal Secretary for the State Department for Technical, Vocational Education and Training and the Project Coordinator are of the opinion that the Project's financial statements give a true and fair view of the state of the Project's transactions during the financial year ended June 30, 2025, and of the Project's financial position as at that date. The Principal Secretary for the State Department for Technical, Vocational Education and Training and the Project Coordinator further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements and the adequacy of the systems of internal financial control.

***East Africa Skills for Transformation and Regional Integration Project (EASTRIP)
Annual Report and Financial Statements for the financial year ended June 30, 2025***

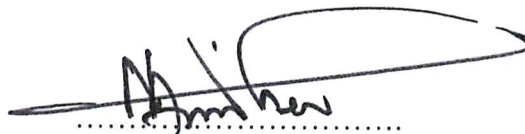
The Principal Secretary for the State Department for Technical, Vocational Education and Training and the Project Coordinator confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants and that Project funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project Financial Statements

The Project financial statements were approved by the Principal Secretary for the State Department for Technical, Vocational Education and Training and the Project Coordinator on 08/08 2025 and signed by:



Dr. Esther Thaara Muoria, PhD, CBS
Principal Secretary



Archer Arina, DTVET
Project Coordinator

*East Africa Skills for Transformation and Regional Integration Project (EASTRIP)
Annual Report and Financial Statements for the financial year ended June 30, 2025*

6. Report of the Independent Auditor on Financial Statements for East Africa Skills for Transformation and Regional Integration Project (EASTRIP)

REPUBLIC OF KENYA

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



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

Enhancing Accountability

REPORT OF THE AUDITOR-GENERAL ON EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT (EASTRIP) IDA LOAN CREDIT NO. 6334-KE FOR THE YEAR ENDED 30 JUNE, 2025 - MINISTRY OF EDUCATION (STATE DEPARTMENT FOR TECHNICAL, VOCATIONAL EDUCATION AND TRAINING)

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on the 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 does not necessarily mean that an entity has complied with all relevant laws and regulations, is effective in the use of resources, or that its internal control, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of East Africa Skills for Transformation and Regional Integration Project (EASTRIP) set out on pages 1 to 23, which comprise of the statement of financial position as at 30 June, 2025, and the

Report of the Auditor-General on East Africa Skills for Transformation and Regional Integration Project (EASTRIP) IDA Loan Credit No. 6334-KE for the year ended 30 June, 2025 - Ministry of Education (State Department for Technical, Vocational Education and Training)

statement of financial performance, statement of changes in net assets, statement of cash flows and the 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 East Africa Skills for Transformation and Regional Integration Project (EASTRIP) 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 Financing Agreement No.6334-KE between the International Development Association and the Republic of Kenya dated 18 December, 2018 and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the East Africa Skills for Transformation and Regional Integration Project (EASTRIP) 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.

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. There were no key audit matters to report in the year under review.

Other Information

The Management is responsible for the Other Information set out on page iii to xxv which comprise of the Project Information and Overall Performance, Statement of Performance Against Project's Predetermined Objectives, Environmental and Sustainability Reporting, and Statement of Project Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

Conclusion

In connection with my audit on the Project 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. In my opinion except for the matter described in the Basis for Conclusion, I confirm that it is not materially inconsistent with the financial statements.

Report of the Auditor-General on East Africa Skills for Transformation and Regional Integration Project (EASTRIP) IDA Loan Credit No. 6334-KE for the year ended 30 June, 2025 - Ministry of Education (State Department for Technical, Vocational Education and Training)

Basis for Conclusion

Delays in the Implementation of Regional Flagship TVET Institutes

The summary of overall project performance indicates the following physical project progress at the Regional Flagship TVET Institutes (RFTIs): Kisumu National Polytechnic 95%, Kenya Coast National Polytechnic 86%, Meru National Polytechnic 51%, KenGen 96%, Kenya Institute of Highways and Building Technology (KIHBIT) 94%. The construction at Meru National Polytechnic has stalled since 2023 after termination of the contract in April, 2023 and total payment of the contract full sum of Kshs.172,889,017 to the contractor. Further, the contract for the completion tender to other contractor is yet to be awarded. With the project end date of 31 December, 2026, the construction of Meru National Polytechnic may not be completed which may impact on meeting the project objectives by the project end date.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Failure to Conduct Training Needs Assessment

The statement of financial performance reflects use of goods and services amount of Kshs.146,066,329 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.23,401,975 in respect of training payments. However, the trainings were conducted without a training needs assessment being carried out pursuant to Paragraph 11.3.2 (235) of the EASTRIP Operation Manual, 2019 which requires that; a capacity building and training program shall be developed for all the environmental and social safeguards focal points at the Ministry of Education and TVET institutions levels, and other stakeholders that will be involved directly in the implementation of this project.

In the circumstances, the effectiveness of the trainings carried out in absence of training needs assessment could not be confirmed.



The audit was conducted in accordance with ISSAIs 3000 and 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Conclusion

As required by International Development Association, I report based on my audit that 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 information given in the Management report on pages iii to xviii is consistent with the financial statements.

Basis for Conclusion

The International Development Association requires that I report on the legal or regulatory requirements, or on performance information disclosed. These matters require expressing a separate opinion as to the Project's compliance with laws and regulations. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

The 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 Project's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the 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, the Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Project'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 INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires 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 IFPP 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 also 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

30 September, 2025

*East Africa Skills for Transformation and Regional Integration Project (EASTRIP)
Annual Report and Financial Statements for the financial year ended June 30, 2025*

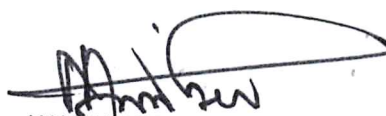
7. Statement of Financial Performance for the Year Ended 30th June 2025.

Item	Notes	2024/2025 Kshs
Revenue		
Revenue Transfers	6	760,000,000
Total revenue		760,000,000
Expenses		
Use of goods and services	7	146,066,329
Transfer to other Government Entities	8	602,000,000
Total expenses		748,066,329
Surplus		11,933,671

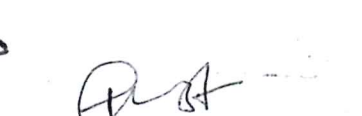
The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements.



Dr. Esther T. Muoria, PhD, CBS
Principal Secretary



Archer Arina, DTVET
Project Coordinator




Titus Chemursoi ICPAK No. 24217
Project Accountant

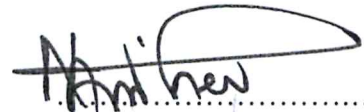
*East Africa Skills for Transformation and Regional Integration Project (EASTRIP)
Annual Report and Financial Statements for the financial year ended June 30, 2025*

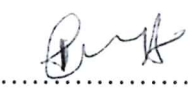
8. Statement of Financial Position as at 30th June 2025

	Note	30 th June 2025 Kshs	1 st July 2024 Kshs
Assets			
Current Assets			
Cash and Cash equivalents	9	85,521,339	73,587,667
Total Current Assets		85,521,339	73,587,667
Total Assets (a)		85,521,339	73,587,667
Net Assets (a)		85,521,339	73,587,667
Represented By:			
Accumulated Surplus		85,521,339	73,587,667
Total Net Assets		85,521,339	73,587,667

The financial statements were approved on 08/08 2025 and signed by:


.....
Dr. Esther T. Muoria, PhD, CBS
Principal Secretary


.....
Archer Arina, DTVET
Project Coordinator


.....
Titus Chemursoi ICPAK No. 24217
Project Accountant


*East Africa Skills for Transformation and Regional Integration Project (EASTRIP)
Annual Report and Financial Statements for the financial year ended June 30, 2025*

9. Statement of Changes in Net Assets

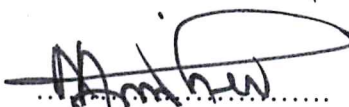
Description	Accumulated Surplus Kshs
As at 30 th June 2024 (Cash Basis)	73,587,667
Adjustments:	
Asset Recognition	0
Liabilities recognition	0
As at 1 st July 2024	73,587,667
Surplus for the year	11,933,671
As at 30 th June 2025	85,521,339

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The financial statements were approved on 08/08/ 2025 and signed by:


.....
Dr. Esther T. Muoria, PhD, CBS

Principal Secretary


.....
Archer Arina, DTVET

Project Coordinator


.....
Titus Chemursoi ICPAK No. 24217

Project Accountant

*East Africa Skills for Transformation and Regional Integration Project (EASTRIP)
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10. Statement of Cashflow for the year ended 30th June 2025

Description	Note	2024/2025 Kshs
Cashflow from operating activities		
Receipts		
Revenue Transfers		760,000,000
Total receipts		760,000,000
Payments		
Use of goods and services		146,066,329
Transfer to other Government Entities		602,000,000
Total payments		748,066,329
Net cash flow from operating activities	11	11,933,671
Net increase/Decrease in cash and cash equivalents		11,933,671
Cash and cash equivalent at 1st July 2024	9	73,587,667
Cash and cash equivalent at end June 2025	9	85,521,339

East Africa Skills for Transformation and Regional Integration Project (EASTRIP)
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11. Statement of Comparison of Budget and Actual Amounts for the Year ended 30th June 2025

Receipts/Payments/Item	Original Budget a	Adjustments b	Revised Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=d-a	% of Utilization f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Budget Carry Overs from previous periods	0	0	0	73,587,667	(73,587,667)	Nil
Receipts						
Revenue Transfers	600,000,000	160,000,000	760,000,000	760,000,000	0	100
Total Revenue	600,000,000	160,000,000	760,000,000	833,587,667	(73,587,667)	109
Payments						
Use of goods and services	168,000,000	(10,000,000)	158,000,000	146,066,328	11,933,672	92
Transfer to other Government Entities	432,000,000	170,000,000	602,000,000	602,000,000	0	100
Total Payments	600,000,000	160,000,000	760,000,000	748,066,328	11,933,672	98
Surplus	0	0	0	85,521,339	(85,521,339)	

Budget notes

Adjustments to the budget were made as a result of Supplementary I, II, and III

Overcollection in revenue is caused by budget carry overs from previous period

Budget Reconciliation

Description of Particulars	Amount in Kshs
1 Actual Surplus Amounts as per the statement of Budget due to budget carryovers from previous periods	73,587,667
2 Surplus for the period	11,933,672
Closing Cash and Cash Equivalent as per the statement of Cash flows	85,521,339

12. Notes to the Financial Statements

1. General Information

EASTRIP is a project established by The Government of Kenya and derives its authority and accountability from PFM Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to increase the access and improve the quality of TVET programs in selected Regional Flagship TVET Institutes and to support regional integration in East Africa.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with the Public Finance Management Act, 2012 and with the International Public Sector Accounting Standards (IPSAS).

Guiding note during the transition period:

*These financial statements have been prepared in accordance with the Public Finance Management (PFM) Act and the requirements of the International Public Sector Accounting Standards (IPSAS). The entity is a first-time adopter of accrual-basis IPSAS and has elected to apply the transitional provisions provided under **IPSAS 33 – First-time Adoption of Accrual Basis IPSASs**.*

*As such, these financial statements represent the entity's **first year** of transitional financial reporting. In accordance with IPSAS 33, the entity has taken advantage of the permitted **three-year transitional period**, during which certain assets and liabilities may not be recognized and/or measured in full compliance with accrual IPSAS.*

Specifically, the entity has not yet recognized the following elements of the financial statements:

Property, Plant and Equipment, inventories

This is due to challenges in obtaining reliable fair value and developing necessary accounting systems and controls. The entity continues to apply previous accounting policies for these elements on a temporary basis, as permitted by IPSAS 33.

The following steps are being taken to achieve full compliance by the end of the transitional period:

- *Conducting comprehensive asset verification and valuation exercises*
- *Developing asset registers and inventory systems*
- *Implementing system upgrades to support accrual accounting*
- *Training staff in IPSAS-compliant recognition and measurement principles*

*The entity expects to progressively recognize all outstanding elements in accordance with applicable IPSAS and to fully comply with accrual-basis IPSAS **by end of third-year from initial adoption***

These financial statements were authorized for issue by the accounting officer on 4th August 2025

3. Adoption of New and Revised Standards

- i) *New and amended standards and interpretations in issue effective in the year ended 30th June 2025.*

Standard Description and Impact

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

***East Africa Skills for Transformation and Regional Integration Project (EASTRIP)
Annual Report and Financial Statements for the financial year ended June 30, 2025.***

Standard	Effective date and impact
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IPSAS 46 Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.
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The standard also introduces a public sector specific measurement bases called the current operational value.

ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025

Standard	Effective date and impact
----------	---------------------------

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

IPSAS 50: *Applicable 1st January 2027*

Exploration For & Evaluation of Mineral Resources The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:

- i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.
- 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.
- 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.

iii) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

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.

b) Budget information

The original budget for FY 2024/2025 was approved by the National Assembly in June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity recorded additional appropriations on the FY 2024/2025 budget following the National assembly approval of the supplementary budgets. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page xx under section xxx of these financial statements.

c) Property, plant and equipment

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

d) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

e) Intangible assets

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

f) Research and development costs

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

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

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

Notes to the financial statements

g) Financial instruments

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

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Notes to the financial statements

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

h) Inventories

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

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

- Raw materials: purchase cost using the weighted average cost method.

***East Africa Skills for Transformation and Regional Integration Project (EASTRIP)
Annual Report and Financial Statements for the financial year ended June 30, 2025.***

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

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

Inventories

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 EASTRIP Project.

i) Provisions

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

Contingent liabilities

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

j) Nature and purpose of reserves

The EASTRIP Project creates and maintains reserves in terms of specific requirements.

k) Changes in accounting policies and estimates

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

l) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

m) Borrowing costs

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

n) Related parties

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

Notes to the financial statements

o) Service concession arrangements

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

p) 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.

q) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2025.

***East Africa Skills for Transformation and Regional Integration Project (EASTRIP)
Annual Report and Financial Statements for the financial year ended June 30, 2025.***

Notes to the financial statements

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

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.

East Africa Skills for Transformation and Regional Integration Project (EASTRIP)
Annual Report and Financial Statements for the financial year ended June 30, 2025.

Notes to the financial statements

6. Revenue Transfers

Description	2024/2025 KShs
Unconditional Transfers	
Transfers from Development partners	760,000,000
Total Unconditional Transfers	760,000,000
Total Transfers for the Year	760,000,000

Included is an amount of Kshs 602,000,000 that was received by the State Department of Technical and Vocational Education and Training and subsequently transferred directly to Kenya Coast National Polytechnic and Kisumu National Polytechnic on behalf of the project.

6(a) Details to Revenue Transfers

Name of The Entity Transferring	Amount recognized to Statement of Financial performance Kshs	Amount deferred under deferred income. Kshs	Amount moved to Capital fund Kshs	Total transfers (2024/2025) Kshs
International Development Agency	760,000,000	0	0	760,000,000
Subtotal	760,000,000	0	0	760,000,000
Total	760,000,000	0	0	760,000,000

7. Use of Goods and Services

Description	2024/2025 Kshs
Communication, supplies and services	1,007,500
Domestic travel and subsistence	29,980,235
Foreign travel and subsistence	24,435,445
Fuel and lubricants	5,000,000
Stationery, Printing, advertising, and information supplies	519,538
Training payments	28,600,375
Hospitality supplies and services	5,659,350
Contracted Professional Services	50,863,886
Total	146,066,329

8. Transfer to Other Government Entities

Description	2024/2025 KShs
Kisumu National Polytechnic	253,026,734
Kenya Coast National Polytechnic	348,973,266
Total	602,000,000

***East Africa Skills for Transformation and Regional Integration Project (EASTRIP)
Annual Report and Financial Statements for the financial year ended June 30, 2025.***

This amount was directly disbursed by the State Department for Technical, Vocational Education and Training on behalf of the National Project Coordinating Unit.

9. Cash and Cash Equivalents

Description	30 June 2025 KShs	30 July 2024 KShs
Cash in Bank	85,521,339	73,587,667
Total Cash and Cash Equivalents	85,521,339	73,587,667

9 (a) Project Bank Accounts

Details	30 June 2025 KShs	30 July 2024 KShs
Local Currency Accounts		
Kenya Commercial Bank [1271486458]	85,521,339	73,587,667
Total bank account balances	85,521,339	73,587,667

10. Property, Plant and Equipment

During the first year of transition to accrual accounting as per IPSAS 33, the Project will not recognize assets and depreciation. However, the assets will be disclosed in Annex 3

East Africa Skills for Transformation and Regional Integration Project (EASTRIP)
Annual Report and Financial Statements for the financial year ended June 30, 2025
 Notes to the financial statements

11. Cash Generated from Operations

Description	30/06/2025 KShs
Surplus	11,933,671
Adjusted for:	
Working capital adjustments	
Increase in receivables	0
Increase in payables	0
Net cash flow from operating activities	11,933,671

12. Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as of 30th June 2025 are not included in the Statement of Financial Assets since the line items are yet to be drawn into the Exchequer Account as a voted provision.

Below is the Special Deposit Account (SDA) movement schedule, which shows the flow of funds voted in the year. These funds have been reported as loans/grants received in the year under the Statement of Receipts and Payments.

*East Africa Skills for Transformation and Regional Integration Project (EASTRIP)
Annual Report and Financial Statements for the financial year ended June 30, 2025
Notes to the financial statements*

Special Deposit Accounts Movement Schedule

DESCRIPTION	31/12/2024	30/06/2025
	Ksh	Ksh
(i) A/C Name [A/c No. 1000429399]		
Opening balance	507,407,818	507,407,818
Total amount deposited in the account	1,134,928,279	0
Total amount withdrawn	(741,082,975)	
Closing balance (as per SDA Statement attached)	901,253,122	507,407,818

The closing balance is €5,910,131.70, based on the exchange rate of 152.4929 as at 30 June 2025

13.Related Party Disclosures

Nature of related party relationships

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

Government of Kenya

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

**East Africa Skills for Transformation and Regional Integration Project (EASTRIP)
Annual Report and Financial Statements for the financial year ended June 30, 2025**

Notes to the financial statements

Other related parties include:

- i) The National Treasury
- ii) National Polytechnics

Description	2024/2025 Kshs
Transactions with related parties	
a) Grants /transfers from the government	
Transfers from national govt	760,000,000
Transfers to National Government Entities	602,000,000

14.Events after the Reporting Period

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

15.Ultimate And Holding Entity

The EASTRIP Project is an under the of Ministry of Education. Its ultimate parent is the Government of Kenya.

16.Currency

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs

*East Africa Skills for Transformation and Regional Integration Project (EASTRIP)
Annual Report and Financial Statements for the financial year ended June 30, 2025*

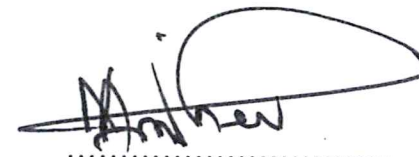
13. Annexes

Annex 1: Prior Year Auditor-General's Recommendations

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		The State Department is committed to completing the Projects by the deadline of 31st December 2026	Not resolved	2025/2026
Delay in the achievement of project objective	The objective collaboration of tvet players objective may not be achieved by the project end date			



Dr. Esther Thaara Muoria, PhD, CBS
Principal Secretary



Archer Arina, DTJET
Project Coordinator

East Africa Skills for Transformation and Regional Integration Project (EASTRIP)
Annual Report and Financial Statements for the financial year ended June 30, 2025
Annex 2: Reconciliation of inter-entity transfers

Project Name:
Break down of transfers from the State Department of TVET

a. Kenya Coast National Polytechnic

Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
1 st October, 2024	203,423,797.70	2024/2025
10 th July, 2025	145,549,468.25	2024/2025
Total	348,973,265.95	

B. Kisumu National Polytechnic

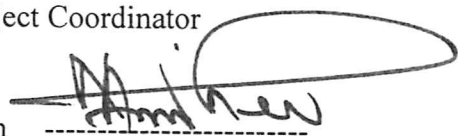
Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
1 st October, 2024	228,576,202.30	2024/2025
10 th July, 2025	24,450,531.60	2024/2025
Total	253,026,733.9	
Total (A+B)	601,999,999.85	

The above amounts have been communicated to and reconciled with the Parent Ministry/ State Department

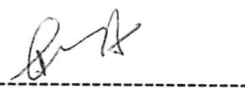
Project Coordinator

Head of Accounting Unit

Sign



Sign



East Africa Skills for Transformation and Regional Integration Project (EASTRIP)
Annual Report and Financial Statements for the financial year ended June 30, 2025
Annex 3: Fixed Asset Register

Asset class	Historical Cost c/f (Kshs) Previous Year	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/out during the year	Historical Cost c/f (Kshs) Current Year
Transport equipment (2 motor vehicles GKB 202w and GKB 199w both Ford Everest X)	13,251,600	0	0	0	13,251,600
Office equipment, furniture and fittings	6,315,200	0	0	0	6,315,200
ICT Equipment	14,038,460	0	0	0	14,038,460
Total	33,605,260	0	0	0	33,605,260

Annex 4: Other Support Documents

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities
- ii. Bank Reconciliations statement as at 30th June 2025
- iii. Board of Survey Report
- iv. Trial Balance

Appendix II: Inter-entity confirmation letter

MINISTRY OF EDUCATION
Kenya Coast National Polytechnic

The EASTRIP Project (NPCU) wishes to confirm the amounts disbursed to you as at 30 June 2025 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate them in column E in the table below. Then please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by Kenya Coast National Polytechnic as at 30 June 2025
Amounts Disbursed by EASTRIP Project(NPCU) as at
30-Jun-25

Reference Number	Date Disbursed	Development-Grants (Kshs) (B)	Amount Received by Project as at 30 June 2025 (Kshs)	Differences (Kshs)	Financial Year
FT24275MKDBS	1st Oct 2024	203,423,797.70			2024/2025
FT25191HPYZZ	10th July 2025	145,549,468.25			2024/2025
Total		348,973,265.95			

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

Head of Accounts Department
Name CPA CLERKSON BOLO

Date 13/8/2025

Yours sincerely,
[Signature]
Project Accountant

[Handwritten Signature]



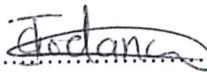
Copy to: Director General, Accounting Services and Quality Assurance, the National Treasury

EAST Africa Skills for Transformation and Regional Integration Project
BANK RECONCILIATION AS AT 30 Jun 2025
EASTRIP

BANK: KCB		
AC/NO - 1271486458	AMOUNT	AMOUNT
	kshs	
Balance as per Bank Certificate.....		48,962,930.60
Less.....		
1. Payments in the Cash Book not yet recorded in the Bank Statement (Unpresented Cheques).....		5,681,753.50
2. Receipts in the Bank Statements not yet recorded in Cash Book.....		43,281,177.10
Add.....		
3. Payments in the Bank Statement Not yet recorded in the Cash Book.....		
4. Receipts in the Cash Book not yet recorded in the Bank Statement.....		42,240,161.65
BANK BALANCE AS PER CASH BOOK		<u>85,521,338.75</u>

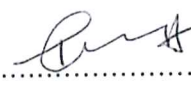
I certify that I have verified the Bank Balance in the Cash Book with the the Bank Statement and that the above Reconciliation is correct.

Prepared by:

Signature..... 

Date..... 3/07/2025

Checked by:

Signature..... 

Date..... 2nd July 2025

**PAYMENTS IN CASH BOOK NOT IN BANK STATEMENT
AS AT 30th June , 2025**

DATE	DETAILS	REF	AMOUNT
30/6 2025	Grant Thorton		3,694,965.00
30/6/25	Astorian Hotel		1,096,915.00
30/6/25	VAT		19,250.00
30/6/25	PPRA		335.00
30/6/25	MACHAKOS TIB		278,526.00
30/6/25	VAT		4,888.00
30/6/25	PPRA		86.00
30/6/25	EAGLE PALACE HOTEL		244,140.00
30/6/25	PPRA		75.00
30/6/25	VAT		4,285.00
30/6/25	MARGARET Mwangi		168,000.00
30/6/25	Victor Kamau		168,000.00
30/6/25	Bank Charges		172.50
30/6/25	Bank Charges		2,116.00
			5,681,753.50

REPUBLIC OF KENYA

Eastrip
A/C No. 1271486458

Date. 01/07/2025

Report of the Board of Survey on the Cash and Bank Balances of State Department for
Technical, Vocational Education and Training at the close of Business on 30th June, 2025

The Board consisting of – (Names and official)

- 4. Ms. Joyce Mwale CHAIRPERSON
- 5. Mr. John Tuwei MEMBER
- 6. Mr. David Gacheche MEMBER

assembled at the office of Head Accounts Unit at 9.00 a.m.(time) on the 1st July, 2025

and the following cash was produced: -

Notes	...	...	...	..	..	..	..	..	..	Sh. NIL
Silver	...	...	...	..	..	..	..	..	..	Sh. NIL
Cooper...	...	...	...	..	..	..	..	..	..	Sh. NIL
Cheques (as per details on reverse)										Sh. <u>NIL</u>

It was observed that cheques amounting to Sh.....NIL.....Cts.....NIL.....

had been on hand for more than 14 days prior to the date of the survey.

The cash consists of East African currency and does not contain any demonetized coin or notes.

The Cash Book reflected the following balances as at the close of business on the

Cash on hand	...	...	..	..	..	..	..	..	..	Sh. ....NIL.....
Bank Balance	...	...	..	..	..	..	..	..	..	Sh. <u>85,521,338.75</u>

The Bank Certificate of Balance showed a sum of **Forty Eight Thousand Nine Hundred Sixty Two Thousand Nie Hundred Thirty Cents Sixty only.**

Standing to the credit on the account on **Kshs. 48,962,930.60**

The difference between this figure and the Bank Balance as shown by the Cash Book is accounted for in the Bank Reconciliation Statement (F.O. 30) attached.

.....
JWale

Chairman.

Date..... 1/7/25

.....
[Signature]

Member of the Board.

Date..... 1/7/2025

[Signature]
01/07/2025

LIST OF CHEQUES INCLUDED AS PART OF CASH ON HAND

Cheques No.	Drawer	Date of Cheque	Date Received	Amount

Kencom House,
Moi Avenue,
P.O. Box 48400 - 00100,
Nairobi, Kenya.
Tel: +254 20 3270000,
2852000, 2851000
Mobile: +254 711012000/
734 108200

1218 CA 41 BRANCHES
CERTIFICATE OF BALANCE

Limited
in Kenya)

KCB Bank
(Incorporated

CERT2522400065

KCB KIPANDE HOUSE
.....

12 AUG 2025
.....

Certified that the balance at the CREDIT Of THE
EAST AFRICA SKILLS FOR TRANSFOR

A/C 1271486458
.....

at the close of business on 30 JUN 2025 Was KES
.....

FORTY EIGHT MILLION NINE HUNDRED AND SIXTY TWO THOUSAND NINE
HUNDRED AND THIRTY CENTS SIXTY


KES 48,962,930.60
.....

Examined by

For: KCB BANK KENYA LTD:

For: KCB BANK KENYA LTD.


..... P. Manager
KIPANDE HOUSE, NAIROBI


..... P. Manager
KIPANDE HOUSE, NAIROBI

Manager Service Quality & Compliance Branch Manager

EASTRIP
Trial balance
As at 30th June 2025

	DR	CR
Opening Bank Balance		73,587,667.00
1st Receipt		528,842,814.00
2nd Receipt		139,765,477.00
3rd Receipt		72,474,685.00
4th Receipt		18,917,025.00
Communication, supplies-other	1,007,500.00	
Accommodation-Domestic Travel	29,980,235.00	
Foreign travel and Subs-Others	24,435,445.00	
Publishing & Printing services	519,538.00	
Remuneration of Instructors and Contract Based Training services	28,600,375.00	
Boards, Committees, Conferences and Seminars	5,659,350.00	
Refined Fuels And Lubricants for Transport	5,000,000.00	
Contracted Professional Services	50,863,886.00	
Capital Grants to Semi-Autonomous Government Agencies	602,000,000.00	
Closing Bank Balance	85,521,339.00	
	833,587,668.00	833,587,668.00