

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



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REPORT

OF

THE AUDITOR-GENERAL

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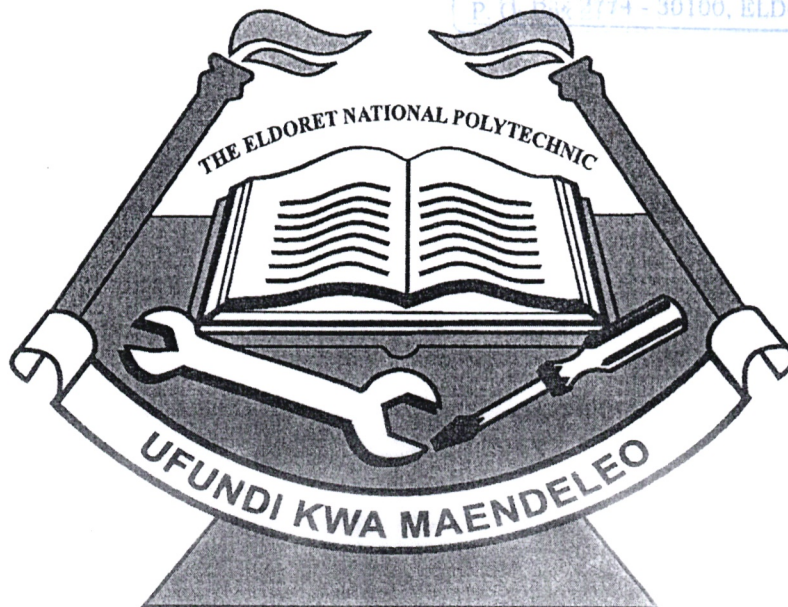
**THE FINANCIAL STATEMENTS OF
THE ELDORET NATIONAL POLYTECHNIC**

**FOR THE YEAR
ENDED 30 JUNE 2018**

OFFICE OF THE AUDITOR GENERAL
ELDORET HUB

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THE ELDORET NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2018**

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

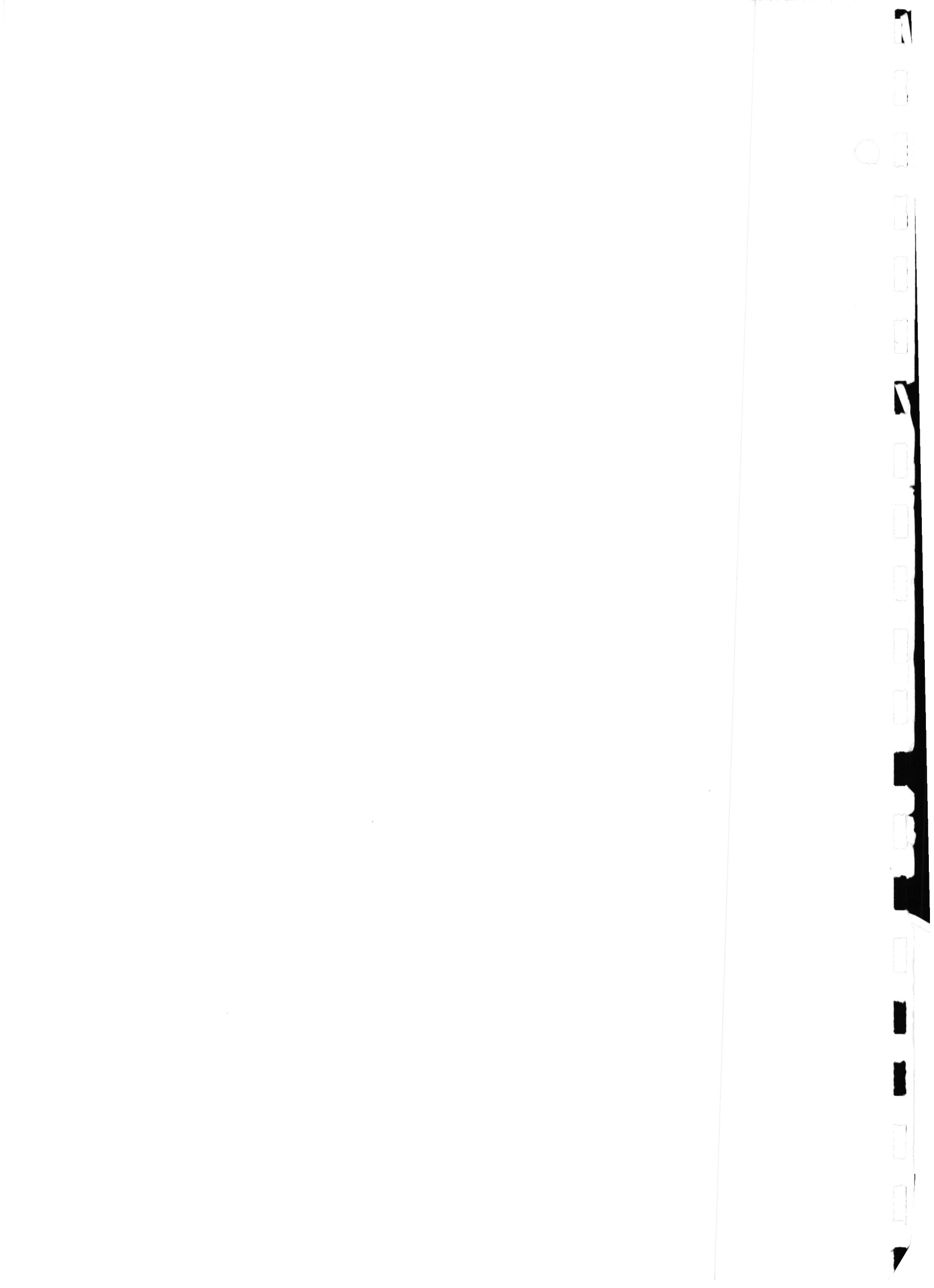


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I. THE ELDORET NATIONAL POLYTECHNIC INFORMATION AND MANAGEMENT

(a) Background information

The Eldoret Polytechnic was established as per the legal notice No. 120 in the Kenya Gazette Supplement No. 30 dated 8TH May 1987 under the Education Act(Cap. 211) conferring the Minister then to make an order establishing the Governing Council of Governors of Eldoret Polytechnic referred to as -THE EDUCATION(GOVERNING COUNCIL OF GOVERNORS) (ELDORET POLYTECHNIC), ORDER, 1987. Subsequent to this order, the institution changed status as per Kenya Gazette Legal Notice No.114 dated 22nd August, 2014 for THE TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING ACT (no. 29 of 2013) which states;

IN EXERCISE of the powers conferred by section 26 (2) of the Technical and Vocational Education and Training Act, 2013, the Cabinet Secretary for Education Science and Technology makes the following Order:- THE ELDORET NATIONAL POLYTECHNIC ORDER, 2014 hence recognizing the governing council as responsible for the general policy and strategic direction of the The Eldoret National Polytechnic.

(b) Principal Activities

The principal activity/mission of the *The Eldoret National Polytechnic* is to be a Centre of excellence in technical advancement. Its mission is produce human capital through innovative training for a dynamic economy. At Eldoret National Polytechnic, we are committed to the following values:

Integrity, Team work, Commitment, Creativity & Innovation and Health and Safety. The following are objectives and functions;

To restructure the Governing organs including Governing Council and management committee to be compatible with a degree awarding institution with appropriate industrial cluster;

To establish and maintain effective and strategic leadership that is able to formulate policies and monitor the achievement of institutional vision , mission and objectives;

To establish and encourage democratic governance and management of the institution;

To promote and adopt principle of good corporate governance and achieve high quality of work, image and culture to ISO 9001 standards;

To strengthen guidance and counseling and public relations office;

To attract and retain highly qualified competent and motivated human resource for the institution ;

1. To develop human resource capacity and capability that is able to provide an excellent service delivery in teaching and research for the institution;
2. To develop and upgrade teaching/learning facilities and equipment up-to the required international standards;
3. To develop quality ICT infrastructure for learning, research, effective and efficient institutional management information systems;
4. To develop high quality academic and research programs that are market driven so as to contribute towards training of competent innovative graduates;
5. To restructure and broaden resource base of the growing institution by diversifying sources and improving the resource management system;
6. To harmonize admission criteria to meet Quality assurance standards; and
7. To promote and establish collaboration, linkages and networking with other institutions.

(c) Key Management

The *Eldoret National Polytechnic*'s day-to-day management is under the following key organs:

Principal;
Deputy Principal (Administration)
Deputy Principal (Academics)
Registrar
Dean of Students
Finance Officer

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2018 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Josphat K. Sawe
2.	DeputyPrincipal(Admin)	Dr. Rosbella Chukwu
3.	Deputy Pncipal (Academics)	James Mwangi
4.	Registrar	John Gitau
5.	Dean of Students	Benjamin Maiyo
6.	Finance Officer	Richard K. Sang

(e) Fiduciary Oversight Arrangements

During the year under review, the Polytechnic had the following over sighting committee

1. Finance and General purpose committee activities
2. Audit and Risks committee
3. Disciplinary Committee

(f) The Eldoret National Polytechnic Headquarters

P.O. Box 4462 code 30100
Kisumu Road
Eldoret, KENYA

(g) The Eldoret National Polytechnic Contacts

Telephone: (254) 708212633, (054) 714871685
E-mail: eldopoly@africaonline.co.ke
Website: www.tenp.ac.ke

(h) The Eldoret National Polytechnic Bankers

1. National Bank of Kenya Ltd
Eldoret Branch
P.O. Box 3111 code 30100
Eldoret, Kenya

2. Co-operative Bank of Kenya Ltd
Eldoret Branch
P.O. Box 2948 code 30100
Eldoret, Kenya

(i) Independent Auditors

Auditor General

Kenya National Audit Office

Anniversary Towers, University Way

P.O. Box 30084

GOP 00100

Nairobi, Kenya

(j) Principal Legal Advisers

The Attorney General

State Law Office



Harrabee Avenue

P.O Box 40112

City Square 00200

Nairobi, Kenya

II. THE GOVERNING COUNCIL

Director's passport-size photo and name, and key profession/academic qualifications	Description of each Director's date of birth, key qualifications and work experience
 <p>Amb. Samson K. Chemai, Msc(USIU)</p> <ul style="list-style-type: none"> • Chairman, Governing Council 	<p>Amb. Chemai was born on 6th March, 1942. He is the Governing Council Chairman. He has a wealth of corporate and public administrative experience having been a managing director and a director of various organisations, chairman of Kenya Airport Authority and Kenya Polytechnic and ambassador to Japan and United States of America. He has a masters degree in Management and organizational Development from United States International university</p>
 <p>Veska J. Kangogo, MBA(Methodist),Bed(K.U)</p>	<p>Veska was born in February 1976. She is the Chair-person of Finance and general purposes committee of the polytechnics Governing Council .She has a rich background and experience in industrial relations having worked at senior positions in H.R Management in various considerably large organizations. She is a holder of a Masters in Business Administration Degree from Kenya Methodist University; a Bachelors Degree in Education from Kenyatta University; and a Higher National Diploma in Human resource management from Kenya Polytechnic.</p>



Hosea K. Sitienei,
MBA(Salford,U.K), CPA(K)

Hosea was born on 15th November, 1952. He is currently the chairman of Audit and Risk committee in the Governing council of the polytechnic. He has a wide experience in general administration for having worked in public organisations including being the managing director at Kenya Seed Company , a Finance officer in Moi University and University of Eldoret. His main discipline is in financial planning, accounting and auditing. He undertook his masters degree in business administration (MBA) in Salford University, United Kingdom and has Post graduate diploma in Education in from Kenyatta University. He is a member of ICPAK.



Elizabeth A.O Nyawade,
Msc(TEIFI-Russia)

Elizabeth was born in December 1959. She is a member of the Infra-Structure committee of the Governing Council at the polytechnic. Elizabeth has Master in Science from the Technical Engineering Institute of Food Industry, Moscow-Russia. She has vast experience in the technology industry having worked as an Assistant Fermentation Engineer in the Ministry of Energy, Trainee Engineer, Production Superintend, Production Manager and a Quality Assurance Manager at Coca –Cola Africa for a span of more than 10 years. Her competences include Production Management Computer based systems and Quality management assurance, Environmental management systems.



Victoria Chebseba,
LLB(Hons)-Moi

Victoria was born on 9th December, 1976. She is a member of the Infra structure committee of the polytechnic's Governing Council and a member of LSK in good standing. She is also an advocate of the High Court of Kenya with effect from 18/11/2004. She is currently in legal practice and also a Diocesan chancellor at the Diocese of Eldoret and a board member in various institutions including Konza Technopolis Development Authority. Victoria is a holder of Bachelor of Law from Moi University and also currently pursuing her masters in law at the same university. She is also a holder of a diploma in Business Administration.



Chrisantus Misaro,
Bsc(UoN), Msc(City-London)

Chrisantus was born on 18th August, 1957 and has 30 years of ICT industry experience covering both public and private sectors. Has spearheaded many implementations of emerging technologies in ICT within and outside Kenya. Has over the years ably demonstrated how the choice of sound appropriate information technology can be a critical enabler and/or asset in achieving an enterprise's objectives. He has Bachelor in Science (Hons) Statistics & Computer Science (UoN), MSc Business Systems Analysis & Design (City University, London).



Prof. Peter Okemwa, PhD.

Peter was born in 1961. He is a member of the In-fra structure committee of the Governing Council and he is currently an associate professor in the department of Technology Education at the University of Eldoret. He has a PhD in manufacturing and automation from the University of Shanghai Jiao Tong, China. He attained his masters degree in engineering from Tsinghua University, China. Professor did his diploma in mechanical Engineering and graduated from Kenya Polytechnic after attaining his diploma in Technical Education from Kenya Technical Training College



Patrick Mbehi Stom, Msc(Finance-JKUAT), Member ICPAK.

- Representative of the PS, The National Treasury

Mr Patrick Mbehi Stom was born on 6.4.1981. He is an accountant and a financial analyst. He works in the department of Government Investment and Public Enterprises at The National Treasury. He holds a Bachelor degree in Business Administration (Accounting option) from Moi University, Certified Public Accountants of Kenya, Certified Securities and Investment Analysts Part II and he is currently pursuing a Masters of Science degree in Finance at Jomo Kenyatta University of Technology. Mr. Stom is a member of the Institute of Certified Public Accountant of Kenya (ICPAK) with wealth of experience in Public Sector Financial Management.



Patrick Mbehi Stom, Msc(Finance-JKUAT), Member ICPAK.

- Representative of the PS, The National Treasury

Mr Patrick Mbehi Stom was born on 6.4.1981. He is an accountant and a financial analyst. He works in the department of Government Investment and Public Enterprises at The National Treasury. He holds a Bachelor degree in Business Administration (Accounting option) from Moi University, Certified Public Accountants of Kenya, Certified Securities and Investment Analysts Part II and he is currently pursuing a Masters of Science degree in Finance at Jomo Kenyatta University of Technology. Mr. Stom is a member of the Institute of Certified Public Accountant of Kenya (ICPAK) with wealth of experience in Public Sector Financial Management.



Eng. Claude Kirwa Busienei, Msc(Civil Engineering), Bsc(Civil Engineering)

Claude was born on 17th April, 1960. Eng. Claude is the Chairman of the Infra structure committee of the polytechnic's Governing Council. He is a Registered Civil Engineer with over 25 years of experience in planning, design, tender documentation, construction supervision of dams, management and maintenance of water supply, and sewerage/sanitation projects. He has carried out procurements processes both for Consultancies and Construction Works For Nzoia Cluster Ph I, II and Ph III under World Bank and Kfw of Federal Republic of Germany. He holds a Bachelor of Science and a Master of Science in Civil Engineering specializing in Geotechnical Engineering. Currently he is a lecturer in the Department of Civil Engineering, University of Eldoret.



Michael K. Rugut
MBA(K.U), Bsc(Production & Technology)

- Representative of the PS, State Department of Science & Technology(TVET)

Mr. Rugut was born on 10th June, 1967. He is career civil servant currently serving as the Uasin Gishu County Director of TVET and represents the Principal Secretary, State Department of Vocational & Technical Training in the Governing Council having worked previously at the Head Office, Ministry of Education, Science & technology Nairobi. He also worked for National Youth Service as a lecturer in the Department of Technology. He has a degree in Production Technology from Moi University. He attained a certificate in Automotive Engineering and Construction Plant Engineering from the Polytechnic University of Japan. Mr. Rugut holds a Masters Degree in Administration (Project Management) from Kenyatta University.





Josphat K. Sawe
Med(Baraton), Bed(CUEA),
Diploma(Education)

- Principal/ Secretary Governing Council

Josphat was born on 12th December, 1958. He is the chief executive officer of the polytechnic serving as the principal and secretary to the Governing Council. He has a wealth of experience in Education Management having served as a principal in various institutions. He has been a deputy principal, head of department at Primary teacher training college and a teacher in high school. He has a masters degree in Education from the University of East Africa, Baraton. He attained his Bachelors degree in Education from Catholic University and also has a diploma in Education.

III. MANAGEMENT TEAM

Key manager's passport-size photo and name, and key profession/academic qualifications	The main area of responsibility
 <p>Josphat K. Sawe Med(Baraton), Bed(CUEA), Diploma(Education)</p> <ul style="list-style-type: none"> • Principal/ Secretary Governing Council 	<p>Josphat was born on 12th December, 1958. He is the chief executive officer of the polytechnic serving as the principal and secretary to the Governing Council. He has a wealth of experience in Education Management having served as a principal in various institutions. He has been a deputy principal, head of department at Primary teacher training college and a teacher in high school. He has a masters degree in Education from the University of East Africa, Baraton. He attained his Bachelors degree in Education from Catholic University and also has a diploma in Education.</p>
 <p>Dr. Rosebella C. Chukwu, PhD</p> <ul style="list-style-type: none"> • Deputy Principal(Administration) 	<p>Rosbella was born on 11th November, 1966. She was the Dean of students with effect from January 2013 and has a Ph.D in Disaster Management and Humanitarian assistance from Masinde Muliro University. She also obtained her masters degree in Business Administration from the same university. She has a post graduate diploma in Education and a bachelor of Arts in Economics, English and Home science. Dr. Chukwu has vast experience in education management and also is a member of Board of Governors in various learning institutions.</p>



James Mwangi, MBA(K.U), Bed(K.U)

- **Deputy Principal – Academics**

James was born on 12th December, 1964. He holds a Masters Degree in Business Administration with a bias in Strategic Management and Entrepreneurship from Kenyatta University. He also holds a Bachelor of Education (ARTS) in Economics and Accounting from the same University. He is the Deputy Principal in charge of Academics. He has been a Head of Department in Business in the same station and has been a Deputy Principal in Wareng Secondary School.



John Gitau

- **Registrar**

John was born on 12th July, 1964. He has been the Examinations Officer since 2003, doubling as a lecturer in Mechanical Engineering. He is the Registrar since 2016. He has Higher Diploma in Mechanical Engineering (Kenya Polytechnic). He also has a masters degree in Science(Msc) specializing in Engineering Systems and Management from Egerton University. He has a Post Graduate Diploma in Education and currently pursuing a Phd in Technical University of Kenya.



Benjamin K. Maiyo
Msc(Kenyatta), Bed(Hons)

- **Dean of students**

Benjamin was born on 22nd May, 1972. He is the Dean of Students. He is currently pursuing his PhD in Applied Statistics – Biostatistics in University of Eldoret. He attained his masters degree in Mathematics in 2007 from Kenyatta University. He has a Bachelors degree in education from Kenyatta University. Mr. Maiyo apart from his teaching duties, has been in a Sports officer and deputy dean for 15 years. He is currently the Dean of Students and well versed with student affair.



Richard K. Sang

MBA(Moi),Bcom(UON),CPA(K),CPS(K)

- **Finance Officer**

Mr.Sang was born on 31st December, 1966. He graduated from the University of Nairobi having trained in Bachelor of Commerce(Accounting Option). He also has MBA(Finance) degree from Moi University. Mr. Sang is a member of ICPAK and ICPSK. He has been in accountancy field for more than 30 years.

IV. CHAIRMAN'S STATEMENT

I am delighted to present this financial report for the year ended 30th June, 2017.

As a team we undertake and commit ourselves to provide unparalleled leadership to this institution so that the vision of the institution of being a centre of excellence in technological advancement may be attained. Being a dynamic and progressive institution, the Polytechnic needs a lot of financial and material support from the Government and other stakeholders at this critical period of having been elevated to a National Polytechnic status in order to realize its academic and physical infrastructure development.

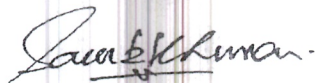
Indeed, the Governing Council of Eldoret National Polytechnic is committed to providing new appropriate facilities and improving existing ones to facilitate effective learning and teaching. In the financial year under review, we worked very hard towards accomplishing this duty. For instance, we succeeded in enhancing physical facilities in the institution to cater for the increasing number of students which stand at 5194 currently.

With the help of the Ministry of Education, Science and Technology, we have successfully nutured Ziwa Technical Training Institute and construction is under way in our mentoring institutions in Endebess and Turkana East. We have also completed construction works on the science laboratory and hospitality department complex here in main campus. All these are to enhance public access to technological training.

I take this opportunity once again to thank The Ministry of Education, Science and Technology for funding our activities to ensure our continued progress during the year under review. I also appreciate our sponsors and other stakeholders who chose

to partner with us in different ways during this year. The unwavering support, patience and understanding exhibited by our staff, students and the suppliers of services and goods during times of challenges along the way are highly appreciated by the Governing Council. Similarly the immense contributions and the support I received from the previous members of the Council is invaluable and highly appreciated.

I also thank the Principal for his robust leadership and guidance to the Polytechnic during the year. The passion and positive attitude we all exhibited during the year gives us hope and courage that we are all ready and prepared to face the future as a prospective Centre of Excellence in the region with confidence as we look forward to another successful year.



Amb. Samson K. Chemai

CHAIRMAN OF THE GOVERNING COUNCIL

30th September, 2018

V. REPORT OF THE CHIEF EXECUTIVE OFFICER

As a National Polytechnic, the institution is well placed to providing adequate and relevant knowledge to its graduates that will enable them to contribute towards the attainment of our country's Vision 2030 strategic objectives. In furtherance of our mandate therefore, we have committed ourselves to consistently and regularly review, improve and consolidate our academic programs in several ways that will ensure their competitiveness in terms of quality and relevance.

With the guidance of the Governing Council, we worked hard in setting up structures and policies aimed at guiding the institution in the right strategic direction. We were able to attain ISO 9001-2008 certification during the year. Under my leadership and the overall direction of the Polytechnic's Governing Council we were able also to be in the forefront in ensuring that financial resources were utilized efficiently and effectively for optimum output. Despite the many challenges brought about by economic constraints, the Polytechnic nevertheless continued to discharge its mandate of teaching, research and outreach. We were able to successfully host a conference on Innovations For Advancement in Humanity (IFAH).

The main source of funding to the Polytechnic during this period under review was the Exchequer with a contribution of a total of **Kshs.112,345,000** million for recurrent expenditure purposes. Internally generated revenue from Fees was **Ksh.292,902,315**. In the Financial year under review hire of facilities was another major source of funding . In a nutshell, the Polytechnic realized an aggregate income of **Kshs. 415,754,438** in revenue during the year. The recurrent expenditure stood at **Kshs.418,185,783** therefore the Polytechnic closed the year

with a shortfall of **Kshs. 2,431,345**. The shortfall is attributed to the general price increase in goods and services while fees charged remain constant and all were not realised.

Under the Capital development Exchequer allocations, the Polytechnic received a total of **Kshs.10,747,500** for budgeted physical and infrastructure development during the year. The amount was expended in construction of the on-going Capital projects namely; Institutional, Hospitality and Consumer Science Lab project, Applied Science Lab, and Renovation of existing Buildings. I wish to report that construction works on these projects progressed well during the year and that all of them are expected to be completed in the 2017/2018 financial year.

The Eldoret National Polytechnic being a National institution desires to enhance its visibility, performance, and competitiveness in the tertiary education sector in the face of stiff competition. To do so, however the Polytechnic requires a lot of support from the Government and other stakeholders in this crucial transitional stage to a National Polytechnic in terms of funding, material support and other contributions. We shall continue to appeal for such support for several years to come.

On behalf of the Polytechnic Governing Council and Management, I take this opportunity to thank the Government for its unequivocal support during the year under review. I also appreciate the financial, material and moral support of our collaborators, partners and friends during the year. It is because of the understanding and guidance of the Chairman of the Council as well as the cooperation of the Management team, all staff and our students that we ended the



year within an environment of peace and stability. I wish to register my gratitude to them all.

I look forward to their continued support in the new financial year and the years ahead.



Mr. Josphat K. Sawe

Date: 30th September, 2018

CHIEF PRINCIPAL

VI. CORPORATE GOVERNANCE STATEMENT

The Eldoret National Polytechnic is committed to good corporate governance, which promotes the long-term interests of the Government of Kenya and any other stakeholder, strengthens Governing Council and management accountability and helps build public trust in the Polytechnic.

The Governing Council is appointed by the Government of Kenya through the Cabinet Secretary, Ministry of Education, science and technology to oversee their interest in the long-term health and the overall success of the business and its financial strength in order to discharge its mandate in training. The Governing Council serves as the ultimate decision making body of the Polytechnic, except for those matters reserved to or shared with the Government of Kenya. The Governing Council selects and oversees the members of senior management, who are charged by the Governing Council with conducting the business of the Polytechnic in line with the Technical, Vocational, Education & Training Act of 2013 and the constitution of the Republic of Kenya.

The Governing Council has established Corporate Governance Guidelines which provide a framework for the effective governance of the Polytechnic. The guidelines address matters such as the Governing Council's Vision and mission, overall strategy, members' responsibilities, Governing Council committee structure, recommendation of the Chief Executive Officer, Over-sighting the performance and evaluation of management. The Governing Council regularly reviews developments in corporate governance and updates the Corporate Governance Guidelines and other governance materials as it deems necessary and appropriate.

The Polytechnic's corporate governance materials, including the Corporate Governance Guidelines, the Polytechnic's legal order, the terms and reference for each Governing Council committee, the Polytechnic's Codes of Business Conduct, information about how to report concerns about the Polytechnic and the Polytechnic's public policy engagement and technological contributions policy, can be accessed by visiting the polytechnic's website: www.tenp.ac.ke.



VII. CORPORATE SOCIAL RESPONSIBILITY STATEMENT

The Eldoret National Polytechnics strategy for social responsibility includes a commitment to pursue change across the following priority areas:

- **Research with impact**

Our research is making a positive difference to society, addressing the major challenges of the 21st century.

- **Socially responsible graduates**

Our graduates are learning to exercise ethical, social and environmental responsibility.

- **Engaging our communities**

Our events and activities are harnessing our knowledge, resources and visitor attractions for the benefit of our communities.

- **Responsible processes**

Our processes are balancing efficiency with opportunities to create social and environmental benefit.

- **Environmental sustainability**

Our research, teaching and activities are guided by our commitment to environmental sustainability.

We also have a number of Technological areas for our research, teaching, community engagement and processes, allowing us to focus and measure our efforts in making a difference to society.

VIII. REPORT OF THE GOVERNING COUNCIL

The Governing Council submit their report together with the audited financial statements for the year ended June 30, 2018 which show the state of the *The Eldoret National Polytechnic's* affairs.

Principal activities

The principal activities of the The Eldoret National Polytechnic are;

- (a) Provide directly, or in collaboration with other institutions of higher learning, facilities for technical trainers in technological, professional, scientific education;
- (b) Participate in technological innovation as well as in the discovery, transmission and enhancement of knowledge and to stimulate the intellectual life in the economic, social cultural, scientific, and technological development;
- (c) Contribute to industrial and technological development of Kenya in collaboration with industry and other organizations through transfer of technology;
- (d) Examine and make proposals for new diploma courses and subjects of study, institutes, departments, resource and research and innovation;
- (e) Promote and establish a culture of innovation in engineering and technology, and technology transfer amongst staff and students;
- (f) Develop an institution with excellence in teaching, training, scholarship, entrepreneurship, research, consultancy, community service, among other educational services and products, with emphasis on technology and its development, impact and application within and outside Kenya.
- (g) Provide a multi-level system of post-secondary school education and training programmes relevant to the needs of the community covering a wide range of fields and levels with provision for recognition of prior learning and flexibility of transition between programmes;
- (h) Provide high quality educational, research, residential, commercial, cultural, social, recreational, sporting and other facilities;

-
- (i) Advance knowledge and its practical application by research and other means, the dissemination of outcomes of research by various means, and the commercial exploitation of search results;
 - (j) Promote critical enquiry within the polytechnic and in the general community;
 - (k) Participate in commercial ventures and activities;
 - (l) Foster the general welfare of all staff and students;
 - (m) Provide opportunities for development and further training for staff of the National Polytechnic;
 - (n) Develop and provide educational, cultural, professional technical and vocational services to the community and in particular the fostering of corporate social responsibility;
 - (o) Provide programmes, products and services in ways that reflect the principles of equity and social justice;
 - (p) Facilitate student mobility between different programmes at different technical training institutions, national polytechnics and other National Polytechnics;
 - (q) Conduct examinations for and grant such academic awards as provided under this Order;
 - (r) Collaborate with recognized universities for the conduct and award of degree programmes in technology.
- (2) The National Polytechnic shall have powers to grant higher diplomas, diplomas, certificates, or other academic qualifications which may, for the time being, be authorized by the Academic Policy of the National Polytechnic.
- (3) Subject to Technical, Vocational, Education & Training Order, the National Polytechnic may award scholarships, bursaries and prizes and make other awards which may be provided for by the Academic Policy.

Results

The results of the The Eldoret National Polytechnic for the year ended June 30, 2018 are set out on page 1 to 5

Governing Council

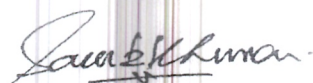
The members of the Governing Council who served during the year are shown on page v-x in accordance with the appointments made then by the Cabinet Secretary, Ministry of Education, Science & Technology.

Auditors

The Auditor General is responsible for the statutory audit of the *The Eldoret National Polytechnic* in accordance with the Public Finance Management (PFM) Act, 2012, which empowers the Auditor General to nominate other auditors to carry out the audit on his behalf.

No other auditors were appointed.

By Order of the Governing Council



Amb. Samson K. Chemai

Chairman, Governing Council

Date: 30th September, 2018

IX. STATEMENT OF GOVERNING COUNCIL S' RESPONSIBILITIES

The Technical , Vocational, Education & Training Act 2013, require the Council to prepare financial statements in respect of *The Eldoret National Polytechnic*, which give a true and fair view of the state of affairs of the *Polytechnic* at the end of the financial year/period and the operating results of the *Polytechnic* for that year/period. The Council are also required to ensure that the *Polytechnic* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *Polytechnic*. The Council are also responsible for safeguarding the assets of the *The Eldoret National Polytechnic*.

The Council is responsible for the preparation and presentation of the *The Eldoret National Polytechnic's* financial statements, which give a true and fair view of the state of affairs of the *The Eldoret National Polytechnic* for and as at the end of the financial year (period) ended on June 30, 2018. 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 Eldoret National Polytechnic; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of *The Eldoret National Polytechnic*; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

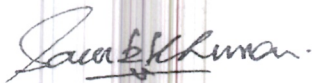
The Council accept responsibility for *The Eldoret National Polytechnic's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS) Accrual, and in the manner required by the Public Finance Management Act, 2012 and the State Corporations Act. The Council are of the opinion that *The Eldoret National Polytechnic's* financial statements give a true and fair view of the state of *The Eldoret National Polytechnic's* transactions during the financial year ended June 30, 2018, and of *The Eldoret National Polytechnic's* financial position as at that date.

The Council further confirm the completeness of the accounting records maintained for *The Eldoret National Polytechnic*, which have been relied upon in the preparation of *The Eldoret National Polytechnic's* financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The *Eldoret National Polytechnic's* financial statements were approved by the Governing Council on 30th September, 2018 and signed on its behalf by:



Chairman ,Governing Council



Secretary, Governing Council

REPUBLIC OF KENYA

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P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON THE ELDORET NATIONAL POLYTECHNIC FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of The Eldoret National Polytechnic set out on pages 1 to 29, which comprise the statement of financial position as at 30 June 2018, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of The Eldoret National Polytechnic as at 30 June 2018, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013.

Basis for Qualified Opinion

1.0 Opening Cash and Cash Equivalents Balance

The statement of cash flow for the year ended 30 June 2018 reflects cash and cash equivalents at the beginning of the year of Kshs.88,701,197 which is at variance with the prior year certified figure of Kshs.88,681,197 resulting in unexplained variance of Kshs.20,000.

Consequently, the validity, accuracy and completeness of the cash and cash equivalents at the beginning of the year figure of Kshs.88,701,197 as at 30 June 2018 could not be confirmed.

2.0 Biological Assets

The statement of financial position as at 30 June 2018 reflects biological assets balance of Kshs.9,086,500 as disclosed under note 17 to the financial statements. However, no valuation report was provided for audit review in support of the figure on biological assets. Consequently, the accuracy, validity, existence and completeness of the biological assets balance of Kshs.9,086,500 as at 30 June 2018 could not be confirmed.

Report of the Auditor-General on the Financial Statements of The Eldoret National Polytechnic for the year ended 30 June 2018

3.0 Depreciation and Amortization Expense

The statement of financial performance as at 30 June 2018 reflects depreciation and amortization expense of Kshs.25,328,442 which is at variance with the computed expense figure of Kshs.46,012,605 resulting in an unexplained difference of Kshs.20,684,163.

Under the circumstance, the validity, accuracy and completeness of the depreciation and amortization expense of Kshs.25,328,442 as at 30 June 2018 could not be ascertained.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of The Eldoret National Polytechnic in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

Financial Performance - Deficit

During the year, the Polytechnic recorded a deficit of Kshs.2,431,345 which increased the accumulated deficit from Kshs.11,007,921 reported in the year 2016/2017 to accumulated deficit of Kshs.13,439,266 as at 30 June 2018. If strategies are not put in place to reverse the loss making trend, the institution's future operations are likely to face financial challenges leading to non-assurance on service sustainability by the institution.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1.0 Receivables from Exchange Transactions

1.1 Staff Production Unit Advances

Included in receivables from exchange transaction figure of Kshs.202,522,137 as at 30 June 2018 is an amount of Kshs.19,824,379 (Appendix 2) representing staff production unit advances which were due for recovery as at 30 June 2018. It was noted that some have

been outstanding since the year 2013. Further, some officers with outstanding advances were transferred from the institution and cleared without recovering the outstanding amounts.

Consequently, the recoverability of the staff production unit advances debt amounting to Kshs.19,824,379.00 is in doubt.

1.2 Staff Salary Advances

Included in receivables from exchange transactions figure of Kshs.202,522,137 as at 30 June 2018 is an amount of Kshs.1,598,624 (Appendix 3) representing staff salary advances which were due for recovery as at 30 June 2018 with some remaining outstanding since the year 2016. Further, included in the staff salary advances is an amount totaling to Kshs.127,060 which was indicated as salary advance to National Bank - Eldoret Branch. It was not clear the circumstances under which the management advanced cash to the bank.

In consequence, the recoverability of the staff salary advances debt amounting to Kshs.1,598,624.00 is in doubt.

1.3 House Rent Debtors

Included in receivables from exchange transactions figure of Kshs.202,522,137 as at 30 June 2018 is an amount of Kshs.2,649,895 (Appendix 1) that represented house rent debtors that were due for collection as at 30 June 2018 while some remained unpaid since the year 2013.

Consequently, the recoverability of the staff house debt amounting to Kshs.2,649,895 is doubtful.

1.4 Long Outstanding Imprests

The statement of financial position as at 30 June 2018 reflected a figure of Kshs.202,522,137 under receivables from exchange transactions out of which an amount of Kshs.4,375,270 related to outstanding staff imprests which was due on or before 30 June 2018. Management has not explained why imprests were not recovered from staff salaries.

2.0 Officers Earning Less than a Third Basic Pay

During the year ended 30 June 2018, some officers of the Eldoret National Polytechnic earned net salaries of less than a third of their respective basic salaries in the months of July 2017, September 2017, December 2017, March 2018 and June 2018 (Appendix 4) contrary to Section 19(3) of the Employment Act, 2007 that provides that employees should not earn less than a third of their basic pay to avoid pecuniary embarrassment

3.0 Failure to Observe One Third Rule for Staff Establishment

An examination and analysis of the human resource records of the Eldoret National Polytechnic revealed that the institution recruited thirty-three (33) members of staff in the year ended 30 June 2018. However, it was observed that out of the total staff recruited 76%

(Appendix 5) were from the same ethnic community contrary to sections 7 (1) and (2) of National Cohesion and Integration Act, 2008 that advocates for diversity in recruitment.

4.0 Property, Plant and Equipment

4.1 Work in Progress (WIP)

Included in Property, Plant and Equipment figure of Kshs.1,177,143,206 is a figure of Kshs.102,291,891 relating to Work in Progress which included Kshs.51,919,335.20 in relation to proposed completion works for Applied Science block. The Contract was awarded to Harmo Engineering & Building Contractors Ltd. Information made available indicate that the commencement date was August 2015 and expected completion date was July 2016. The last payment towards the project was made on 19 December 2016. The project appears to have stalled.

Consequently, the objective of the project has not been achieved and value for money was not obtained on the expenditure of Kshs.51,919,335 already sunk in the project.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

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

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards-Accrual Basis and for maintaining effective internal control 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 control, risk management and governance.

In preparing the financial statements, management is responsible for assessing the Eldoret National Polytechnic ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the going concern basis of accounting unless the management either intends to liquidate the Eldoret National Polytechnic or to cease operations, or have no realistic alternative but to do so.

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

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

Those charged with governance are responsible for overseeing the Eldoret National Polytechnic financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control 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 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal

control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

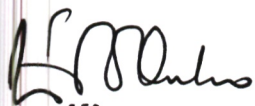
Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the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

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

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

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

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



FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

20 May 2019

APPENDICES

Appendix 1

THE ELDORET NATIONAL POLYTECHNIC		
HOUSE RENT DEBTORS OUTSTANDING AS AT 30.06.2018		
Hse	Name	Bal C/d 30.06.2018
		Kshs.
C9	Immanuel Ayekha	240,500.00
B3	Jeremiah Changwony	231,660.00
D3	Susan Seron /David	224,987.80
D5	Samson Rono	218,724.18
C4	Andrew Ngeno	208,000.00
C1	Anne Kiplimo	198,250.00
D4	Kimani Yego	183,119.09
C5	Jacob Kotut	171,760.70
D3	Susan Seron	150,900.00
C8	Justus Koros	140,073.64
C6	Risper Ongaro	117,250.00
C8	Isaac Lagat	93,128.26
A1	Dr Cleophas Lagat	91,000.00
C1	Vivien Sambuli	71,158.70
B2	Daniel Mutai	64,622.76
C7	Michael Kures	58,240.00
C3	Edward Chelashaw	48,250.00
C6	Emmanuel Meres	42,250.00
B4	Benson Kioko	21,450.00
D8	Peter Chege	16,653.87
C4	Fredrick Keter	14,819.25
	Sally Bungei	13,020.00
NT-8	Kemboi Kimwetich	11,901.11
C9	David Kipngetich	9,750.00
D7	Jacob Kabutie	2,860.00
D6	David Allube	2,859.70
BI	David Onyimbo	2,706.10
	Total	2,649,895.16

Appendix 2

THE ELDORET NATIONAL POLYTECHNIC		
STAFF PRODUCTION UNIT ADVANCES		
AS AT 30TH JUNE 2018		
No.	Name	Balance 30.6.2018
		Kshs.
1	Daniel C.Mutai	2,884,221.00
2	Justus Koros	1,107,910.32
3	Anne Kiplimo	935,682.00
4	Prisca Choge	835,518.15
5	Jacob Kotut	735,901.43
6	Benson Kioko	717,313.56
7	Emily Murey	613,000.00
8	Samson Rono	570,331.45
9	Kimani Yego	483,001.30
10	Gerald Injendi	479,299.40
11	Isaac Kimeli	456,449.14
12	Eliud Wasike	443,178.00
13	John Kipkoech	434,943.73
14	Lucy Maingi	413,697.76
15	John Chumo	400,000.00
16	Kennedy Munyole	394,704.64
17	Cheruiyot Chirchir	347,876.30
18	Joseph Kebenei	340,917.92
19	Festus kelonye	304,378.99
20	Benjamin maiyo	298,954.01
21	Immanuel K. Sawe	280,354.76
22	Risper Ongaro	268,883.00
23	Peter Kihara Chege	239,036.25
24	Frankline Kiprono limo	232,921.70
25	Josphat sawe	229,733.80
26	Michael Kures	215,574.81
27	Jane Musimbi	203,663.72
28	Musa Hoanga	191,810.00
29	Mary J. Soi	160,400.00
30	Emmy Chepkwony Rotich	150,000.00
31	John Kiptum	150,000.00
32	Rosebella Chukwu	147,446.47
33	Josephat Kipkemboi	139,297.39
34	Jairus Koki	128,950.00
35	Isaac Kipleting Lagat	124,992.66

THE ELDORET NATIONAL POLYTECHNIC		
STAFF PRODUCTION UNIT ADVANCES		
AS AT 30TH JUNE 2018		
No.	Name	Balance 30.6.2018
		Kshs.
36	Rodah Murgor	123,601.65
37	Caroline Kitur	122,683.73
38	Nicholas Makau	120,913.20
39	Joshua Kibet	117,163.64
40	Teresa Buchunju	110,000.00
41	Clare Muhuha	106,950.00
42	David Allube	101,090.00
43	Shadrack Koech	100,901.80
44	Stephen Rono	100,000.00
45	Susan Seron	100,000.00
46	Norah Tallam	97,654.70
47	K.S Bitok	97,364.48
48	LeahJemeli Bor	96,380.90
49	Michael Kirui	91,174.03
50	Caroline Sitienei	90,557.00
51	Japhet Birgen	79,937.71
52	Martin Welinga	78,977.34
53	Anne Jemeli Busienei	75,805.44
54	Gabriel Kigen	75,040.00
55	kipkoech Kipkorir kilach	74,201.00
56	David Litala	70,000.00
57	Caroline Gacheri	60,076.00
58	Maurice Chemitei	57,481.40
59	Irene Sang	57,147.35
60	Francis Rotich	51,302.05
61	Andrew Ngeno	50,417.70
62	James Mwangi	50,000.00
63	Christine Butalanyi	48,246.17
64	Isack Kilach	45,798.71
65	Edward Chelashaw	45,071.75
66	Donald Omiso	44,751.70
67	Albert Bii	43,474.30
68	patrick Makokha	42,688.80
69	Cosmas Busienei	40,000.00
70	Julius Yego	40,000.00
71	Michael Kures chesikari	40,000.00
72	Richard Lelei	39,999.70

THE ELDORET NATIONAL POLYTECHNIC		
STAFF PRODUCTION UNIT ADVANCES		
AS AT 30TH JUNE 2018		
No.	Name	Balance 30.6.2018
		Kshs.
73	Charles Keton	35,359.07
74	Adome Albert	35,000.00
75	James kioko	33,905.00
76	Isaac kiu	33,060.00
77	Joseph Chepkwony	32,975.60
78	Daniel Langat	30,000.00
79	Dickson Odira	30,000.00
80	Dickson Wekesa	30,000.00
81	Henry Rotich	28,230.47
82	Joan Siele	27,300.00
83	Joseph okwaro	27,103.04
84	Agness munini	23,900.00
85	Koimur Kiplagat	22,266.20
86	Lucas Ongeru	20,746.50
87	Nancy Nkirote	20,519.00
88	Absolom Biwott	20,000.00
89	Isaac burgei	20,000.00
90	Veronica Ngure	19,410.49
91	Gladys Oketch	19,355.90
92	Justus Lengoiboni	18,981.00
93	Daniel Wandera	18,597.00
97	Julius Kurgat	17,996.00
98	Salina Rono	17,869.20
99	Walter Asoka	17,588.64
100	Nehemiah Bett	17,301.40
101	Edna Chepngetich	16,987.00
102	Stephen Cheruiyot Tirop	16,900.25
103	Fathwel Chirchir	16,900.00
104	Tom Mboya	16,470.22
105	Jane Kiprono	15,689.00
106	Phelishian Kosgei	14,288.64
107	Sammy Yano	14,197.00
108	Immanuel Ayekha	13,717.15
109	Rose Rutto	13,546.20
110	Paul Lenkupae	13,357.00
111	Anne c.Korir	12,491.00
112	Fred Chesumbai	12,181.12

THE ELDORET NATIONAL POLYTECHNIC		
STAFF PRODUCTION UNIT ADVANCES		
AS AT 30TH JUNE 2018		
No.	Name	Balance 30.6.2018
		Kshs.
113	Kennedy Mutai	11,996.49
114	Dickson Kiptugen	11,416.00
115	Anne Owiso	11,278.17
116	Joseph K. Bii	11,216.00
117	Jairus Koki	11,050.00
118	Rosemary Kungu	10,700.10
119	Vincent Yegon	10,103.35
120	Ezekiel Tanui	10,000.00
121	Christopher Misire	9,997.11
122	samirah magut	9,772.00
123	Faustin N. Egesa	9,355.66
124	Grace Njambi	8,000.00
125	Joseph Odenyo	6,000.00
126	vincent Sabulei	5,734.48
127	Benard Kipkirui	5,000.00
128	Bernard Kipkirui Bett	5,000.00
129	Coory Kipkemboi Kogo	5,000.00
130	Jackson Lagat	4,750.00
131	Manaseh Galo	4,553.00
132	Alice Maigut	4,000.00
133	Thomas Bosire	3,990.21
134	Joseph Simiyu Wafula	3,707.34
136	Hellen Tallam	3,530.00
137	Rose Ayabei	2,703.00
138	Edwin Tanui	2,000.00
139	Philemon Kirwa	1,505.00
140	Justus longoibon	419.00
141	Ester Jemitei Rutto	183.45
	TOTAL	19,824,380.84

Appendix 3

THE ELDORET NATIONAL POLYTECHNIC		
STAFF SALARY ADVANCE		
LISTING AS AT 30.6.2018		
No.	Name	Balance C/d 30.6.2018
		Kshs.
1	Fred Chesumbai	367,000.00
2	Joseph Kipkiring Kibenei	224,000.00
3	National Bank - Eldoret Branch	127,060.00
4	Kennedy Mutai	100,000.00
5	Francis Ndege Rotich	64,000.00
6	Rose Namarome Wafula	52,613.00
7	Gregory Mutai	40,500.00
8	David Keter	40,000.00
9	Christopher Cheptinya	40,000.00
10	Nancy Sei	40,000.00
11	Grace Kinyanjui Njambi	37,700.00
12	Timothy Barno	37,000.00
13	Rebecca Cheruiyot	35,000.00
14	Benjamin k. Silu	30,000.00
15	Dorcas Sambu	30,000.00
16	Nancy Karuiki	30,000.00
17	Iris Sambili	28,338.00
18	Stanley Kiprop	23,500.00
19	Perpetua Jepchirchir	20,000.00
20	Faustin Ndubi	19,500.00
21	Naum Chepkemboi	16,000.00
22	Edna Chepngetich	16,000.00
23	Wesley Kipkoech	14,150.00
24	Shadrack Koech	12,000.00
25	Caroline Gacheri Mungatia	12,000.00
26	Julius Nyangau	11,000.00
27	Clement Rono	10,000.00
28	Pauline Kiprop	10,000.00
29	Susan Maiyo	10,000.00
30	Ruth Kemei	10,000.00
31	Lucy Rotich	7,000.00
32	Lucy Jepngetich	6,950.00
33	Jonah Langat	6,800.00
34	Beatrice Kaino	6,750.00

Report of the Auditor-General on the Financial Statements of The Eldoret National Polytechnic for the year ended 30 June 2018

THE ELDORET NATIONAL POLYTECHNIC		
STAFF SALARY ADVANCE		
LISTING AS AT 30.6.2018		
No.	Name	Balance C/d 30.6.2018
		Kshs.
35	Rose c. Rutto	6,000.00
36	Akoule Andrew	5,000.00
37	Gladys C. Rugut	5,000.00
38	Evans Ragira Ochoki	5,000.00
39	Leah Jemeli Bor	4,900.00
40	Emilly Murrey	4,800.00
41	Dominic k. Melly	4,000.00
42	Wally Cherotich Bungei	4,000.00
43	Nelson kiptarus Lagat	4,000.00
44	Jezred Makokha	4,000.00
45	Ezekiel Tanui	3,000.00
46	Emilly Sitienei	3,000.00
47	Rosemary wanjiru kungu	2,000.00
48	Teresa bunjuchu	2,000.00
49	Selma Minayo Mise	2,000.00
50	Aaron Muigei	1,413.00
51	Kizito Chemeli	1,000.00
52	Walter Asoka	1,000.00
53	Pius m.Mulee	900.00
54	Alice Mwaikot	750.00
	Total	1,598,624.00

Appendix 4									
THE ELDORET POLYTECHNIC									
Less than a Third Basic Pay									
Jul-17									
S.NO	EMP #	EMPLOYEE NAME	BASIC.PAY	T.ALLOW	GROSS PAY	T.DEDU.	NET.SAL	a Third Salary	Less than a Third
1	099N00002	Stanley Kibet Rere	16,692.00	8,995.00	25,687.00	22,076.70	3,610.31	5,564.00	-1,953.69
2	099N00003	Lily Bii Chebet	16,692.00	8,995.00	25,687.00	22,231.70	3,455.31	5,564.00	-2,108.69
3	109N00031	Emily Sitienei	14,520.00	7,225.00	21,745.00	17,128.70	4,616.27	4,840.00	-223.73
4	110N00007	Timon Keitany Cheruiyot	22,369.00	9,250.00	31,619.00	26,184.40	5,434.61	7,456.33	-2,021.72
Sep-17									
S.NO	EMP #	EMPLOYEE NAME	BASIC.PAY	T.ALLOW	GROSS PAY	T.DEDU.	NET.SAL	a Third Salary	Less than a Third
5	099N00003	Lily Bii Chebet	16,692.00	8,995.00	25,687.00	23,357.70	2,329.31	5,564.00	-3,234.69
6	099N00008	Samson Rono	43,660.00	29,500.00	73,160.00	62,044.90	11,115.10	14,553.33	- 3,438.23
7	099N00032	Jonah Kipkoech Langat	24,662.00	9,490.00	34,152.00	32,530.50	1,621.50	8,220.67	- 6,599.17
8	099N00058	Phillip Kipkemboi Misik	21,304.00	8,995.00	30,299.00	27,856.10	2,442.91	7,101.33	- 4,658.42
9	101N00004	Manasseh Ngeli Galo	16,692.00	9,250.00	25,942.00	20,967.70	4,974.31	5,564.00	- 589.69
10	103N00004	Stanley Kipkemoi Kiproop	18,403.00	9,250.00	27,653.00	25,157.90	2,495.11	6,134.33	-3,639.22
11	103N00005	Gladys Okech	20,289.00	9,250.00	29,539.00	24,692.10	4,846.91	6,763.00	-1,916.09
12	103N00016	Leah Jemeli Bor	23,489.00	9,250.00	32,739.00	29,395.10	3,343.91	7,829.67	- 4,485.76
13	104N00026	Fathwel Kimutai Chirchir	22,369.00	9,250.00	31,619.00	24,489.10	7,129.91	7,456.33	- 326.42
14	105N00001	Margaret Chepchumba Rotich	22,369.00	9,250.00	31,619.00	26,658.10	4,960.91	7,456.33	-2,495.42
15	108N00006	Caroline. Chelagat	16,692.00	9,250.00	25,942.00	20,941.70	5,000.31	5,564.00	- 563.69
16	108N00011	Nathaniel Kipchirchir Rutto	17,527.00	9,250.00	26,777.00	21,331.70	5,445.31	5,842.33	-397.02
17	108N00025	Juliana Makombe Chamwoma	20,289.00	9,250.00	29,539.00	23,858.40	5,680.61	6,763.00	- 1,082.39
18	109N00031	Emily Sitienei	14,520.00	7,225.00	21,745.00	18,928.70	2,816.27	4,840.00	- 2,023.73
19	109N00041	Naum. Chepkemboi	21,304.00	9,250.00	30,554.00	24,544.70	6,009.34	7,101.33	-1,091.99

20	110N00003	Gladys Jepkosgei	14,520.00	7,225.00	21,745.00	17,061.70	4,683.27	4,840.00	- 156.73
21	110N00007	Timon Keitany Cheruiyot	22,369.00	9,250.00	31,619.00	25,984.40	5,634.61	7,456.33	- 1,821.72
22	2012N00002	Everlyn Jelagat Sang	13,800.00	7,105.00	20,905.00	16,459.70	4,445.27	4,600.00	-154.73
23	2014N00016	Aaron C. Muigei	13,140.00	7,225.00	20,365.00	17,543.70	2,821.27	4,380.00	- 1,558.73
24	2014n00027	Job Luvaha Miriza	13,800.00	7,105.00	20,905.00	16,979.70	3,925.27	4,600.00	-674.73
Dec-17									
S.NO	EMP #	EMPLOYEE NAME	BASIC.PAY	T.ALLOW	GROSS PAY	T.DEDU.	NET.SAL	a Third Salary	Less than a Third
25	099N00020	Rose W. Namarome Wafula	27,180.00	12,490.00	39,670.00	31,603.40	8,066.59	9,060.00	- 993.41
26	099N00032	Jonah Kipkoech Langat	12,331.00	9,490.00	21,821.00	20,544.70	1,276.28	4,110.33	- 2,834.05
27	099N00058	Phillip Kipkemboi Misik	21,304.00	8,995.00	30,299.00	23,510.10	6,788.91	7,101.33	- 312.42
28	103N00004	Stanley Kipkemoi Kiprop	18,403.00	9,250.00	27,653.00	26,066.90	1,586.11	6,134.33	- 4,548.22
29	103N00005	Gladys Okech	20,289.00	9,250.00	29,539.00	23,808.10	5,730.91	6,763.00	- 1,032.09
30	103N00016	Leah Jemeli Bor	23,489.00	9,250.00	32,739.00	25,097.10	7,641.91	7,829.67	- 187.76
31	103N00030	Stephen Kiprono Tanui	14,520.00	7,225.00	21,745.00	17,030.70	4,714.27	4,840.00	- 125.73
32	103N00040	Lucy Jepwambok Rotich	17,527.00	9,250.00	26,777.00	21,708.70	5,068.31	5,842.33	- 774.02
33	104N00027	Wilson Kibiwott Lelei	13,800.00	7,225.00	21,025.00	20,514.70	510.27	4,600.00	- 4,089.73
34	105N00001	Margaret Chepchumba Rotich	22,369.00	9,250.00	31,619.00	25,498.10	6,120.91	7,456.33	- 1,335.42
35	107N00003	Justus Lengoiboni	16,080.00	7,225.00	23,305.00	18,807.60	4,497.41	5,360.00	- 862.59
36	107N00012	Joseph Wafula Simiyu	14,520.00	7,225.00	21,745.00	17,030.70	4,714.27	4,840.00	- 125.73
37	107N00013	Samwel Kimeli Serem	14,520.00	7,225.00	21,745.00	20,439.70	1,305.27	4,840.00	- 3,534.73
38	108N00006	Caroline. Chelagat	16,692.00	9,250.00	25,942.00	21,141.70	4,800.31	5,564.00	- 763.69
39	108N00011	Nathaniel Kipchirchir Rutto	17,527.00	9,250.00	26,777.00	21,531.70	5,245.31	5,842.33	- 597.02
40	108N00025	Juliana Makombe Chamwoma	20,289.00	9,250.00	29,539.00	24,058.40	5,480.61	6,763.00	- 1,282.39
41	109N00005	Stephen Kibungei Kilach	15,270.00	7,225.00	22,495.00	18,709.60	3,785.42	5,090.00	- 1,304.58
42	109N00019	Mungathia Caroline Gacheri	28,520.00	12,490.00	41,010.00	34,084.40	6,925.59	9,506.67	- 2,581.08
43	109N00023	Ursila. Chemutai	20,289.00	9,250.00	29,539.00	22,923.10	6,615.91	6,763.00	- 147.09

44	109N00031	Emily Sitienei	14,520.00	7,225.00	21,745.00	19,037.70	2,707.27	4,840.00	- 2,132.73
45	110N00003	Gladys Jepkosgei	14,520.00	7,225.00	21,745.00	17,061.70	4,683.27	4,840.00	- 156.73
46	110N00006	Millicent Chelagat Maiyo	16,080.00	7,225.00	23,305.00	19,104.30	4,200.71	5,360.00	- 1,159.29
47	110N00007	Timon Keitany Cheruiyot	22,369.00	9,250.00	31,619.00	26,184.40	5,434.61	7,456.33	-2,021.72
48	2012N00002	Everlyn Jelagat Sang	13,800.00	7,105.00	20,905.00	16,859.70	4,045.27	4,600.00	- 554.73
49	2012N00008	Victorine. Lagat	24,662.00	9,490.00	34,152.00	26,045.90	8,106.09	8,220.67	- 114.58
50	2014N00016	Aaron C. Muigei	13,140.00	7,225.00	20,365.00	17,899.70	2,465.27	4,380.00	- 1,914.73
51	2014n00027	Job Luvaha Miriza	13,800.00	7,105.00	20,905.00	17,679.70	3,225.27	4,600.00	- 1,374.73
Mar-18									
S.NO	EMP #	EMPLOYEE NAME	BASIC.PAY	T.ALLOW	GROSS PAY	T.DEDU.	NET.SAL	a Third Salary	Less than a Third
52	099N00002	Stanley Kibet Rere	17,527.00	8,995.00	26,522.00	21,891.30	4,630.75	5,842.33	- 1,211.58
53	099N00003	Lily Bii Chebet	17,527.00	8,995.00	26,522.00	21,371.30	5,150.75	5,842.33	- 691.58
54	099N00020	Rose W. Namarome Wafula	27,180.00	12,490.00	39,670.00	32,630.80	7,039.25	9,060.00	- 2,020.75
55	099N00042	James Kioko Kingola	35,910.00	19,045.00	54,955.00	43,770.70	11,184.30	11,970.00	-785.70
56	099N00095	Ruth Jerotich Kemei	19,323.00	9,250.00	28,573.00	22,329.10	6,243.94	6,441.00	- 197.06
57	099N00101	Jennifer Rono Chelangat	19,323.00	9,250.00	28,573.00	23,090.40	5,482.55	6,441.00	- 958.45
58	102N00017	Martin Simiyu Baraza	31,020.00	19,045.00	50,065.00	46,450.80	3,614.20	10,340.00	- 6,725.80
59	103N00004	Stanley Kipkemoi Kiprop	18,403.00	9,250.00	27,653.00	23,997.40	3,655.55	6,134.33	- 2,478.78
60	103N00005	Gladys Okech	20,289.00	9,250.00	29,539.00	23,515.70	6,023.35	6,763.00	- 739.65
61	103N00016	Leah Jemeli Bor	24,662.00	9,250.00	33,912.00	27,764.30	6,147.75	8,220.67	- 2,072.92
62	103N00029	Beatrice. Kaino	19,323.00	9,250.00	28,573.00	24,822.40	3,750.55	6,441.00	- 2,690.45
63	103N00030	Stephen Kiprono Tanui	14,520.00	7,225.00	21,745.00	18,041.80	3,703.15	4,840.00	- 1,136.85
64	103N00037	Mainda Evans Gisira	24,662.00	9,490.00	34,152.00	28,914.30	5,237.75	8,220.67	- 2,982.92
65	104N00002	Grace Njambi Mwangi	19,323.00	9,250.00	28,573.00	23,822.40	4,750.55	6,441.00	- 1,690.45
66	104N00026	Fathwel Kimutai Chirchir	22,369.00	9,250.00	31,619.00	24,331.70	7,287.35	7,456.33	- 168.98
67	104N00027	Wilson Kibiwott Lelei	13,800.00	7,225.00	21,025.00	17,480.80	3,544.15	4,600.00	-1,055.85
68	105N00001	Margaret Chepchumba Rotich	22,369.00	9,250.00	31,619.00	25,205.70	6,413.35	7,456.33	- 1,042.98

69	107N00003	Justus Lengoiboni	16,080.00	7,225.00	23,305.00	18,598.20	4,706.85	5,360.00	- 653.15
70	107N00012	Joseph Wafula Simiyu	14,520.00	7,225.00	21,745.00	17,346.80	4,398.15	4,840.00	- 441.85
71	107N00013	Samwel Kimeli Serem	14,520.00	7,225.00	21,745.00	18,346.80	3,398.15	4,840.00	- 1,441.85
72	108N00004	Janeth. Jepkoech	17,527.00	9,250.00	26,777.00	21,239.30	5,537.75	5,842.33	- 304.58
73	108N00006	Caroline. Chelagat	16,692.00	9,250.00	25,942.00	20,849.30	5,092.75	5,564.00	- 471.25
74	108N00011	Nathaniel Kipchirchir Rutto	17,527.00	9,250.00	26,777.00	21,239.30	5,537.75	5,842.33	- 304.58
75	108N00025	Juliana Makombe Chamwoma	20,289.00	9,250.00	29,539.00	25,344.00	4,195.00	6,763.00	- 2,568.00
76	108N00031	Julius Kibiego Some	17,527.00	9,250.00	26,777.00	21,516.30	5,260.75	5,842.33	- 581.58
77	109N00005	Stephen Kibungei Kilach	16,080.00	7,225.00	23,305.00	18,647.20	4,657.80	5,360.00	- 702.20
78	109N00016	Ezekiel Tanui	16,692.00	9,250.00	25,942.00	22,842.30	3,099.75	5,564.00	- 2,464.25
79	109N00031	Emily Sitienei	14,520.00	7,225.00	21,745.00	18,399.80	3,345.15	4,840.00	- 1,494.85
80	109N00033	David Kiplagat Choge	16,692.00	9,250.00	25,942.00	21,549.30	4,392.75	5,564.00	- 1,171.25
81	109N00038	Festus Kiptogoch Chemelil	12,331.00	9,490.00	21,821.00	19,828.10	1,992.90	4,110.33	- 2,117.43
82	110N00003	Gladys Jepkosgei	15,270.00	7,225.00	22,495.00	17,490.30	5,004.65	5,090.00	- 85.35
83	110N00006	Millicent Chelagat Maiyo	16,080.00	7,225.00	23,305.00	19,580.80	3,724.15	5,360.00	- 1,635.85
84	110N00007	Timon Keitany Cheruiyot	23,489.00	9,250.00	32,739.00	26,620.90	6,118.05	7,829.67	- 1,711.62
85	110N00008	Richard Kipngetich Rotich	35,910.00	19,045.00	54,955.00	45,448.80	9,506.20	11,970.00	- 2,463.80
86	2011N00001	Prudence Jepkemoi Chebii	18,403.00	9,250.00	27,653.00	22,341.40	5,311.55	6,134.33	- 822.78
87	2012N00002	Everlyn Jelagat Sang	13,800.00	7,105.00	20,905.00	16,475.80	4,429.15	4,600.00	-170.85
88	2012N00018	Abraham Kiprotich Kogo	21,304.00	9,490.00	30,794.00	24,845.70	5,948.35	7,101.33	- 1,152.98
89	2012N00022	Gladys Cherop Sawe	24,662.00	9,490.00	34,152.00	26,576.10	7,575.95	8,220.67	- 644.72
90	2013N00026	Ronoh Micah Cheruiyot	23,489.00	9,490.00	32,979.00	26,218.70	6,760.35	7,829.67	- 1,069.32
91	2014N00016	Aaron C. Muigei	13,140.00	7,225.00	20,365.00	16,991.80	3,373.15	4,380.00	- 1,006.85
92	2014n00027	Job Luvaha Miriza	14,520.00	7,105.00	21,625.00	17,603.80	4,021.15	4,840.00	- 818.85
93	2015N00016	Moses Kipngetich Kemboi	17,527.00	9,250.00	26,777.00	22,239.30	4,537.75	5,842.33	- 1,304.58
Jun-18									

S.NO	EMP #	EMPLOYEE NAME	BASIC.PAY	T.ALLOW	GROSS PAY	T.DEDU.	NET.SAL	a Third Salary	Less than a Third
94	099N00002	Stanley Kibet Rere	17,527.00	8,995.00	26,522.00	22,279.30	4,242.75	5,842.33	- 1,599.58
95	099N00003	Lily Bii Chebet	17,527.00	8,995.00	26,522.00	21,371.30	5,150.75	5,842.33	- 691.58
96	099N00020	Rose W. Namarome Wafula	27,180.00	12,490.00	39,670.00	33,630.80	6,039.25	9,060.00	- 3,020.75
97	099N00042	James Kioko Kingola	35,910.00	19,045.00	54,955.00	43,570.70	11,384.30	11,970.00	- 585.70
98	099N00095	Ruth Jerotich Kemei	19,323.00	9,250.00	28,573.00	22,329.10	6,243.94	6,441.00	- 197.06
99	099N00101	Jennifer Rono Chelangat	19,323.00	9,250.00	28,573.00	24,980.40	3,592.55	6,441.00	-2,848.45
100	102N00001	John Kosgei Sang	17,527.00	8,995.00	26,522.00	22,895.00	3,627.00	5,842.33	- 2,215.33
101	103N00004	Stanley Kipkemoi Kiprop	18,403.00	9,250.00	27,653.00	23,797.40	3,855.55	6,134.33	- 2,278.78
102	103N00005	Gladys Okech	20,289.00	9,250.00	29,539.00	23,515.70	6,023.35	6,763.00	- 739.65
103	103N00007	Buxton Aganyo Nyameino	19,323.00	9,490.00	28,813.00	22,455.40	6,357.55	6,441.00	- 83.45
104	103N00016	Leah Jemeli Bor	24,662.00	9,250.00	33,912.00	28,673.30	5,238.75	8,220.67	- 2,981.92
105	103N00022	Margaret. Jerono	16,080.00	7,225.00	23,305.00	17,999.80	5,305.15	5,360.00	- 54.85
106	103N00029	Beatrice. Kaino	19,323.00	9,250.00	28,573.00	24,822.40	3,750.55	6,441.00	- 2,690.45
107	103N00030	Stephen Kiprono Tanui	14,520.00	7,225.00	21,745.00	18,246.80	3,498.15	4,840.00	-1,341.85
108	103N00037	Mainda Evans Gisira	24,662.00	9,490.00	34,152.00	28,414.30	5,737.75	8,220.67	- 2,482.92
109	103N00040	Lucy Jepwambok Rotich	17,527.00	9,250.00	26,777.00	21,416.30	5,360.75	5,842.33	- 481.58
110	104N00002	Grace Njambi Mwangi	19,323.00	9,250.00	28,573.00	23,822.40	4,750.55	6,441.00	- 1,690.45
111	104N00026	Fathwel Kimutai Chirchir	22,369.00	9,250.00	31,619.00	24,331.70	7,287.35	7,456.33	- 168.98
112	104N00027	Wilson Kibiwott Lelei	13,800.00	7,225.00	21,025.00	16,665.80	4,359.15	4,600.00	- 240.85
113	105N00001	Margaret Chepchumba Rotich	22,369.00	9,250.00	31,619.00	26,297.70	5,321.35	7,456.33	- 2,134.98
114	107N00012	Joseph Wafula Simiyu	14,520.00	7,225.00	21,745.00	17,346.80	4,398.15	4,840.00	- 441.85
115	107N00013	Samwel Kimeli Serem	14,520.00	7,225.00	21,745.00	18,346.80	3,398.15	4,840.00	- 1,441.85
116	108N00004	Janeth. Jepkoech	17,527.00	9,250.00	26,777.00	21,239.30	5,537.75	5,842.33	-304.58
117	108N00006	Caroline. Chelagat	16,692.00	9,250.00	25,942.00	21,849.30	4,092.75	5,564.00	- 1,471.25
118	108N00011	Nathaniel Kipchirchir Rutto	17,527.00	9,250.00	26,777.00	21,239.30	5,537.75	5,842.33	- 304.58
119	108N00017	Chemeli Christine Kizito	23,489.00	9,490.00	32,979.00	26,787.40	6,191.60	7,829.67	- 1,638.07

120	108N00025	Juliana Makombe Chamwoma	20,289.00	9,250.00	29,539.00	25,344.00	4,195.00	6,763.00	-2,568.00
121	108N00031	Julius Kibiego Some	17,527.00	9,250.00	26,777.00	21,516.30	5,260.75	5,842.33	- 581.58
122	109N00005	Stephen Kibungei Kilach	16,080.00	7,225.00	23,305.00	19,147.20	4,157.80	5,360.00	- 1,202.20
123	109N00012	Elizabeth Jepkemboi Kurgat	19,323.00	9,250.00	28,573.00	24,014.40	4,558.55	6,441.00	- 1,882.45
124	109N00016	Ezekiel Tanui	16,692.00	9,250.00	25,942.00	22,842.30	3,099.75	5,564.00	- 2,464.25
125	109N00019	Mungathia Caroline Gacheri	28,520.00	12,490.00	41,010.00	32,039.80	8,970.25	9,506.67	- 536.42
126	109N00031	Emily Sitienei	14,520.00	7,225.00	21,745.00	18,399.80	3,345.15	4,840.00	-1,494.85
127	109N00033	David Kiplagat Choge	16,692.00	9,250.00	25,942.00	21,549.30	4,392.75	5,564.00	- 1,171.25
128	109N00038	Festus Kiptogoch Chemelil	12,331.00	7,490.00	19,821.00	18,231.10	1,589.90	4,110.33	- 2,520.43
129	109N00041	Naum. Chepkemboi	21,304.00	9,250.00	30,554.00	23,802.20	6,751.78	7,101.33	- 349.55
130	110N00003	Gladys Jepkosgei	15,270.00	7,225.00	22,495.00	17,915.30	4,579.65	5,090.00	- 510.35
131	110N00006	Millicent Chelagat Maiyo	16,080.00	7,225.00	23,305.00	19,489.80	3,815.15	5,360.00	- 1,544.85
132	110N00007	Timon Keitany Cheruiyot	23,489.00	9,250.00	32,739.00	27,122.90	5,616.05	7,829.67	- 2,213.62
133	110N00008	Richard Kipngetch Rotich	35,910.00	19,045.00	54,955.00	46,548.80	8,406.20	11,970.00	- 3,563.80
134	110N00011	Nehemiah Kimutai Maritim	16,692.00	7,225.00	23,917.00	19,365.70	4,551.35	5,564.00	- 1,012.65
135	2011N00001	Prudence Jepkemoi Chebii	18,403.00	9,250.00	27,653.00	22,341.40	5,311.55	6,134.33	- 822.78
136	2012N00002	Everlyn Jelagat Sang	13,800.00	7,105.00	20,905.00	16,475.80	4,429.15	4,600.00	- 170.85
137	2012N00018	Abraham Kiprotich Kogo	21,304.00	9,490.00	30,794.00	26,210.70	4,583.35	7,101.33	- 2,517.98
138	2012N00022	Gladys Cherop Sawe	24,662.00	9,490.00	34,152.00	26,576.10	7,575.95	8,220.67	- 644.72
139	2013N00026	Ronoh Micah Cheruiyot	23,489.00	9,490.00	32,979.00	26,218.70	6,760.35	7,829.67	- 1,069.32
140	2014N00016	Aaron C. Muigei	13,140.00	7,225.00	20,365.00	16,991.80	3,373.15	4,380.00	- 1,006.85
141	2014n00027	Job Luvaha Miriza	14,520.00	7,105.00	21,625.00	17,103.80	4,521.15	4,840.00	- 318.85

Appendix 5

THE ELDORET POLYTECHNIC

Ethnic Community	Number	Percentage (%)
Kalenjin	25	76
Kikuyu	3	9
Kisii	1	3
Luhya	4	12
	33	100

XI. STATEMENT OF FINANCIAL PERFORMANCE
For the year ended 30 June 2017

	NOTE	2018 Kshs	2017 Kshs
Revenue from non-exchange transactions			
Exchequer grants	3	112,345,000	112,345,000.00
		112,345,000	112,345,000
Revenue from exchange transactions			
Tuition fees & Other incomes	4	292,902,315	186,271,943
Rental revenue from facilities and equipment	5	964,020	1,238,163
Other income	6	9,543,103	19,732,324
		303,409,438	207,242,430
Total revenue		415,754,438	319,587,430
Expenses			
Employee costs	7	192,779,795	116,365,411
Remuneration of Governing Council members	8	11,435,628	5,107,757
Depreciation and amortization expense	9	25,328,442	27,335,736
Repairs and maintenance	10	6,041,236	17,907,066
Administration & Central service expenses	11	170,703,135	146,387,895
Rents	12	5,563,004	4,658,579
Marketing expenses	13	5,440,565	5,103,214
Provisions	22	893,977	7,314,442
Finance Cost	25	-	415,252
Total Expenses		418,185,783	330,595,351
Other gains/(losses)			
Gain on sale of assets			
Surplus before tax		(2,431,345)	(11,007,921)
Taxation		-	-
Deficit for the period		(2,431,345)	(11,007,921)



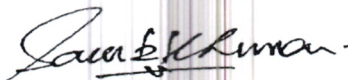
XI. STATEMENT OF FINANCIAL PERFORMANCE
For the year ended 30 June 2018

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Surplus before tax		(2,431,345)	(11,007,921)
Taxation		-	-
Deficit for the period		(2,431,345)	(11,007,921)

XII. STATEMENT OF FINANCIAL POSITION
As at 30 June 2018

Assets	NOTES	2018	2017
Current assets		Ksh	Ksh
Cash and cash equivalents	14	64,813,959	88,681,197
Receivables from exchange transactions	15	202,522,137	191,288,440
Inventories	16	56,795,515	9,556,193
		324,131,611	289,525,830
Non-current assets			
Biological assets	17	9,086,500	8,791,800
Property, plant and equipment	18	1,177,143,206	1,156,533,343
		1,186,229,706	1,165,325,143
Total assets		1,510,361,317	1,454,850,973
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	19	172,875,988	126,691,826
Bank Overdraft	20	-	-
Refundable deposits from customers-caution money	21	5,790,319	5,094,269
Provisions	24	1,473,977	1,160,000
		180,140,284	132,946,095
Non-current liabilities			
Borrowings	23	-	-
Total liabilities		180,140,284	132,946,095
Net assets		1,330,221,033	1,321,904,878
Revaluation Reserves		922,167,330	922,167,330
Accumulated surplus/Deficit		(14,701,458)	(12,280,112)
G.O.K Exchequer grants		392,453,946	381,706,446
Donated Assets (MOEST)		30,301,215	30,301,215
Total net assets and liabilities		1,330,221,033	1,321,894,879

The Financial Statements set out on pages 1 to 5 were signed on behalf of the Governing Council by:



Chairman ,Governing Council



Secretary, Governing Council

XIII. STATEMENT OF CHANGES IN NET ASSETS
For the year ended 30 June 2018

	Revenue reserve Kshs	Revaluation reserve Kshs	G.O.K grants Kshs	Donated Assets Kshs	Total Kshs
Balance as at 1st JULY 2016	(1,262,192)	922,167,330	341,706,446	30,301,215	1,292,912,799
Surplus/(deficit) for the period	(11,007,921)	-	-	-	11,007,921
Prior year adjustment	-	-	-	-	-
Exchequer grant	-	-	40,000,000	-	40,000,000
Revaluation of Biological assets	-	-	-	-	-
Balance as at 30 JUNE 2017	(12,270,113)	922,167,330	381,706,446	30,301,215	1,321,904,878
Surplus/(deficit) for the period	(2,431,345)	-	-	-	(2,431,345)
Prior year adjustment	-	-	-	-	-
Exchequer grant	-	-	10,747,500	-	10,747,500
Revaluation of Biological assets	-	-	-	-	-
Balance as at 30 JUNE 2018	(14,701,458)	922,167,330	392,453,946	30,301,215	1,330,221,033

XIV. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30.6.2018

	Note No.	2018 Ksh	2017 Ksh
Surplus/Deficit for the year		(2,431,345)	(11,007,920)
Adjustments for non-cash income and expenses			
Prior year ledger adjustments		(20,000)	
Adjustments for :-			
Realised income from revaluation of Biological Assets		-	-
Finance cost		-	-
Movement for Provisions (debtors) during the year	22	-	5,693,357
Depreciation	18	25,328,442	27,335,736
		22,877,097	22,021,172
CHANGES IN WORKING CAPITAL			
Changes in Inventories	16	(47,239,322)	6,900,870
Changes in biological assets	17	(294,700)	(979,500)
Changes in Accounts Receivable	15	(11,233,697)	(5,574,459)
Changes in Accounts Payable	19	46,184,162	8,168,296
Changes in refundable deposits from customers	21	696,050	3,021,230
Changes in Provisions	24	313,977	580,000
		(11,573,530)	(2,845,304)
Net Inflows/Outflows from Operating Activities		11,303,567	19,175,868
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Non-currents assets	18	(45,938,305)	(30,744,362)
Adjustment for Transfers (Projects Inter bank accounts)		-	3,815,255
Net cash flows from investing activities		(45,938,305)	(26,929,107)
CASH FLOWS FROM FINANCING ACTIVITIES			
Government Development Grants		10,747,500	40,000,000
Asset Financing Term loan (NBK)/Repayment	23	-	(4,547,499)
Net cash flows from financing activities		10,747,500	35,452,501
Net increase/decrease in cash and cash equivalents		(23,887,238)	27,699,262
Cash and cash equivalents at the beginning of the year	14	88,701,197	70,490,548
Bank overdraft at the beginning of the year	20	-	(9,488,613)
		88,701,197	61,001,935
Cash and cash equivalents at the end of the year:	14	64,813,959	88,701,197

**XV. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
AS AT 30th JUNE, 2018**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference from audited
	2017-2018	2017-2018	2017-2018	2017-2018	2016-2017
	Kshs	Kshs	Kshs	Kshs	Kshs
Revenue					
Exchequer operations grants	112,345,000	-	112,345,000	112,345,000	-
Tuition fees & other incomes	251,906,209	-	251,906,209	303,409,438	51,503,229
Total income	364,251,209	-	364,251,209	415,754,438	51,503,229
Expenses					
Compensation of employees (both teaching & non teaching staff)	137,514,896	-	137,514,896	192,779,795	(55,264,899)
Administration costs & Central services	174,045,153	-	174,045,153	170,703,135	3,342,018
Repairs and maintenance	19,691,160	-	19,691,160	6,041,236	13,649,924
Rent	5,400,000	-	5,400,000	5,363,004	(163,004)
Governing Council expenses	13,000,000	-	13,000,000	11,425,628	1,564,372
Marketing expenses	14,600,000	-	14,600,000	5,440,565	9,159,435
Provision for Depreciation	-	-	-	25,328,442	-
Total expenditure	364,251,209	-	364,251,209	418,185,783	(28,606,132)
Surplus/Deficit for the period				(2,431,345)	22,897,097

XVI. NOTES TO THE FINANCIAL STATEMENTS

1. Statement of compliance and basis of preparation – IPSAS 1

The The Eldoret National Polytechnic's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the The Eldoret National Polytechnic and all values are rounded to the nearest shilling (Ksh0.00). The accounting policies have been consistently applied to all the years presented.

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

2. Summary of significant accounting policies

a) Revenue recognition

i) Revenue from non-exchange transactions – IPSAS 23

Fees, taxes and fines

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

Transfers from other government entities

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

ii) Revenue from exchange transactions – IPSAS 9

Rendering of services

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

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information – IPSAS 24

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

c) Taxes – IAS 12

Current income tax

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

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

Sales tax

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

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

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

d) Investment property – IPSAS 16

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

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

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment – IPSAS 17

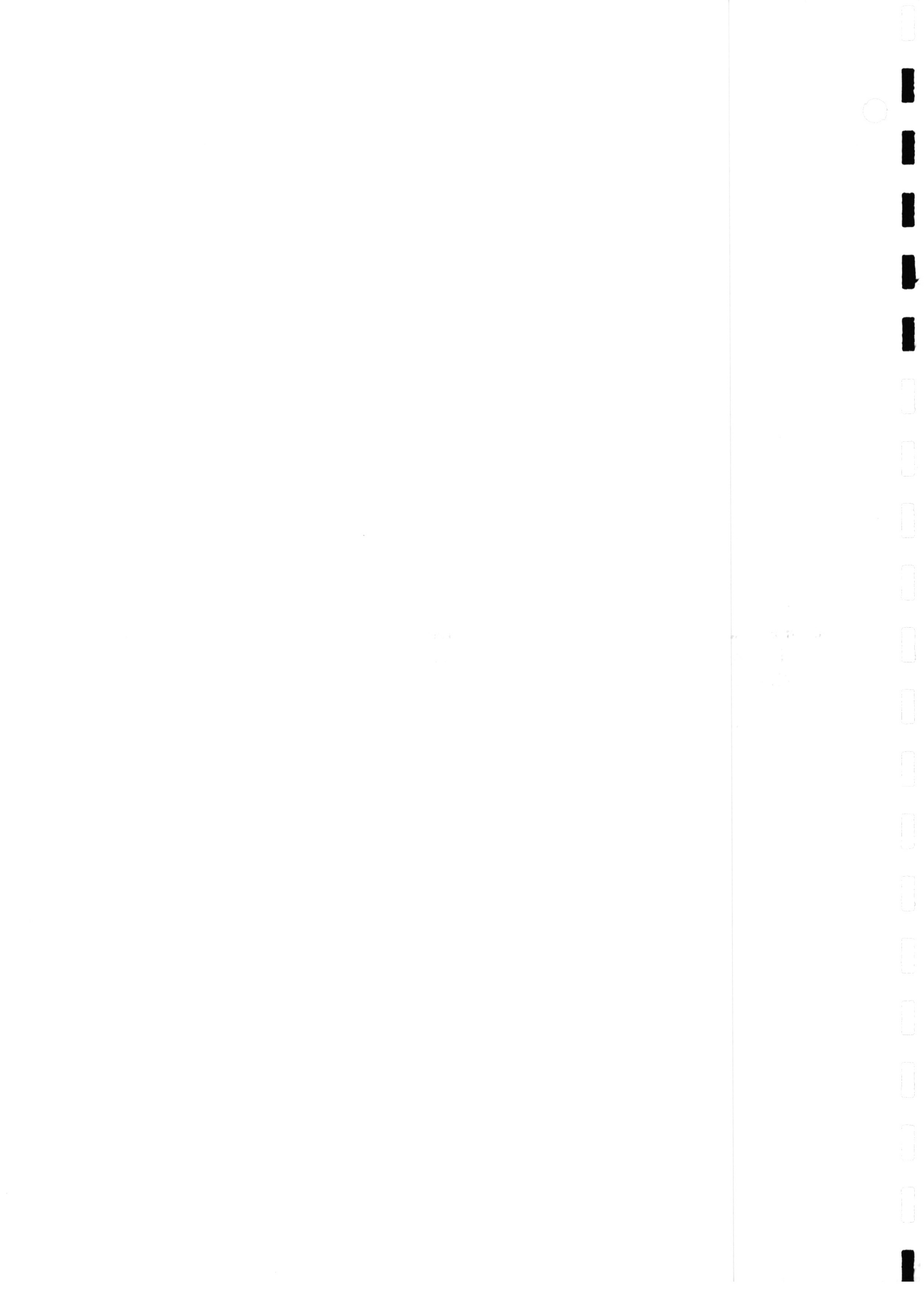
All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, The Eldoret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

g) Intangible assets – IPSAS 31

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.

i) Research and development costs



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

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

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

h) Financial instruments – IPSAS 29

Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

The Eldoret National Polytechnic assesses at each reporting date whether there is objective evidence that a financial asset or a Polytechnic of financial assets is impaired. A financial asset or a Polytechnic or financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or Polytechnic financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The major debtors or some of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

ii) Financial liabilities

Initial recognition and measurement

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

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

Loans and borrowing

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

IPSAS 29.65

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

i) Inventories – IPSAS 12

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 condition are accounted for, as follows:

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

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

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

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

j) Provisions – IPSAS 19

Provisions are recognized when The Eldoret National Polytechnic has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

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

While preparing the financial statements, The Eldoret National Polytechnic provided 5% as a provision on uncollectible fees and was charged to performance. It is the policy of the polytechnic NOT to provide any provision on other debtors e.g House Rent , Advances etc as they are deemed to be collected at an arm's length.

Contingent liabilities

The Eldoret National Polytechnic does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. In this light then, a contingent liability for Ksh. 3,960,000 was disclosed in 2013/2014 which regards to a civil case No. 362 of 2013 between the polytechnic and Ekatchware company for the supply of of a management information system. The case has not been dispensed of to date. No contingent liability was probable in the financial year 2017/2018.

Contingent assets

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

k) Nature and purpose of reserves

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

l) Changes in accounting policies and estimates – IPSAS 3

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

m) Employee benefits – IPSAS 25

Retirement benefit plans

The Eldoret National Polytechnic provides retirement benefits for its employees on gratuity basis. Defined contribution plans are post-employment benefit plans under which an The Eldoret National Polytechnic pays fixed contributions into a separate The Eldoret National Polytechnic (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

n) Foreign currency transactions – IPSAS 4

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement

of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

o) Borrowing costs – IPSAS 5

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.

p) Related parties – IPSAS 20

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

q) Service concession arrangements – IPSAS 32

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

r) Cash and cash equivalents

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

As a point of disclosure, the polytechnic operated a bank account at Kenya Commercial Bank at Eldoret West Branch , account No. 1159276706 solely for funds used in construction works in Turkana East undertaken on behalf of the Ministry of Education .

s) Comparative figures

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

t) Significant judgments and sources of estimation uncertainty – IPSAS 1

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

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

Estimates and assumptions

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

Useful lives and residual values

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

- The condition of the asset based on the assessment of experts employed by The Eldoret National Polytechnic
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset

-
- Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 36.

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

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

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

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

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

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

u) Subsequent events – IPSAS 14

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, 2015.

v) Fixed assets and depreciation –IPSAS 17

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

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

<u>Assets</u>	<u>Rate (p.a)</u>
Buildings	2%
Furniture, plant and equipment	12.5%

Motor vehicles	25 %
Computers	33.3 %

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

v) Agriculture – IPSAS 27

Biological assets were dealt as per IPSAS 27 which outlines the accounting treatment for agricultural activity, the biological transformation and harvest of biological assets and conversion into agricultural produce. Biological assets were measured at fair value less costs to sell unless fair value measurement is unreliable. In regard to agricultural produce, we presumed that the fair value could be determined reliably by the Farm Manager who is also a member of Agricultural Society of Kenya as stated in basis of valuations given below.

In the fore-going the biological assets in the financial statements were dealt with in consideration of the following assumptions:

- Agricultural activity means the management by the polytechnic of the biological transformation and harvest of biological assets
- Conversion into agricultural produce or into additional biological assets for sale or for distribution at no charge or for a nominal charge.
- Agricultural produce means the harvested product of the polytechnic's biological assets.
- Biological asset means a living animal or plant.
- Harvest means the detachment of produce from a biological asset or the cessation of a biological asset's life processes.
- Costs to sell means the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income taxes.

Recognition

A biological asset or agriculture produce was recognized only when

- a) the entity controls the asset as a result of past events

b) it is probable that future economic benefits will flow to the entity

c) the fair value or cost of the asset can be measured reliably

Basis for valuation

All farm biological assets are valued based on market rates. Apart from market rates, valuation for all the farm biological assets is based on the following factors:

Dairy cows

All the cows were valued differently based on:

1. *Age*- Older cows in a higher lactation stage will have a lower value than a cow in its first lactation. An in calf heifer that has never given but before will have the highest value than any cow in the herd. Younger cows also have a lower value.
2. *Sex*: Bull cows in the same age are valued differently from heifer cows in the same age.
3. *Registration*: All our female cows are registered with Kenya Stud Book and all have registration certificates. Registered cows are valued highly.
4. *Pedigree*: The institution cows have been bred and upgraded for many years using artificial insemination. Their pedigree information and records is well known through continued record keeping. They are superior breeds with *high milk production*. Pedigree cows have a higher value than other cows.
5. *Pure breeds*: These are cows whose ancestors or pedigree information is the same. The cows are pure Ayrshires without any mix of other blood. This means their lineage is known therefore an added value.

Dorper Sheep

The dorper sheep are valued based on the following:

- *Sex*: females have a higher value than the males
- *Age*: Female sheep that have been weaned and have already been served or in lamb for the first time fetch the highest price than older or younger females.
- *Pure breeds*: Sheep that have been bred selectively from pedigree rams will also be valued higher than those bred randomly.

Pigs (Large White)

Pigs are valued based on:

- Age
- Breed

-
- Sex
 - Condition e.g whether lactating, dry or in gilt (pregnant)
 - Live weight

Poultry

The poultry is valued based on the following:

- *Age*
- *Indigenous vs Hybrid*: Hybrid chicken is valued higher than indigenous chicken.

Crops

Crops are valued based on the following:

- Growth stage
- Acreage planted
- Inputs applied

CONT.....NOTES TO THE FINANCIAL STATEMENT AS AT 30Th JUNE, 2018

3. Exchequer Recurrent grants	2018	2017
	Shs	Shs
Disbursements	112,345,000	112,345,000
Total	112,345,000	112,345,000

4. Tuition fees and other related income	2018	2017
	Kshs.	Kshs.
Tuition fees	158,476,966	94,701,066
Application fees	3,165,230	1,529,252
Attachment fees	5,531,480	3,951,340
Registration fees	2,611,500	2,047,300
Maintenance	4,005,150	3,483,915
Electricity & Water	4,084,000	3,205,900
Local Travel & Transport	4,143,800	3,252,300
Library levy	4,046,170	3,237,046
Internet Levy	4,018,800	3,225,350
Hostel & Catering	22,753,134	12,242,972
Tender fees and other misc. incomes	554,975	528,424
Medical fees	10,143,200	8,078,200
Personal Emoluments	30,573,509	24,094,797
Graduation Income	1,375,110	1,852,120
Sports	20,195,800	9,057,500
Driving school income	937,741	860,911
Practicals fees	16,285,750	10,923,550
Total	292,902,315	186,271,943

5. Rental revenue from facilities and equipment**2018****2017****Shs****Shs**

Staff quarters rent

964,020

1,238,163

Total**964,020****1,238,163****6. Other income****2018****2017****Shs****Shs**

Receipts from sale of farm produce/other incomes

3,319,777

3,077,355

Rental of physical facilities and services

6,223,326

16,529,598

Project management income

108,000

Interest income

17,371

Reduction on provision for uncollectible fees debtors

Total**9,543,103****19,732,324****7. Employee costs****2018****2017****Kshs.****Kshs.**

Basic Salary

91,971,385

80,579,675

Other Allowances(Hse,leave & DIT Levy)

21,007,787

10,666,721

Gratuity Costs

8,454,103

5,242,591

Commuter

12,512,700

-

Medical allowances

2,432,505

1,684,275

Part time teaching claims(Facilitators)

56,401,315

18,192,149

Total**192,779,795****116,365,411****8. Remuneration of Governing Council****2018****2017****Ksh****Ksh**

Governing Council Expenses

11,435,628

5,107,757

Total**11,435,628****5,107,757**

9. Depreciation and amortization expense**2018****2017****Shs****Shs**

Plant and equipment

9,080,466

4,048,011

Buildings

11,254,061

-

Computers, Printers and Copiers

1,152,166

2,568,569

Furniture and fittings

3,774,159

2,572,025

Motor vehicles

67,591

27,335,736

Total**25,328,442****36,524,341****10. Repairs and maintenance****2018****2017****Shs****Shs**

Property and equipment Repairs & maintenance

6,041,236

17,907,066

Total**6,041,236****17,907,066**

11. Administrative and Central service costs	2018	2017
	Ksh	Ksh
Medical Expenses	905,428	610,878
Travelling, Transport & Accom. Exp.	33,140,033	19,555,551
Telephone Expenses	3,181,641	2,116,494
Electricity, Water & Conservancy	11,565,337	10,132,572
Graduation Expenses	2,581,894	3,444,474
Insurance Expenses	266,826	1,836,601
Postage	21,889	44,640
Bank Charges	244,212	474,132
Administrative costs	9,636,197	5,536,359
Fees, Commissions & Honoraria	14,841,160	8,759,789
Establishment costs	-	-
Hostel and Catering Expenses	25,801,699	15,875,077
Attachment Expenses	2,659,180	2,667,350
Tuition and related Expenses	31,265,443	43,127,180
Sports	29,287,369	10,929,940
Rental and Hire of teaching Equipment and facilities	1,859,120	12,272,121
Student union expenses	1,266,250	162,050
Farm expenses	2,179,457	8,842,687
Total	170,703,135	146,387,895

12. Rent Expenses	2018	2017
	Ksh	Ksh
Rent expense- town campus	5,563,004	4,658,579
Total	5,563,004	4,658,579

13. Marketing Expenses	2018	2017
	Ksh	Ksh
Advertising & Publicity	5,440,565	5,103,214
Total	5,440,565	5,103,214

14. Cash and Bank Balances

	2018	2017
	Ksh	Ksh
Cash-on-hand and in transit	15,707,480	13,075,776
Bank	49,106,479	75,605,421
Short-term deposits	-	-
Total cash and cash equivalents	64,813,959	88,681,197

Detailed analysis of the cash and cash equivalents

14 (a) Banks

Name of the Bank	Bank Account Number	2018	2017
		Ksh.	Ksh.
National Bank of Kenya -Eldoret	01021027668101	680,695	2,011,154
National Bank of Kenya -Eldoret	01021027668102	81,506	1,551,270
National Bank of Kenya -Eldoret	01021027668103	1,889,733	63,871
National Bank of Kenya -Eldoret	01021027668104	359,278	426,465
National Bank of Kenya -Eldoret	01021027668105	15,013,907	61,806,887
National Bank of Kenya -Eldoret	01021027668106	20,025	1,006
National Bank of Kenya -Eldoret	0124027668100	26,435,542	8,418,158
Co-operative Bank of Kenya	01129441884400	4,625,794	1,326,609
Total		49,106,479	75,605,421

Bank accounts overdrawn

Name of the Bank	Bank Account Number	2018	2017
		Ksh.	Ksh.
National Bank of Kenya -Eldoret	01021027668101	-	-
National Bank of Kenya -Eldoret	01021027668102	-	-
Co-operative Bank of Kenya	01129441884400	-	-
Total		-	-

Cash on hand and in transit

Form of cash holding e.g liquid cash, Mpesa, Mobicash, e.t.c	2018	2017
	Ksh.	Ksh.
Hard Currency	24,936	109,542
Money Orders & cheques	13,324,064	3,910,403
M-Pesa (Pay Bill No. 30425)	2,135,155.00	9,003,176.01
M-Pesa (Pay Bill No. 632451)	223,324	52,655
Total	15,707,480	13,075,776

14. (C) Net Bank Balances

	2018	2017
	Ksh.	Ksh.
Total	64,813,959	88,681,197

15. Receivables from exchange transactions	2018	2017
Current Receivables:	Kshs.	Kshs.
Amounts falling due within one year:-		
Students debtors	140,968,358	127,779,546
Sundry debtors	2,000,321	-
House Rent debtors	2,649,895	3,967,705
Staff P.U Advances	19,824,379	23,514,046
Staff salary advances	1,598,124	1,281,228
Staff Imprests	4,375,270	5,318,745
EPSU		-
Sports	24,172,535	23,993,915
Prepaid Examination fees		-
Rental facility deposit	1,500,000	-
Court Deposit	5,433,255	5,433,255
Total	202,522,137	191,288,440

16. Inventories	2018	2017
	Kshs.	Kshs.
Inventory Farm Stores(Stock)	-	-
Inventory Central Stores(Stock)	56,795,515	9,556,193
Total	56,795,515	9,556,193

17. Biological assets	2018	2017
Group A	Kshs.	Kshs.
Maize in Field	-	1,200,000
Fodder in Field	700,000	-
Vegetables	30,000	190,000
Sheep	-	-
Maize in store	-	-
livestock	8,192,000	7,346,000
Pigs	-	-
Poultry	164,500	55,800
Total	9,086,500	8,791,800

18. PROPERTY, PLANT AND EQUIPMENT MOVEMENT SCHEDULE FOR 2017-2018

	Land	Buildings	W.I.P	Plant and Equipment	Computers, Printers & Copiers	Furniture & Fittings	Motor Vehicles	Total
Depreciation Rate	nil	0.02	-	0.125	0.333	0.125	0.25	
COST/VALUATION	KShs	KShs.	KShs.	KShs	KShs.	KShs.	KShs	KShs.
Bal as at 30 June,2016	520,000,000	455,958,255	153,451,276	71,745,446	43,033,222	17,264,217	22,369,560	1,283,821,976
Bal. as at 1st July,2016	520,000,000	455,958,255	153,451,276	71,745,446	43,033,222	17,264,217	22,369,560	1,283,821,976
Additions	-	-	23,171,758	478,280	3,809,989	3,284,335	-	30,744,362
Disposals								
Donations (moest)								
Transfer/adjustments								
Bal as at 30 June,2017	520,000,000	455,958,255	176,623,034	72,223,726	46,843,211	20,548,552	22,369,560	1,314,566,338
Bal. as at 1st July,2017	520,000,000	455,958,255	176,623,034	72,223,726	46,843,211	20,548,552	22,369,560	1,314,566,338
Additions	-	-	32,413,628	420,000	3,459,957	9,644,720	-	45,938,305
Disposals	-	-	-	-	-	-	-	-
Donations (moest)	-	-	-	-	-	-	-	-
Transfer/adjustments	-	106,744,771	(106,744,771)	-	-	-	-	-
Bal as at 30 June,2018	520,000,000	562,703,026	102,291,891	72,643,726	50,303,168	30,193,272	22,369,560	1,360,504,643
Depreciation and impairment								
Accum. At 30June 2016	-	(34,793,095)	-	(31,608,538)	(36,798,029)	(7,970,427)	(19,527,170)	(130,697,259)
At 1st July 2016	-	(34,793,095)	-	(31,608,538)	(36,798,029)	(7,970,427)	(19,527,170)	(130,697,259)
Depreciation charged (16/17)	-	(9,119,165)	-	(9,027,966)	(4,048,011)	(2,568,569)	(2,572,025)	(27,335,736)
Impairment	-	-	-	-	-	-	-	-
Accum. At 30June 2017	-	(43,912,260)	-	(40,636,504)	(40,846,040)	(10,538,996)	(22,099,195)	(158,032,995)
At 1st July 2017	-	(43,912,260)	-	(40,636,504)	(40,846,040)	(10,538,996)	(22,099,195)	(158,032,995)
Depreciation charged (17/18)	-	(11,254,061)	-	(9,080,466)	(1,152,166)	(3,774,159)	(67,591)	(25,328,442)
Impairment	-	-	-	-	-	-	-	-
Accum. At 30June 2018	-	(55,166,321)	-	(49,716,970)	(41,998,206)	(14,313,155)	(22,166,786)	(183,361,437)
NBV At 30 June 2018	520,000,000	507,536,705	102,291,891	22,926,756	8,304,963	15,880,118	202,774	1,177,143,206
NBV At 30 June 2017	520,000,000	412,045,995	176,623,034	31,587,222	5,997,171	10,009,557	270,365	1,156,533,343

NB: Depreciation on computers was done on the additional computers during the period while motor vehicles were depreciated on carrying amounts.

19. Trade and Other Payables	2018	2017
Amounts falling due within one year:-	Kshs.	Kshs.
Trade Creditors	36,326,943	37,757,271
Salaries June 2017	-	9,066,337
Staff P.U Creditors	14,552,136	15,333,966
Rent payable	-	-
Examination Fund	10,949,730	4,186,055
Prepaid fees	75,030	75,030
Prepaid staff house rents	172,132	-
CDF & other Bursaries	59,440,977	14,705,396
Unreceipted Bank deposits	22,504,662	14,038,569
Miscellaneous Student & other Deposits	65,930	-
Retention accounts:		
Pako contractors	-	2,613,000
Nekims Merchants & contractors	3,537,308	3,048,632
Harmo Engineering & Building co. ltd	2,640,370	3,723,767
Eldo-Rotsa constr. Co. (Kitchen Annex)	2,730,679	816,996
Bowls Plumbers Ltd-Mechanical	347,089	-
Andimass Electr. Co ltd	212,690	90,050
Amounts falling due without one year:-		
MOE Grant Ziwa	427,668	427,668
MOE Grant Bomet	18,892,645	20,809,089
Total	172,875,988	126,691,826

20. Bank Overdrafts

	2018	2017
	Kshs.	Kshs.
College Fund A/C-NBK No.01021027668101	-	-
Co-operative Bank of Kenya No.01129441884400	-	-
College Fund A/C-NBK No.01021027668102	-	-
Farm Account no.01021027668103	-	-
Total	-	-

21. Refundable deposits from customers

	2018	2017
	Kshs.	Kshs.
Caution Money	5,790,319	5,094,269
Total	5,790,319	5,094,269

22. Provisions during the period

	2017	2017
	Kshs.	Kshs.
Provision for Audit fees during the year	580,000	580,000
Provision for uncollectible fees debtors	313,977	6,734,442
Total	893,977	7,314,442

23. Borrowings**2018****2017****Shs****Shs**

Bank loans(National Bank of Kenya)

-

-

Total

-

-

24. Current Provisions for the year ended 30.6.2018**Audit fees****Audit fees****Kshs.****Kshs.**

Balance at the beginning of the year

580,000

1,160,000

Additional provisions raised

893,977

580,000

Provision paid

-

(1,160,000)

Balance as at 30 June 2017

1,473,977

580,000

25. Finance Cost**2018****2017****Kshs.****Kshs.**

Interest on asset finance loan

-

415,252

Total

-

415,252

