

REPUBLIC OF KENYA



REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

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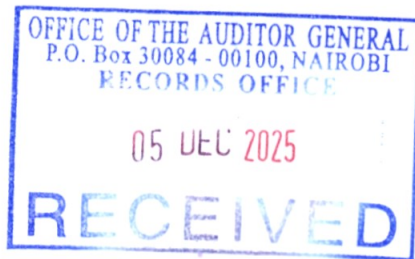
V. WAMBUI

THE AUDITOR-GENERAL

ON

MICHUKI NATIONAL POLYTECHNIC

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



THE MICHUKI NATIONAL POLYTECHNIC
P.O. BOX 4 10202
KANGEMA

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30TH JUNE 2025

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

THE MICHUKI NATIONAL POLYTECHNIC ANNUAL REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED ON 30TH JUNE 2025

					<ul style="list-style-type: none"> Exams Rooms ➤ Punishing the Offenders ➤ Enough Revision ➤ Adequate Syllabus Coverage ➤ Training in Ethics and Integrity ➤ Holding Rehearsal Days 	<ul style="list-style-type: none"> ns Officer • Supervisors • Invigilators
110	Invigilator does not turn-up or lack of invigilator	4	3	12	<ul style="list-style-type: none"> ➤ Automate Timetabling of Internal Exams ➤ Create Invigilator Timetables ➤ Employ Emergency Invigilator(s) ➤ Examinations Office to Cover ➤ Discipline the Offenders 	<ul style="list-style-type: none"> • Principal • Examinationns Officer
111	Wrong registration of candidates for national examinations	2	3	6	<ul style="list-style-type: none"> ➤ Candidates Signs the Nominal Roll after Verifying the Correctness of their Registration Details ➤ Candidates Write Exams as Under – Protest ➤ Write an Official Letter to KNEC informing them of the Wrong Registration ➤ Candidates indicate their Course and Module on The KNEC Result Slip Being Used For Registration 	<ul style="list-style-type: none"> • Principal • Examinationns Officer • Academic HODs
112	Receiving inaccurate entry of information and non-adherence to examinations timelines	4	3	12	<ul style="list-style-type: none"> ➤ Subject Teachers/HODS ensure Entry Check-Lists are Correct and are submitted on Time. ➤ Discipline The Offenders 	<ul style="list-style-type: none"> • Principal • Examinationns Officer • Academic HODs
113	Access of exam information by unauthorized users	3	2	6	<ul style="list-style-type: none"> ➤ Acquire enough door keys for every Authorized User ➤ Create Passwords when Booting Computers 	<ul style="list-style-type: none"> • Principal • Examinations Officer

					<ul style="list-style-type: none"> ➤ Create Passwords on every Folder/File created ➤ Create, Fill and File Record Control Sheets as is Appropriate 	
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INDUSTRIAL LIAISON OFFICE
OBJECTIVE: To ensure quality training through industrial attachment.

Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
114	Lack of placements for trainees.	3	3	9	<ul style="list-style-type: none"> ➤ Collaboration with industries ➤ Create awareness ➤ Database for industrial contacts 	ILO
115	Failure to assess some students on attachment.	3	3	9	<ul style="list-style-type: none"> ➤ Sensitization of trainees 	ILO
116	Indiscipline of students on attachment.	3	2	6	<ul style="list-style-type: none"> ➤ Sensitization of students ➤ Introduce commitment form 	ILO
117	Accidents on the trainees while on attachment.	2	2	4	<ul style="list-style-type: none"> ➤ Awareness on safety precautions ➤ Provide insurance covers to trainees 	
118	Unauthorized access for office files (hard copies of information).	2	2	4	<ul style="list-style-type: none"> ➤ Provide lockable door ➤ Provide lockable cabinets ➤ Clear the desk, clear the screen 	

LIBRARY.
OBJECTIVE: To ensure access of quality and up-to-date academic course and reference materials in the institute

Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
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119	Theft of library materials	4	3	12	<ul style="list-style-type: none"> ➤ Installation of CCTV Cameras ➤ Installation of security systems ➤ User sensitization ➤ Stamping 	Librarian FO
120	Wearing and tearing of library materials	2	2	4	<ul style="list-style-type: none"> ➤ Putting book covers ➤ Maintain cleanliness ➤ Dusting 	Librarian
121	Obsolete materials	2	2	4	<ul style="list-style-type: none"> ➤ Frequent acquiring of materials ➤ Use of E-Books 	Librarian HODs
122	Misplacing/Mis-shelving of library materials	2	2	4	<ul style="list-style-type: none"> ➤ Proper shelving ➤ Proper marking of shelves 	Librarian
123	Mutilation of library materials	3	2	6	<ul style="list-style-type: none"> ➤ Fine the offenders ➤ Replacement of book if badly mutilated ➤ User sensitization 	Librarian
QUALITY ASSURANCE						
Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
124	Carrying out audits	4	2	8	<ul style="list-style-type: none"> ➤ Control register attendance ➤ Copy of audited tool ➤ Circulars ➤ Memos 	Principal,QA
125	Lateness of the trainers and support staff on work	4	2	8	<ul style="list-style-type: none"> ➤ Clock in register ➤ Regular spot checks 	Principal HR

					➤ Biometric entrance	QA
126	Negligence of duty	5	3	15	➤ Warning letter ➤ Audit reports	Principal QA
127	Capacity building of DIQAR	3	2	6	➤ Request from the Principal	Principal QA
128	Registration of trainers	5	3	15	➤ Register with TVETA ➤ HR policy ➤ Staff meeting	Principal QA

THE MICHUKI NATIONAL POLYTECHNIC ANNUAL REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED ON 30TH JUNE 2025

Table of Contents

1. Acronyms & Glossary of Terms	iii
2. KEY ENTITY INFORMATION AND MANAGEMENT	iii
3. BOARD MEMBER	vi
4. TOP MANAGEMENT TEAM	ix
5. CHAIRMAN'S STATEMENT	xi
6. REPORT OF THE CHIEF PRINCIPAL	xiii
7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES	xvii
8. CORPORATE GOVERNANCE STATEMENT	xx
9. MANAGEMENT DISCUSSION AND ANALYSIS	xxi
10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING	xliv
11. STATEMENT OF BOARD OF COUNCIL MEMBERS' RESPONSIBILITIES	xlvi
12. REPORT OF THE INDEPENDENT AUDITOR ON THE MICHUKI NATIONAL POLYTECHNIC	xlix
13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 TH JUNE 2025	
14. STATEMENT OF FINANCIAL POSITION AS AT 30 TH JUNE 2025	2
15. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 TH JUNE 2025	3
16. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 TH JUNE 2025	3
17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 TH JUNE 2025	5
18. NOTES TO THE FINANCIAL STATEMENTS	6
APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY	32
APPENDIX III: INTER-ENTITY TRANSFERS	32

1. Acronyms & Glossary of Terms

COG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College
Fiduciary Management	Key management personnel who have financial responsibility in the entity

2. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The Michuki National Polytechnic (MINaP) was incorporated/ established under the TVET Act 2013. The entity is domiciled in Kenya and is located in Iyego Location, Kangema Sub-county in Murang'a County. It has no branches. The institute is under the Ministry of Education.

(b) Principal Activities

The Mandate of The Michuki National Polytechnic is to provide Technical, Vocational and Entrepreneurship Training (TVET) using appropriate technology to empower trainees for individual and national development. The Institute provides leadership in designing suitable plans and strategies that contribute to high and sustainable socio-economic development; The Institute has a credible strategic plan and performance contract that delivers the desired goals. It is also our undertaking that we will perform our responsibilities diligently and to the best of our abilities to support the achievement of the agreed performance targets.

Vision

Our vision is “A leader in the provision of Technical, Vocational, and Entrepreneurial Training”.

Mission

Our mission is to provide quality technical, vocational and entrepreneurship training (TVET) to empower graduates for individual development and global competitiveness.

(c) Key Management

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

Board of Governors
Accounting officer/Principal
Heads of departments

(d) Fiduciary Management

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

Name	Responsibility
TOP MANAGEMENT	
Ann M. Mbogo	Chief Executive Officer/Chief Principal
Henry Kihara	Deputy Principal Administration
Grace Njuguna	Deputy Principal Academic
Paul Ngure	Registrar
Samuel Gichuki	Dean
CPA. Odima Bahati	Finance Officer
ACADEMIC MANAGEMENT	
Mercy Muthoni	H O D Electrical
Isaac Mwiti	H O D Institutional Management
Leah W Chege	H O D I C T
David Githaiga	H O D Mechanical
John Gakinya	H O D Building
William Ndungu	H O D Applied Science
James Nguma	HOD Liberal
Everlyne Kamwagire	HOD Fashion and Cosmetology
NON ACADEMIC	
Gibson Muthuri	ISO Management Representative
Robert Nicholas	Industrial Liaisons' Officer
Felix Olwese	Sports Office
Rosemary Njoki	Guidance & Counselling
CPA John Mutuku	Internal Auditor
Esther Kinyua	Human Resource
Isaack Mukembu	Procurement Officer

(a) Fiduciary Oversight Arrangements

Name of the Committee	Members	Activities
Finance and Resource Mobilization	1. Mrs. Lydia Miano 2. Mr. Nelson Mwaura 3. Mr. Joseph N. Mwangi	<ul style="list-style-type: none"> ▪ Approve quarterly reports for onward submission to the full board ▪ Interview COG employees
Academics and Techn.	1. Dr George Okoth 2. Mrs Lorna Wambayi 3. Mr Charles Nyota	<ul style="list-style-type: none"> ▪ Receive, discuss and approve matters pertaining academics in the institution.

Risk and Audit	<p>1. Mr. Kiptum Kibet Charles</p> <p>2. Mrs. Lorna Wambayi</p> <p>3. Dr. George Okoth</p>	<ul style="list-style-type: none"> ▪ Receive discuss and approve audit report for onward ratification by full board ▪ Develop areas of improvement in risk and audit
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KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(b) Entity Headquarters

P.O. Box 4-10202 Kangema
Murang'a County
Kangema Sub County
St. Marys - Iyego road off Karugia Shopping Centre

(c) Entity Contacts

Telephone :(+254)0725-912313
E-mail: michukitech@yahoo.com
Website: www.michukipoly.co.ke

(d) Entity Bankers

- i) Kenya Commercial Bank Ltd
Murang'a Branch
P.O BOX 112-10200
Murang'a Town
- ii) Equity Bank Ltd
Kangema Branch
P.O BOX private bag-102020
Kangema Town
- iii) Amica Savings & Credit
Kangema Branch
P.O BOX 816-10200
Kangema Town




(e) Independent Auditors


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

(f) Principal Legal Adviser

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

3. COUNCIL MEMBERS

NAME	DETAILS
<p>1. Board of governor (chairman)</p>  <p>Mr. Benson N. Kamau Profession: Finance and Strategy Management</p>	<p>Date of birth: 19/12/1966 Academic Qualifications:</p> <ul style="list-style-type: none"> ▪ MBA- Finance, University of Nairobi ▪ BSC. First Class Honours, University of Nairobi ▪ Advanced Management Program, Strathmore University ▪ Chartered Accountant , United Kingdom <p>Work experience:</p> <ul style="list-style-type: none"> ▪ Audit Trainee to Supervisor Ernst & Young, UK and Kenya. ▪ Audit Manager- Lonrho Hotels Africa ▪ Financial Controller- Lonrho Motors ▪ Commercial Controller, Kenya Airways ▪ General Manager Finance & Strategy - Postal Corporation. ▪ Finance and Strategy - Director KTDA <p>Responsibility</p> <ul style="list-style-type: none"> ▪ Chair of the council
<p>2. Council member</p>  <p>Mrs Lydia Miano Profession: Economics</p>	<p>Date of birth: 18/08/1965 Academic qualifications</p> <ul style="list-style-type: none"> ▪ Bachelor in Arts –Economic ▪ Certificate in Law-Baking ▪ Certificate in Loan appraisal and Credit Rating <p>Work experience :</p> <ul style="list-style-type: none"> ▪ Branch Manager –I & M Bank LTD ▪ Credit Manager-Trust Bank ltd ▪ HR Officer-Trust Bank LTD ▪ Audit Assistant – Officer of controller and Auditor General <p>Responsibility</p> <ul style="list-style-type: none"> ▪ Executive Member ▪ Chair of the Finance & Resource Mobilisation
<p>3. Council member</p>  <p>Dr. Charles Kiptum Profession: Lecturer</p>	<p>Date of birth: 12/12/1965 Academic Qualifications :</p> <ul style="list-style-type: none"> ▪ PHD Administration &Management ▪ MED Administration &Management ▪ BED ▪ Diploma (KEMI) <p>Work experience :</p> <ul style="list-style-type: none"> ▪ Lecturer Chuka University ▪ Principal – Kisanana Boys, Sosiyo Sec School , Baringo High ▪ Part time lecturer Kisii University and Mt. Kenya University <p>Responsibility</p> <ul style="list-style-type: none"> ▪ Independent Member ▪ Chair of the audit and risk Committee

<p>4. Council member</p>  <p><u>Dr. Okoth George Odhiambo</u> Profession: ICT Informatics</p>	<p>Date of birth:03/03/1980</p> <p>Academic Qualifications:</p> <ul style="list-style-type: none"> ▪ PHD (GIS & Remote Sensing) ▪ MSC(Health Informatics) ▪ BSC(Information Technology) ▪ Higher Diploma(Education) <p>Work experience:</p> <ul style="list-style-type: none"> ▪ Head of ICT department –Kenya Railways Corporation ▪ Senior Lecture –Laikipia University ▪ Lecturer Greatsa University ▪ QMS Auditor-Kenya Railways Corporation ▪ Risk Officer –Kenya Railways Corporation <p>Responsibility</p> <ul style="list-style-type: none"> ▪ Executive Member ▪ Chair of the academic Committee ▪ Member of audit and risk committee
<p>5. Council member</p>  <p><u>Mr Joseph N. Mwangi</u> Profession: Lecturer(Adjunct) and ICT consultant</p>	<p>Date of birth: 06/08/1980</p> <p>Academic Qualifications:</p> <ul style="list-style-type: none"> ▪ Msc.-Master in Computer Science ▪ Bsc -Computer Systems,. ▪ Diploma in Computer Science CCNA and A+ <p>Work experience :</p> <ul style="list-style-type: none"> ▪ Adjunct Lecturer at MMU ▪ ICT consultant at Technical University of Kenya <p>Responsibility</p> <ul style="list-style-type: none"> ▪ Executive Member ▪ Member of finance and resource mobilisation committee
<p>6. Council member</p>  <p><u>Arc. Nelson Mwaura</u> Profession: Architech</p>	<p>Date of birth:09/12/1979</p> <p>Academic qualifications</p> <ul style="list-style-type: none"> ▪ Bachelor of Architecture(Hons),JKUAT ▪ Postgraduate Diploma- Project Planning and Management ▪ Certificate in Green Building –Kenya Association of Manufactures ▪ Certificate in Hospital Design-Pharm Access Fnd,2019 <p>Work experience :</p> <ul style="list-style-type: none"> ▪ Operation Manager -GIBB Africa LTD ▪ Loadline Engineering Services , -Nairobi ▪ JKUAT- Tutorial Fellow Level ▪ Architech –Axis Architects LTD ▪ Architech -Maestro Architects LTD <p>Responsibility</p> <ul style="list-style-type: none"> ▪ Executive Member ▪ Member of finance and resource mobilisation committee

<p>7. Council member</p>  <p><u>Lorna Wabai</u> Profession:</p>	<p>Date of birth:02/10/1988</p> <p>Academic qualifications</p> <ul style="list-style-type: none"> ▪ Masters- Business Administration (Strategic Management and Marketing) - Kabarak University ▪ Bachelor of Commerce (Marketing)-JKUAT ▪ State House Girls-KCSE <p>Work experience :</p> <ul style="list-style-type: none"> ▪ Smartcode Technologies -Head of Customer Service ▪ Tracom College –Finance and Administration ▪ MICAS Limited -Sales and Marketing Manager ▪ Part Time Lecturer-JKUAT ▪ Safaricom Retail Centre- Moi Avenue <p>Responsibility</p> <ul style="list-style-type: none"> ▪ Executive Member ▪ Member of audit and risk committee ▪ Member of academic committee
<p>8. Council member (CDTVET)</p>  <p><u>MR .CHARLES NYOTA</u> Profession: CDTVET</p>	<p>Date of birth:10/10/1970</p> <p>Academic Qualifications: Masters in computer Science</p> <p>Work experience:</p> <ul style="list-style-type: none"> ▪ Quality Assurance office for over 20years <p>Responsibility</p> <ul style="list-style-type: none"> ▪ Executive Member ▪ Member of academic committee
<p>9. Chief Principal</p>  <p><u>ANNE M.MBOGO (MRS)</u> Council Secretary</p>	<p>Date of birth: 10/10/1972</p> <p>Qualifications :</p> <ul style="list-style-type: none"> ▪ BED. Home Science and Technology ▪ Post Graduate Diploma in Education Management ▪ Certificate in Senior Management ▪ Certificate in Strategic Leadership Development Program ▪ Certificate in Performance Contracting and Appraisal <p>Work experience :</p> <ul style="list-style-type: none"> ▪ Chief Principal – Kenya Coast National Polytechnic ▪ Principal – Kiirua TTI ▪ Principal – Chuka TTI ▪ Deputy Principal - Mukiria TTI ▪ Deputy Principal Jeremiah Nyaga TTI ▪ 25 years of experience as a TVET Trainer

4 .TOP MANAGEMENT TEAM

<p>1. Chief Principal/ COG Secretary</p>  <p><u>ANNE M.MBOGO</u> Profession :Trainer</p>	<p>Date of birth: 10/10/1972 Qualifications :</p> <ul style="list-style-type: none"> ▪ BED. Home Science and Technology ▪ Post Graduate Diploma in Education Management ▪ Certificate in Senior Management ▪ Certificate in Strategic Leadership Development Program ▪ Certificate in Performance Contracting and Appraisal <p>Work experience :</p> <ul style="list-style-type: none"> ▪ Chief Principal – Kenya Coast National Polytechnic ▪ Principal – Kiirua TTI ▪ Principal – Chuka TTI ▪ Deputy Principal - Mukiria TTI ▪ Deputy Principal Jeremiah Nyaga TTI ▪ 25 years of experience as a TVET Trainer
<p>2. Deputy Principal Administration</p>  <p>Mr. Henry Kihara Profession: Trainer</p>	<p>Date of birth: 28/08/1978 Academic Qualifications :</p> <ul style="list-style-type: none"> ▪ Bachelors of Education(Arts) ▪ Certified Public Accountant (K) <p>Work experience</p> <ul style="list-style-type: none"> ▪ Deputy Principal Administration – Laikipia West ▪ Registrar – Tetu TVC ▪ Registrar – MINaP ▪ PSC Trainer – MINaP
<p>3. Deputy Principal Academics</p>  <p><u>Grace Njuguna</u> Profession: Trainer</p>	<p>Date of birth: 21/08/1976 Academic Qualifications :</p> <ul style="list-style-type: none"> ▪ BED -Home science and Technology-Moi University. ▪ Certificate in Senior Management – KSG <p>Work experience</p> <ul style="list-style-type: none"> ▪ PSC Trainer –MINaP ▪ HOD –I.M department, MINaP ▪ HOD –Nkabune TTI ▪ Examination officer –Nkabune TTI

<p>4. Dean of Students</p>  <p><u>Samuel Kahari Gichuki</u> Profession-Trainer</p>	<p>Date of birth: 27/06/1976 Academic qualifications : BTech -Computer Technology BBIT- Business Information Technology Diploma in Technical Education (Computing) Work experience</p> <ul style="list-style-type: none"> ▪ Trainer MINAP ▪ Instructor- Limuru Institute of I.T. ▪ Instructor-Wantech Computer College
<p>5.Registrar</p>  <p><u>Paul Ngure</u> Profession-Trainer</p>	<p>Date of birth: 27/01/1988 Academic qualifications :</p> <ul style="list-style-type: none"> ▪ Bsc-Electrical & Electronics Engineering ▪ Bsc.-Telecommunication & Information Engineering ▪ Post Graduate –Diploma in Education <p>Work experience</p> <ul style="list-style-type: none"> ▪ PSC Trainer MINaP ▪ BOM Teacher-Nyagatugu Boys Sec.School. ▪ Intern-Kenya Power. ▪ Intern-KTDA(Kanyenya-ini Tea Factory)
<p>6.Finance Officer</p>  <p><u>CPA. Odima Bahati</u> Profession: Finance & Analyst, Trainer</p>	<p>Date of birth: 31/07/1992 Academic qualifications :</p> <ul style="list-style-type: none"> ▪ BCOM – Accounting Option ▪ CPA(K) – Accounting Option ▪ CIFA(K)-Finance & Investment Analysis ▪ Diploma in Technical Education-Accounting Option <p>Work experience</p> <ul style="list-style-type: none"> ▪ Financial Accountant –Trailink Group Ltd ▪ Senior Accountant-Compassion International ▪ Accountant-Excel Works and Engineering. ▪ Auditor-Ayuga and Associate CPA firm ▪ Trainer at Kabete National Polytechnic

5. CHAIRMAN'S STATEMENT

On behalf of the council member, management, staff and students of The Michuki National Polytechnic. I would like to thank the government through the Cabinet Secretary Ministry of Education for giving me the opportunity to serve in this great institution. In the FY2024/2025 the following were achieved.

In the financial year 2024/2025 the board achieved the following-:

1. Constructed a tuition and administration annex block that is used for training and learning by the trainees as well as hosting various staff with offices.
2. Constructed pavement from gate C to D for easy accessibility in the institution.
3. Transition of the institution from technical training institute to a national polytechnic status.
4. Acquired various training and learning equipment in the students workshops as well as equipment for the extra curriculum activities items for sports department.
5. Acquired extra land approximated 5 acres to enhance institution infrastructure expansion and growth as well as acquiring Kanyuera TVC in Rwathia
6. There was an increase in gross enrolment from 5,234 to 6,025 an increase of 1.2%
7. The institution organised a short course where a total of 509 students were trained on various skills and awarded micro credentials certificates
8. The management held (3) medical camps where screening and free consultation on HIV&AIDS, Non-Communicable diseases, and sensitization on COVID-19 for community, staff, and trainees.
9. The management engaged in corporate social responsibility of carrying out a town clean up, distributing free tree seedlings and branded dust bins as a community sensitization on environment and climate change.
10. Thirty nine youths were attached within the Institute as part of their training.
11. The Institute participated in the national drama and music festival as well as in the athletics, balls games season III where the institution was awarded various trophies and certificates to the participants
12. Held 1st graduation as a national polytechnic and launched as a national polytechnic on 9th May 2025.
13. The BOG executed its mandate while taking note of the Performance Contracting requirements i.e.
 - Implementation of Service delivery Charter
 - Asset Management
 - Youth internship /Industrial Attachment /Apprenticeships

- Competence development
- National Values and Principle of Governance
- Road safety Mainstreaming
- Resolution of public complaints
- Gender mainstreaming

The board envisages continuing growing the institute and aim to:

1. Construct mechanical and building workshop
2. Acquired additional lands for the expansion of the institution
3. Construct water reservoirs
4. Open and operationalizes G3 Michuki Campus and Kanyuera Campus
5. Carry out a tracer study on our graduates
6. Increase student enrolment to 10000 students
7. Awards and certified the Michuki National Polytechnic Certificates on its courses it offers

Whereas the institute made significant strides during the year, there were challenges especially on delays and non-remittance of funds by the Ministry of Education which hampered the institution planned operations and expansion of the institution infrastructures to meet the growing trainees' population and the limited land area for the institute. However, the board continues to engage various stakeholders especially our National and county government for continued support. Finally, the board wishes to thank all the stakeholders for their support and humbly request that this continues into the future.

Signed by:



Mr. Benson N. Kamau
COUNCIL CHAIRMAN

6. REPORT OF THE CHIEF PRINCIPAL

The Michuki National Polytechnic is a public tertiary institution that is well placed to offer quality and relevant training to her graduates, tailored to ensure they contribute effectively to the attainment of the country's Vision 2030 strategic objectives. To achieve this MINaP, offers competence Based Education and Training that's needed to actualize vision 2030 and the sustainable development goals in Kenya. MINaP is keen to achieve the presidential directives through spearheading Research and innovation in addition, the institute is committed to implement the bottom up Economic Transformative Agenda(BETA) manifesto especially on the youth employment through online Job under the "JITUME" Labs initiative.

In furtherance of our mandate, we have committed ourselves to consistently and regularly review, improve and consolidate our academic programs so as to remain competitive in terms of quality and relevance, and address the needs of the society especially on the CBET programmes and dual training.

MiNaP has developed and continually improved in the provision of quality customer services. We have service charter that informs our customers of the expected services and the accompanying requirements. This ensures that we meet and exceed our customer's satisfaction. In-addition We have embraced technology in the provision of our services such as, admissions, fee payments and reconciliation with the bank, procurement, asset management, industrial linkages, hostel and HR management ERP Systems.

The Michuki National Polytechnic is internationally recognized by being certified under ISO/QMS 9001:2015 standard and ISO/IEC 27001:2022 standard.

Under my leadership and the overall direction of the Institute's Board, we were able to ensure that financial resources were prudently utilized for optimum result. Despite the many challenges brought about by economic constraints and the delays in the release of the funds by the MOE the Institute nevertheless continued to discharge its mandate of training, research and outreach programme as outlines under its core mandate. During the financial year under report a total of 2,257 graduated Vs. 1,643 in the previous year which a marks a upwards growth of 1.4% where various graduands were conferred with various certificate from Artisan to Diploma in various cadres

The institution had a student population of 6,025 and a staffing of 66 PSC trainers , 84 Council trainers, 42 non-teaching staff distributed across 9 academic Department.

The challenges experienced by the Institution

- i) Non remittance of capitation, HELB and scholarships funds and this affected the institution operations more so the intended projects and training materials for the trainees translating to Ksh 56.9M undisbursed funds by MOE and state agency
- ii) Some of the resource mobilization initiative has not generated as much revenue as was anticipated and thus trigger management to introduce a new product which is bread production so as to strengthens its revenue base.
- iii) Inadequate land acreage for the expansion of the institution infrastructures and this limited the growth of the institution not just only on the infrastructures training components but also on extra curriculum activities however county government of Murang'a they have supported us to establish campuses in Rwathia to enable expand on our enrolment.
- iv) Inadequate public service trainers dispatch which makes the institution to hire more trainer under Council terms which is quiet expensive and in the long run is unsustainable as wells as burden to the institution in terms of staffs remunerations.

Risk Management

The institution has put in place a robust risk management strategy. This involves a quarterly review of the risks the institution faces and developing mechanisms to mitigate them. Furthermore the institution has been consistently conducting quarterly internal audit through internal audit department and the findings are submitted to the board governor for discussion and ratification for better management of the institution. In addition, the institution has ensured a strict adherence to statutory requirements and the lay downs procedures under PFM Act, TVET Act and Mwongozo guidelines.

Future Development

- i) To operationalize open and distance learning (ODEL) to build capacity and facilitate enrolment of more students.
- ii) Emphasis on the Green Environment Concept so as to incorporate environmental sustainability and efficiency. In addition there will be greater effort in building the capacity of its human resource so as to achieve a sustainable future through training, research, innovation and community outreach.

- iii) To construct engineering complex building to enable conducive serene environment for training, research and development.
- iv) Re-design drainage system in the institution due to anticipated growth of the students
- v) To establish linkages with research institutes to conduct joint research in various engineering fields.
- vi) To promote good governance and mitigate risks exposures to due to A.I especially on the cyber security threats.

Highlights of FY 2024 /2025 performance

The Financial Year 2024/2025 started when the country was undergoing robust changes in the education sector through presidential directives on the reforms in the education department especially on the competence based education training curriculum (CBET). This led to bit anxiety in the educations sector and this led a short in the students enrolled in the TVET sector and eventually leading to shortfalls in revenues. Furthermore, management conducted robust marketing strategies that's aims to increase and enrolled more students in the institution so as to ensure the institution operations remains optimum. The revenue of the institution grew by 1.1% from 3 % in the comparative financial year.

Projects Undertaken

During the Financial Year under review:-

- ❖ Construction of tuition block
- ❖ Construction of pavement for the bus park and for easy accessibility.
- ❖ Continued equipping of the institution workshops.
- ❖ Installations of the CCTV cameras for the security surveillance in the institution

In our contribution to the bottom up economy plan we held short term course for the community where a total of 509 were equip with hand on skill in order to make them be self-reliance in line with the Micro, Small and Medium Enterprise (MSME) economy.

I believe that our graduates undergo the best training that equips them with the necessary skills that strategically aligns them with opportunities within the country, regionally and globally; while at the same time contributing to the realization of the bottom up economy agenda. That is (Agriculture, Micro, Small and Medium Enterprise (MSME), Housing and Settlement, Healthcare and Digital Superhighway and Creative Economy).

Furthermore, to realise food security management has introduced agricultural courses that will equip the trainees with the new modern farming methodology

THE MICHUKI NATIONAL POLYTECHNIC ANNUAL REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED ON 30TH JUNE 2025

On behalf of the Institute Board of Governor and the top 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 stakeholders, collaborators, partners and friends during the year. It is because of the understanding and guidance of the Chairman of the Board as well as the cooperation of the Management team, all staff and our trainees that we ended the year within an environment of peace and stability. I wish to register my sincere gratitude to them all.

On behalf of The Michuki National Polytechnic and staff, I wish to take this opportunity to thank the government, our development partners and all the stakeholders for their continued support.

Finally, I would like to express my sincere gratitude to the Board of Management for their guidance on the institution governance, oversight roles and strategic guidelines; the entire Institution staff, students and community who worked precisely to ensure smooth and successful operations of the Institution.

Signed by



Anne. M. Mbogo (Mrs)
Chief Principal/ Council Secretary.

7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the national government entity's performance against predetermined objectives.

Michuki National Polytechnic has 6 strategic pillars and objectives within the reviewed strategic plan for FY2022 – 2027. The institute have also used the strategies as Performance Contracts targets. These strategic pillars are as follows:

Strategic Pillar	Objective (s)	Key Performance Indicators	Strategies / Activities	Achievements
Governance	Improve on operational efficiency	Certification of IMS based on ISO9001:2015 and ISO27001:2013	Integrate implementation of management systems based on ISO9001:2015 and ISO27001:2013	IMS procedure Manual
		IMS Manual	Documentation of the IMS Manual	IMS procedures Manual
		Number of trained staff	Training of Trainers	40 auditors were trained on IMS – on 2 nd -7 th October 2023
		No of internal audits and surveillance audits held	Execution of internal	1 external audit held on 27 th -29 th November.2023(KEBS)
Access and Equity	Expand the physical infrastructure	Infrastructure	Completion of internal access road	Completed the construction of internal access road
			Completion of ablution block	- Completed the construction of ablution block
			Renovation of Muthaiga Hostel	- Completed in FY2023-2024
			Tiling of electrical workshop	- Completed in FY2023-2024
			Re-design of customer care centre	- To be completed in FY2024-2025

			Construction of Tuition block	- Completed in FY2024-2025
			Laying cabros from Gate A to B	- Completed in FY2024-2025
	To increase students enrolment	- Occupational standards - Request letters - List of students admitted.	Introduction of new courses	- Analytical Chemistry - Data Management & Analytics - Computer Programming - Concrete Construction - Masonry - Housekeeping and Accommodation. - Welding & Fabrication - Digital journalism
			Conduct a graduation	Done in 2024/2025
	To enhance customer service delivery	Reviewed Service delivery charter	Review and effectively implement the service delivery charter	To be reviewed in 2024/2025
	To improve students' academic performance		Equipping of the electronic workshop and the labs	Equipping continuously done
Resources	Deploy technology in fees collection		To integrate ERP system with student registration number	Completed in FY 2023/2024
	To enhance library services		Install an anti-theft system in the library	-To be done in FY2025/2026
	To maintain a motivated workforce	Reviewed Scheme of service	Scheme of service for COG staff	-Done FY 2023/2024
		Reviewed Human Resource Procedure Manual	Human Resource Policy and Procedure Manual	-The policy to be reviewed in FY 2025/2026
ICT	Enhance process automation	MIS library module	Procure MIS module for library, accommodation	ERP FY2025/2026

			Improve internet bandwidth from 60mbps to 100mbps	Increased to 100mbps
	Integrate ICT in training		Purchase additional LCD projectors	Acquired
			Purchase additional Desktop	Acquired 30 desktop
Research and Development	Institutionalize Effective Research and Development	Appointment letters	Appointment of the R&D committee members	The R&D committee appointed
		Invitation Letter Attendance List Report\patented Projects	Participation in exhibitions and trade fairs	Participated in Mt. Kenya Regional TVET fair held Qualified for National TVET fair Trained RD committee members
Collaboration and linkages	To enhance collaborations and linkages	C&L policy	Develop the C&L policy Collaborations with industries.	Dual Training Partnership i.e. GIZ

THE MICHUKI NATIONAL POLYTECHNIC ANNUAL REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED ON 30TH JUNE 2025

8. CORPORATE GOVERNANCE STATEMENT

During FY 2024/2025, there was 100% eligible attendance at full meetings of the Board on average.

The following table shows the number of meetings held during 2024/2025, the attendance of each Member;

Name	10 th July 2024	11 th July 2024	15 th July	19 th July 2024	19 th Oct 2024	8 th Oct 2023	9 th oct 2024	1 st Nov 2024	9 th Jan 2025	10 th Jan 2025	11 th Jan 2025	24 th Jan 2025	29 th Jan2 025	23 rd Jun 2025	Total meetings	
Mr Benson Kamau- Chair				✓				✓					✓	✓	✓	5
Mrs Lydia Miano			✓	✓			✓	✓		✓	✓	✓	✓	✓	✓	9
Nelson Mwaura			✓	✓			✓	✓		✓	✓	✓	✓	✓	✓	9
Lorna Wabayi	✓		✓	✓			✓	✓	✓				✓	✓	✓	9
Dr.Kiptum Kibet			✓	✓				✓					✓	✓	✓	6
George Okoth	✓		✓	✓			✓	✓	✓				✓	✓	✓	9
Joseph N Mwangi			✓	✓			✓	✓		✓	✓	✓	✓	✓	✓	9
Charles Nyota(TV ET Director)	✓			✓			✓	✓	✓					✓	✓	7

NOTE

- 1) There 5 full board meetings
- 2) Board charter exists at the moment.
- 3) Succession plan is after 3 years.
- 4) Current board their succession will be in May 2026

On Board of Governors appointment and tenure of office, removal, the process starts from:-

- 1) Establishing the expiry of the current Board of office (6 months before its term of office comes to an end.
- 2) Then a committee is constituted to nominate a new Council. This panel is chaired by the County Director TVET. Other members to the nomination panel are:-
 - (i) Principal
 - (ii) County Commissioner to represent GOK.
 - (iii) Sponsor incase the Institution is sponsor.
 - (iv) The Area M.P or his Representative.

The above committee nominates a maximum of 21 members, 3 per category as prescribed in the areas of specialization and then the list is sent to the Ministry for verification and appointment of a council.

The council is normally appointed for a term of 3 years, after which to ensure continuity of the Institutional memory 1/3 of the past members are retained.

REMOVAL OF COUNCIL MEMBER/MEMBERS

A Board member may be removed for the following reasons:-

- (1) Failing to attend 3 consecutive meetings without a valid reason.
- (2) Major conflict of Interest
- (3) By tendering his resignation to the appointing authority.
- (4) Failing to take up his position as an appointed COG.
- (5) Being declared Bankrupt by a Court of law.

RULES AND FUNCTION OF COUNCIL MEMBER

The council is normally appointed for a term of 3 years after which the council expires. However, in constituting a new council a 1/3 of the members is retained for the sole purpose of Institution memory.

The role and function of the council members are therefore:-

- 1) Attend to all scheduled council meetings.
- 2) Discuss and formulate institutional policies on staff recruitment and promotion.
- 3) Identify in consultation with the Principal the recruitment of all PSC trainers and council employees and therefore recruit them.
- 4) Reprimand or recommend for interdiction of non-performing PSC & Council Employees.
- 5) Formulate policies on revenue generation, utility and account for it to the Public through the Auditor General.
- 6) Link with all relevant ministries, agents and stakeholders to promote the importing of relevant and technological skills.
- 7) Link with industries for the purpose of attaching the students.
- 8) Maintaining proper inventory of its property and assets through a Register/inventory.
- 9) Performing supervision role or oversight role on the management of the Institution and advising appropriately.
- 10) Maintaining a motivated workforce as well as a secure environment to work in.

INDUCTION OF THE COUNCIL MEMBERS

Once a council has been appointed, it's the responsibility of the Principal to liaise with the County Director and the Ministry to ensure that the council is inaugurated and inducted on its core mandate. In conjunction with the Principal and the Ministry, the council is supposed to be trained on the current trends in the training, Industry to make it relevant and vibrant.

COUNCIL MEMBERS REMURATION

The Council members are paid some sitting allowances and other allowances depending on the strength or financial ability of the Institution to sustain the payments. It's purely based on realistic and affordable rates.

The payments also vary from Institution to another base on their financial resources.

9. MANAGEMENT DISCUSSION AND ANALYSIS

SECTION A

The Michuki National Polytechnic operational and financial performance

The Michuki National polytechnic reported a surplus of Kshs 11.8M as at 30th, June 2025. The performance recorded is as a result of new funding model that was introduced by the government

THE MICHUKI NATIONAL POLYTECHNIC ANNUAL REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED ON 30TH JUNE 2025

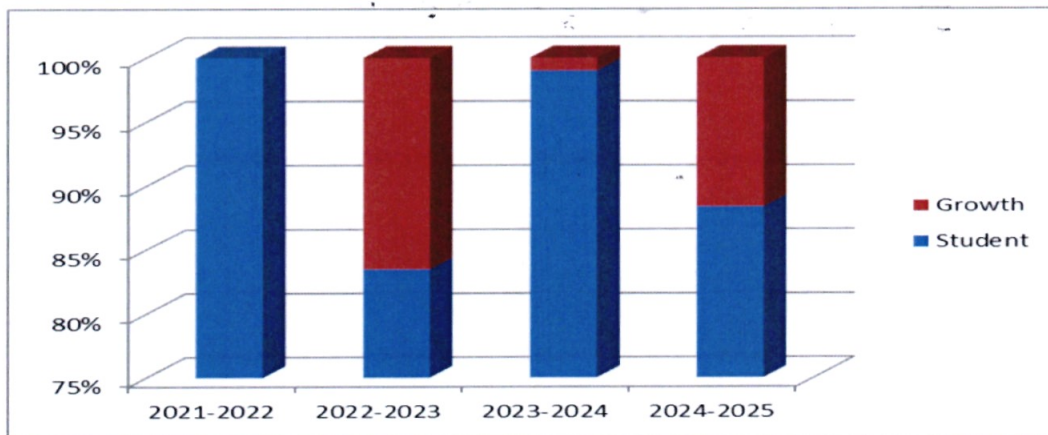
which has increase funding of the activities of the TVET institution. The institute aimed to improver it cash flow further as we anticipate more student to enrol in technical training courses furthermore the institute is in top gear of establishing and full implementing new IGAS to co-op water and your hut production in the institution. With the IGAs in place their will further our base of funding of projected marked for the expansion of the institution infrastructure for the serene and conducive learning of the trainees.

Pertaining to trends within the Education sector, University, Tertiary and secondary school sponsor, guardians have been lifted from the burden of high school fees payment as the government has categorise fees payment in bands which leave households with minimum fees payment to pay which again the trainees access the balances through HELB.

As a key driver to the attainment of the bottom up economy, MINaP has adopted and implemented CBET courses that are streamlined to address the mismatch between industry and the needs of the economy; and training for job creation for global competitiveness. The Institute has developed world class infrastructure and facilities and strives to improve so as to provide quality technical education. Moreover, the institute is implementing resource mobilization strategies' so as to enhance its A.I.A

During the year ended June 2025, the Institution had **6,025** students compared to **5,234** in year 2023-2024 which is 0.8687% up wards move. The increased number of students resulted in improved revenue. Enrolment for the institute is as below:

Student Growth Rate



MINaP is experiencing tremendous growth and the management is vigorously pursuing additional funding and technical support from Government agencies and development partners. In the Institution level, program-based budgeting is effective as financial control. This serves to ensure that the Institution allocates resources based on planned and prioritized activity. This means that the cost of each activity will be traced to the product or service as per the Institution plan. To further enhance service delivery through effective financial management, the Institute will concentrate on eliminating wastages.

i. Government Funding

During the financial year 2024-2025, the operations of the institution both current and development were done effectively although non remittance of part of scholarships and capitation for the trainees.

ii. Student fees

Management has installed robust internal control for the fees collection and this has tightened fees collection. Furthermore, institution was able to operate smoothly in its core mandate as well paying its supply on time and meeting its current obligation on time.

MANAGEMENT DISCUSSION AND ANALYSIS(Continued)

GENERAL ADMINISTRATION RISKS						
TOP MANAGEMENT						
Risk No.	Name Of The Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
1.	Funding risks	3	4	12	<ul style="list-style-type: none"> ➤ Enhance fees collection ➤ Income generating project ➤ HELB/NGCDF funding 	Principal, Registrar, Dean of Students Finance Officer
2.	Loss of funds	4	4	16	<ul style="list-style-type: none"> ➤ Use of biometric ➤ Exam cards ➤ Class attendance register ➤ Use of approved budget 	Principal, FO PO HOD
3.	Political risk	3	4	12	<ul style="list-style-type: none"> ➤ Consultative meeting ➤ Recruitment on regional balance ➤ Engage them on projects 	Principal, HR, FO, Building committee
4.	Reputational Risk	4	4	16	<ul style="list-style-type: none"> ➤ Quality Assurance (External results) ➤ Maintain of discipline ➤ Relationship with media ➤ 	Principal, HoDs,QA Internal Auditor
5.	Litigation Risk	3	4	12	<ul style="list-style-type: none"> ➤ Comply to regulatory and statutory rules ➤ Use of qualified personnel ➤ Use of established mechanism 	Principal, Finance Officer HoDs, Legal experts
INTERNAL AUDIT						
OBJECTIVE: To ensure that organization risk management, governance and internal control processes are operating effectively						
Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
6.	Weak organization controls	3	4	12	<ul style="list-style-type: none"> ➤ Designing tests to obtain reasonable assurance that controls are operating effectively 	Internal auditor

7.	Failure to detect misstatements	2	2	4	➤ Designing tests to obtain more evidence based on risk analysis	Internal auditor
8.	Inherent Risk	4	5	20	➤ Increasing the sample size during audit	Internal auditor
9.	Noncompliance with statutory and regulatory requirements	5	5	25	➤ Continuous Professional Development ➤ Aligning & adhering to statutory and regulatory requirements	Internal auditor
HUMAN RESOURCE RISKS. OBJECTIVE: TO PLAN, ORGANISE, CONTROL, CO-ORDINATE AND DIRECT ACTIVITIES AND ACTIONS OF EMPLOYEES.						
Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
10.	Ineffective recruitment and retention strategies	3	4	12	<ul style="list-style-type: none"> ➤ Sound recruitment policy ➤ Skills development strategies. ➤ Staff reward and motivation incentives 	HR
11.	Inadequate Training and development	3	4	12	<ul style="list-style-type: none"> ➤ Engage an external Training Needs Assessment consultant ➤ Incorporate skills development into regular performance appraisal process ➤ Encourage learning and organize for staff to learn and develop in their skills. ➤ Provide opportunities for growth through training and skills development 	HR
	De-motivated workforce leading to high staff turnovers Reduced productivity High turnover rate Non achievement of organizational goals	4	4	16	<ul style="list-style-type: none"> ➤ Keep compensation and benefits packages as simple and fair. ➤ Build employee reward programs. ➤ Avoid staff discrimination and ensure compensation is based on performance and contribution to the business goal. 	HR

12.	Non-compliance of Employment statutory regulatory requirements	2	1	2	<ul style="list-style-type: none"> ➤ Sound internal and external legal advice ➤ HR processes and procedures in place ➤ Compliance of the occupational health and safety act ➤ Ensure safe workplace area. ➤ Ensure proper working procedures 	HR
13.	Data and information insecurity due to: malware, power failure and cyber attack	1	4	4	<ul style="list-style-type: none"> ➤ Acquire UPS ➤ Regular Backup of payroll & personnel information ➤ Use of password ➤ Firewall 	HR/SA
14.	Poor Workplace culture	4	3	12	<ul style="list-style-type: none"> ➤ Adherence of the HR policies ➤ Code of conduct ➤ Sensitization of work place culture and diversity 	HR

SECURITY

OBJECTIVE: *To ensure security of The National Polytechnic is maintained at all times.*

Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
15.	Theft of properties in the institute	4	4	16	<ul style="list-style-type: none"> ➤ CCTV surveillance ➤ Perimeter fence ➤ Hire and maintain security officers ➤ Where necessary put items under lock and key ➤ Burglar proof offices 	PRINCIPAL DP.ADMIN FINANCE OFFICER HODS
16.	Terrorists attack	3	5	15	<ul style="list-style-type: none"> ➤ Screening at the gate ➤ Security checks of persons and vehicles ➤ Use of biometric system ➤ Reporting of suspicious characters for interrogation 	PRINCIPAL DP.ADMIN HODS

17.	Business disruption	4	5	20	<ul style="list-style-type: none"> ➤ In case of covid 19, adhere to MOH protocols, closure of institution. In case of fire, we shall install firefighting equipment and firefighting practices and fire drills. ➤ In case of strike, we involve government security personnel, closure of school and create awareness of consequences. ➤ In case of an epidemic, we collaborate with MOH 	PRINCIPAL DP.ADMIN HODS
18.	Loss of Information security	4	4	16	<ul style="list-style-type: none"> ➤ Use clear screen and desk practice ➤ Use password on computers ➤ Use lockable cabinets ➤ Inculcate personal discipline 	PRINCIPAL DP.ADMIN HODS

TRANSPORT

OBJECTIVE: *To ensure transport management is carried out effectively and efficiently*

Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
19.	Accident occurrence	3	4	12	<ul style="list-style-type: none"> ➤ Comprehensive insurance for all institute vehicles ➤ Capacity building to institute drivers 	PRINCIPAL HOD
20.	Non-compliance to NTSA rules and regulations	3	2	6	<ul style="list-style-type: none"> ➤ Adhere to NTSA rules and regulations ➤ Ensure work ticket are filled and signed appropriately 	HOD D/P ADMIN
21.	Malicious damage institute vehicles	3	4	12	<ul style="list-style-type: none"> ➤ Guard institute vehicles at all times ➤ Install CCTV in the institute vehicles vicinity 	PRINCIPAL HOD
22.	Deterioration of vehicle condition	4	2	8	<ul style="list-style-type: none"> ➤ Provide proper housing to all institute vehicles ➤ Designate parking for MINAP vehicles ➤ Maintain a schedule for vehicle 	PRINCIPAL DP.ADMIN

					maintenance	
23.	Vehicle breakdown	3	4	12	<ul style="list-style-type: none"> ➤ Maintenance of institute vehicles as per the schedule ➤ Collaborate with maintenance suppliers' for spare parts and emergency repairs. 	PRINCIPAL DP.ADMIN
HIRING OF INSTITUTE FACILITIES						
OBJECTIVE: To provide institute facilities for hire when required by customers						
Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
24.	Loss of customers	3	3	9	<ul style="list-style-type: none"> ➤ Do proper marketing ➤ Use competitive pricing on hired goods ➤ Assign personnel any time goods or services are hired to ensure safety and security of items. 	PRINCIPAL DP.ADMIN FINANCE OFFICER
25.	Theft of hired goods	3	4	12	<ul style="list-style-type: none"> ➤ Make a bidding contract with the customer, who will bear the consequences in case of theft. 	-PRINCIPAL -DP.ADMIN -FINANCE OFFICER -P.O
26.	Over use of hired goods	3	2	6	<ul style="list-style-type: none"> ➤ Make a bidding contract with the customer on duration of use and stipulate measures to recover by surcharging. 	-PRINCIPAL -DP.ADMIN -FINANCE OFFICER
FINANCE DEPARTMENT:						
OBJECTIVE: Ensure prudent management of institute's financial resources by 30th June 2025						
Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility

27.	Delay in payment of salary	2	2	4	-Ensure payment of salary is done before 3 RD of proceeding month	F.O
28.	Delay in submission of statutory deduction	1	3	3	-Ensure payment of statutory deduction is done as stipulated	F.O
29.	Uncollected revenue	3	3	9	-Lobby with government bodies -Use of exam cards -Use of biometric -New admission upon 75%fee payment	F.O
30.	Intrusion into system	1	5	5	-Creation of user accounts -Use of password	FO System Admin

Deans office

Objective: To effectively handle issues of students welfare in The Michuki National Polytechnic

Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
31.	Students unrest due to poor students' governance	3	3	9	➤ Training of leaders ➤ Free and fair election process(involve IEBC in students' elections)	Dean of students
32.	Negative reputation on the dean's office due lack of confidentiality	3	2	6	➤ implement access control policy ➤ Sensitize office staff on confidentially.	Dean of students
33.	Loss of revenue due to alteration of accommodation documents.	4	3	12	➤ Sensitize office staff on integrity ➤ Implement password policy	Dean of students
34.	Medical emergency occurring at night	4	5	20	➤ Sensitize the students on health issues ➤ train staff and students on basic first aid. ➤ have stand by driver handle emergencies at night	Dean of students
35.	Lack of cohesion among students	3	3	9	➤ Sensitization of students on national cohesion ➤ Intensify sporting activities	Dean of students

HOUSE KEEPER						
Objective: To provide clean, safe and comfortable environment effectively and efficiently to the student and staff of MINaP at all times.						
Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
36.	Outbreak of Fire in hostels	3	4	12	<ul style="list-style-type: none"> ➤ Regular service of fire-fighting equipment ➤ Conduct fire drills ➤ sensitize students on illegal electricity connections 	House keeper/ Security personnel /Principal
37.	Illegal accommodation of students in hostels	2	3	6	<ul style="list-style-type: none"> ➤ proper use of accommodation register to verify hostel occupants 	Dean of students/ House keeper Finance officer
38.	Chemical burns from cleaning agents	2	3	6	<ul style="list-style-type: none"> ➤ Train on proper use and handling of chemicals ➤ proper labeling of chemicals 	House keeper
39.	High cleaning staff turn over	3	3	9	<ul style="list-style-type: none"> ➤ Provide good working tools and equipment ➤ Provide good personal protective equipment ➤ conducive /good staff welfare 	House keeper HR
40.	Negative image (due to dirty floor and surfaces)	3	4	12	<ul style="list-style-type: none"> ➤ Duty allocation- ➤ Develop a time plan for cleaners ➤ Have a check list for supervision 	House keeper/Deputy principal Adm.
SPORTS AND RECREATION						
Objective: To identify and nature talented students in sports and games.						
Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
41.	Lose of sports equipment	2	2	4	<ul style="list-style-type: none"> ➤ Maintaining key registers ➤ Stores office under lock and key 	-Sports officer -P.O

					always ➤ Lockable boxes ➤ Issuance register ➤ Sensitization	
42.	Injuries during games	2	2	4	➤ Sensitization on safety during games	Sports officer
43.	Lack of playing fields	4	4	16	➤ Request for alternative playground ➤ Hire playgrounds when need arise	Sports officer DP ADMIN
44.	Incompetent coaches	4	4	16	➤ Capacity building of coaches through training ➤ Expose the coaches in practical aspects	Sports officer DP ADMIN
45.	In adequate sporting equipment	3	3	9	➤ Budget for acquisition of sports equipment ➤ Seek for partnership and sponsorship from stakeholders	Sports officer DP ADMIN

GUIDANCE AND COUNSELLING

OBJECTIVE: Provision of guidance and counseling services to students.

Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
46.	Conflict of interest due to Dual relation	4	3	12	➤ Segregation of duties ➤ Scheduled counseling forum ➤ Peer counselors sensitization forum	G&C Coordinator
47.	Inadequate G&C skills	2	2	4	➤ Capacity building on trainers and peer counselors	G&C coordinator
48.	Inadequate funding	3	3	9	➤ Adequate budget	Principal
49.	Unauthorized access to confidential information	1	4	4	➤ Coding of clients ➤ Key management	G&C Coordinator
50.	Inadequate funding	3	3	9	➤ Adequate budget	Principal Finance Officer

ICT SUPPORT

OBJECTIVE: To support effective ICT operations within the institute.

Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
51.	Attack by malware such as computer viruses, worm	3	3	9	<ul style="list-style-type: none"> ➤ Install updated antivirus ➤ Limit software installation to ICT personnel only 	HOD ICT Support ICT Technician
52.	Loss of departmental data.	4	2	8	<ul style="list-style-type: none"> ➤ Backup of critical data ➤ Controlled access to server/ main office computers. ➤ Use of firewall 	HOD ICT Support ICT Technician
53.	Unauthorized access to the institute systems	4	3	12	<ul style="list-style-type: none"> ➤ Use of username and password for all users accounts ➤ Train user on how to safe guide critical login data ➤ Use of firewall 	HOD ICT Support ICT Technician System end Users
54.	Out-dated software's and hardware's	2	4	8	<ul style="list-style-type: none"> ➤ Continues upgrading of software/ hardware 	HOD ICT support Principal
55.	Computer damage due to human/ electrical problems.	3	3	9	Proper cabling of computing devices Use of power guards and surge protectors Use backup battery for server computer Limit hardware repair to ICT personnel only. Repair and maintenance schedule per term for all computing devices	HOD ICT Support ICT Technician

PROCUREMENT

OBJECTIVE: Ensure that procurement of public goods and services is done as per the compliance laws and regulation and also in accordance with a system which is fair, competitive, transparent, equitable and cost effective.

Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
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56.	Delay in timely provision of essential services due to late approvals and delayed supplies	2	3	6	Timely approval	P.O FINANCE OFFICER
57.	Substandard or poor quality services	2	3	6	Inspection and acceptance committee put in place project supervision Supplier reviews	PRINCIPAL P.O
58.	Compliance risk	2	3	6	Adherence to laws and regulation in procurement	PRINCIPAL P.O F.O
59.	Overstatement or understatement of the need	3	3	6	Preparation of proper budgeting	H.O.D'S
60.	Lack of procurement plan	1	5	5	Preparation of proper procurement plan	H.O.D'S P.O FINANCE OFFICER

ISO

OBJECTIVE: To ensure that organization risk management, governance and internal control processes are operating effectively

Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
61.	IMS non-compliance due to inadequate understanding of requirements by new staff	4	3	12	QMS as an agenda at departmental meetings Induction of new staff on QMS by HODs.	MR
62.	Non adherence to the audit programme	2	2	4	Circulation of the programme at the beginning of the year Support by the Top management	MR
63.	Failure to maintain ISO certification	3	3	9	Documented processes Monitoring and evaluation Internal audits Management reviews	MR

					Payments for requisite fees Liaising with certification COGy	
DEPUTY PRINCIPAL ACADEMICS						
Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
64.	Poor lecture attendance by trainers	3	4	12	Enhance on trainers' daily attendance register. Enhance use of lecture attendance forms Enhance monitoring through spot checks	DPAA Academic HODS Class Reps
65.	Constant changes in the institutional timetable	4	2	8	Timely replacement & recruitment of trainers Properly prepared and validated workload. Appoint and train adequate timetables	DPAA HOD'S HR
66.	Delay in recruitment of trainers	4	4	16	Enhance timely requisition of trainers. Enforce early recruitment. Maintain a data base for potential trainers	HOD HR
67.	Unauthorized interference with the institutional timetable	3	4	12	Enhance use of password policy to limit unauthorized access. Have lockable timetable noticeboards.	DPAA
68.	Failure to achieve the set performance target.	3	4	12	Enhance monitoring Follow up on exam analysis recommendations Conduct regular Academic meetings. Introduction of Departmental Academic Excellence trophy.	DPAA
MATHEMATICS AND SCIENCE DEPARTMENT						
Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility

69.	Failure of Math's trainers to attend to their duties on time	3	3	9	Monitoring lecturer attendance register Make-up lessons Sensitizing and addressing concerns in department meetings Make up lessons Escalating the matter if it persists	HOD Maths
70.	Failure/truancy of trainees to attend lectures	3	3	9	Conduct roll calls for every lesson Sensitization on the effects of absenteeism	HOD Maths
71.	Unauthorized access to departmental sensitive printed and electronic data	4	2	8	Lockable cabinets Change password on departmental computer Sensitize the department staff on password policy	HOD Maths System admin
72.	Inadequate training resources e.g. department laptop, backup gadgets	2	4	8	Requisition of the gadgets and teaching materials	HOD Maths
73.	Ineffectiveness of trainers due to teaching overload	3	4	12	Request for adequate trainers	Principal HOD Maths

LIBERAL STUDIES

Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
74.	Failure of teaching staff to attend to their duties	3	3	9	Monitoring lecturer attendance Sensitizing and addressing concerns in meetings Make up lessons Escalating the matter if it persists	HOD Liberal
75.	Failure of students to attend classes	3	3	9	Roll calls every lesson Sensitization on the effects of absenteeism	HOD Liberal Trainers
76.	Unauthorized access to sensitive unlikely and electronic data	4	2	8	Lockable cabinets Password on departmental computer Sensitize office staff	HOD Liberal System admin

77.	Inadequate resources e.g. laptop when needed.	2	4	8	Using available resources e.g. phone Requisition of the gadgets	Head of Department Trainers
78.	Ineffectiveness of trainers due to burnout	3	4	12	Request for staff	Head of Department
BUSINESS DEPARTMENT						
Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
79.	Low enrollment	2	2	4	-Marketing Of departmental courses	-Process owner -Members/ Trainers
80.	Poor Performance	2	2	4	-Timely Syllabus coverage	-Process owner -Members/ Trainers
81.	Drop out Cases	3	3	9	-Counseling -Class attendance register	-Process owner -Class teachers -Members/ Trainers
82.	Trainee Indiscipline	2	2	4	-Counseling -Institution's Rules and regulations	-Process owner -Class teachers -Members/ Trainers
83.	Absenteeism By trainers	3	3	9	-Class attendance register -Teaching monitoring reports	-Process owner -Dps -Principal
ELECTRICAL DEPARTMENT						
Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
84.	Electric shock & burns from	5	4	20	Covering of naked wires Earthing all metallic parts	H.O.D

	contact with live wire					
85.	Injury from exposure faulty electrical equipment's	5	4	20	Clear, clean gang ways Posters Use of PPEs	H.O.D
86.	Loss of tools and materials	4	4	16	CCTV REGISTERS TAGGING OF TOOLS	H.O.D Trainers
87.	Poor performance.	3	4	12	-Syllabus coverage -Sensitizing trainers On attendance -Lobbying for trainers.	HOD trainers
88.	Trainers indiscipline	3	4	12	-Rules and regulation. Attendance register Counseling.	HOD trainers

INSTITUTIONAL MANAGEMENT DEPARTMENT

Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
89.	Poor performance due to trainee absenteeism & truancy	4	4	16	➤ Sensitization ➤ class registers ➤ lesson attendance registers ➤ Disciplinary Actions register.	H.O.D INSTITUTIONAL MGT
90.	Poor performance due to high turnover of B.O.G Staff.	3	3	9	➤ Induction, ➤ Team teaching, ➤ Motivation, ➤ Improved working environment,	H.O.D INSTITUTIONAL MGT
91.	Theft of workshop equipment	4	3	12	➤ Tagging of equipment ➤ Issuance register ➤ Access control ➤ Induction a technicians	H.O.D INSTITUTIONAL MGT
92.	Injury during training	2	2	4	➤ Sensitization meetings, ➤ Workshop safety precautions, ➤ Provision of first aid kit	H.O.D INSTITUTIONAL MGT

93.	Destruction of property due to Fire Outbreaks	4	2	8	<ul style="list-style-type: none"> ➤ Sensitization meetings, Install firefighting equipment, ➤ Carry out fire drills. 	H.O.D INSTITUTIONAL MGT
ICT DEPARTMENT						
Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
94.	Inadequate teaching staff	3	3	9	-Requisition of additional trainers -Online teaching	-H.O.D
95.	Class Attendance Absenteeism	3	3	9	-Class attendance Register -Sensitization meetings	H.O.D
96.	Assessment Absenteeism	3	3	9	-Awareness --Sensitization meetings	H.O.D
97.	Late preparation/submissions of teaching documents	3	3	9	-Effective communication --Sensitization meetings	H.O.D
98.	Low enrolment	3	3	9	-Marketing -Publicity	H..D
BUILDING DEPARTMENT						
Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
99.	Unattended classes	3	3	9	<ul style="list-style-type: none"> ➤ Monitoring lecturer attendance register ➤ Close monitoring of lectures attendance 	HOD
100	Inadequate skills in some trainers	2	2	4	➤ Capacity building sessions for trainers	HOD
101	Inadequate staff(trainers)	3	3	9	➤ Lobbying for more trainers	HOD System admin
102	Pilferage in the workshops	3	3	9	<ul style="list-style-type: none"> ➤ Install surveillance cameras ➤ Additional technician 	HOD

					➤ Surcharging the culprits	
103	Inadequate learning equipment in the workshop	3	3	9	<ul style="list-style-type: none"> ➤ Arranging the learners in groups when in the workshop ➤ Lobbying for more learning equipment 	HOD
ODEL OBJECTIVE: Evaluation of the curriculum						
Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
104	Unavailability of standard online content	3	3	9	<ul style="list-style-type: none"> ➤ Motivation to content developers ➤ Ensure adherence to TVET ODeL standard ➤ Moderate/approve online content 	-H.O.D - ODeLcommittee
105	Low uptake of on online classes	2	2	4	<ul style="list-style-type: none"> ➤ Creation of awareness ➤ Training 	H.O.D
106	Absenteeism for residential sessions	3	3	9	<ul style="list-style-type: none"> ➤ Induction of trainees at the start of the programme ➤ Effective communication 	H.O.D
107	Non adherence to timelines in online submission for assignment	3	3	9	<ul style="list-style-type: none"> ➤ Control in the LMS platforms ➤ Induction of trainees at the start of the programme ➤ Effective communication 	H.O.D
108	Plagiarism of content	3	3	9	<ul style="list-style-type: none"> ➤ Use of anti-plagiarism software ➤ Encourage use of open education resources 	H.O.D
EXAMINATION OFFICE OBJECTIVE: Evaluation of the curriculum						
Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
109	Exams malpractice	3	3	9	<ul style="list-style-type: none"> ➤ Invigilation ➤ Structural Arrangements in the 	<ul style="list-style-type: none"> • Principal • Examinatio

10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

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

a. Sustainability strategy and profile -

The triple Bottom Line concepts analyses the sustainability of an organization based on three concepts: Profits, people (social) and Planet (environment).

Profit: The institute has benefited greatly through the financial Support received from national government through NGCDF, NGAAF, HELB, grants and capitation. This has led to improved and expanded infrastructure thus resulting in increased student enrolment.

Social: Devolution system of Government has contributed to the increased demand for skills at the county level hence increased student enrolment. This has been necessitated with the subside and standardised fees structure and this has impacted the community around the institution.

Environment: The Board of governance has plans to undertake an environmental sustainability audit and develop an environmental policy to address the issues of environmental sustainability that will be identified during the audit as this will improve the image of the TVET institution at glance.

Category	Issue(s)	Description of effect	Action to mitigate
Political	Favourable Political situation	<ul style="list-style-type: none"> ➤ Increased student enrolment ➤ Conducive learning environment 	<ul style="list-style-type: none"> ➤ Surveillance and intelligence on potential risks
	Devolution system of Government	<ul style="list-style-type: none"> ➤ Demand for skills at the county level hence increased student enrolment 	<ul style="list-style-type: none"> ➤ Lobby/ Create linkages with the County Governments.
	Financial Support from national government through NGCDF, NGAAF, HELB, grants and capitation.	<ul style="list-style-type: none"> ➤ Improved and expanded infrastructure ➤ Increased students enrolment 	<ul style="list-style-type: none"> ➤ Prudent use of government funds ➤ Accountability in the use of available resources

b. Environmental Sustainability

The institute has an environmental policy that provides a framework for: reducing negative environmental impacts such as such energy or water consumption, waste management or impacts on natural systems. The Michuki National Polytechnic has adopted the following.

- a) Waste segregation bins for ease disposal and further treatment / processing. This has resulted in an effective and sustainable waste management system and reduction of pollution
- b) Having an annual environmental awareness week and participation in college environmental activities spearheaded by the Nature Club. The year under report environmental awareness week culminated in planting trees within the communities surrounding the institution.
- c) Energy conservation by use of “Turn off lights stickers ” being mounted on switches all around the institution. The stickers were sensitize the institute community on energy saving

C). Economic and Financial Sustainability

The Michuki National Polytechnic is largely financed by the Government of Kenya to undertake its core mandate. This is supplemented with internally generated funds from tuition fees charged to students. Furthermore, the institute has rationalized its activities to fit within existing budgetary allocations. This is done to enhance financial sustainability.

c. Employee welfare

At The Michuki National Polytechnic, we integrate the principles of social responsibility into our core mandate internally by exhibiting the behaviours of good corporate governance, ethical decision making, and providing our personnel with opportunities to develop and excel. We also seek to minimize our environmental impact and seek to enhance the amenity of residential communities.

We value our employees who are directly or indirectly involved in training of our students and contribute to their potential to bring positive social and environmental change. We value the contribution that individuals and external entities make to our Institute through community consultation process.

The Institutes Human Resource Manual guides on hiring and appraisal of the staff. Staff training and development has been factored in the annual budget to ensure that our staff are trained and equipped in regard to emerging issues. The Michuki National Polytechnic has total of 192 employees of which 66, 84, and 42 are PSC trainers, council trainers and non-teaching staffs respectively.

d. Market place practices

Responsible Supply Chain and Supplier relations

As per the government policy and Section 227 of The Constitution of Kenya, the institute has ensured that it complies with procurement regulations.

1. All procurement activities are carried out where Supply Chain ensured that there are sufficient funds to meet the obligations of the resulting contract and are reflected in the approved budget estimates. Knowledge of available funds acts as a guide in knowing what to procure and when to procure.
2. The Institute has maintained and continuously updated a list of registered suppliers, contractors and consultants in various specific categories of goods, works or services according to its procurement needs

The Michuki National Polytechnic ensures that;

- i) Customers are provided with support when and where required. This entails listening keenly to suppliers, contractors and consultants and responding appropriately.
- ii) Proper communication channels e.g. Telephone lines and emails are open so as to make sure information is passed across efficiently and effectively between the procurement department and the suppliers.
- iii) When doing procurement planning, the institute has complied with preference and reservation requirements.
- iv) Supply Chain function has ensured timely submission of the suppliers' invoices to facilitate payment process by the finance department after delivery of goods, services or works is completed. This helps in making sure that the payment process is not delayed. Timely payment of suppliers helps in maintaining a good relationship with the supplier and also avoiding of penalties that may arise from delayed payment.
- v) Supply Chain also makes follow ups of invoices issued to finance for payment process to ensure timely payments of suppliers.
- vi) The Institute has marketing policy for its programmes that guides on the safety of the consumers rights and interest with an objective of enhancing visibility of the Institute and its programmes and as well as positioning The Michuki National Polytechnic of choice.

e. Corporate Social Responsibility/ Community Engagements

The Institute carried out various CSR activities during the year under review. These activities include:

- Providing tree seedlings
- Tree planting within the community shopping centres
- Cleaning the environment amongst others
- Provide free dustbins to the community within the county (Kangema and Muranga)

a) School Environmental Awareness Programmes

The institute has embraced school environment programmes as tool of enhancing awareness creation on environmental conservation. The programme entailed creating awareness on environmental conservation among trainees and community members. The students are taught how to plant trees seedlings to ensure higher survival rates and also to take care of them till maturity. A total of 8,956 trees were planted, ultimately the trees planted will enhance ecological balances thus sustaining livelihoods as depicted by below photo.



REPORT OF THE COUNCIL MEMBERS

The Board members submit their report and financial statements for the year ended June 30, 2025 which show the state of The Michuki National Polytechnic affairs.

Principal activities

The principal activity of the entity to provide Technical, Vocational and Entrepreneurship Training (TVET) using appropriate technology to empower trainees for individual and national development

Results

The results of the entity for the year ended June 30 are set out on page 1-5.

COUNCILMEMBERS

The council members who served during the year are shown on page v-vii.

Auditors

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

By Order of the Board

Institute Secretary

Date:04/12/2025

11. STATEMENT OF BOARD OF COUNCIL MEMBERS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and (*section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013*) require the Board members to prepare financial statements in respect of that The Michuki National Polytechnic, which give a true and fair view of the state of affairs of the *entity* at the end of the financial year/period and the operating results of the *entity* for that year/period. The council members are also required to ensure that the *entity* keeps proper accounting records, which disclose with reasonable accuracy the financial position of the *entity*. The council members are also responsible for safeguarding the assets of the *entity*.

The council members are responsible for the preparation and presentation of the *entity* financial statements, which give a true and fair view of the state of affairs of the *entity* for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *entity*; (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 *entity*; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for the *entity* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Board members are of the opinion that the *entity's* financial statements give a true and fair view of the state of *entity's* transactions during the financial year ended June 30, 2025, and of the *entity* financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the *entity* financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

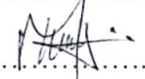
The financial *entity* statements were approved by the Board on **31st, July 2025** and signed on its behalf by:

Name: **BENSON N.KAMAU**

Signature.....

Chairperson of the Council

Name: **ANNE M.MBOGO**

Signature.....

Accounting Officer/Principal

REPUBLIC OF KENYA

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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Michuki National Polytechnic set out on pages 1 to 31, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts, for the year then ended and a summary of significant accounting policies and

other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, 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 Michuki National Polytechnic as at 30 June, 2025, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Adjustment and Undisclosed Property, Plant and Equipment

The statement of financial position and as disclosed in Note 19 to the financial statements reflect property, plant and equipment balance of Kshs.779,804,761. However, review of the assets' movement schedule in Note 19 to the financial statements revealed unsupported accounting adjustment of Kshs.136,660,041. Further, the Institution had assets donated by the Chinese government whose value was not disclosed in the financial statements.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.779,804,761 could not be confirmed.

2. Inaccuracies in the Statement of Cashflows

The statement of cashflows reflects cash and cash equivalents balance of Kshs.27,945,559. However, Note 23 to the financial statements on cash generated from operations reflects increase in receivables of Kshs.8,276,006 which differs with the statement of financial position movement of Kshs.4,994,868 resulting in unreconciled variance of Kshs.3,281,138.

In the circumstances, the accuracy and completeness of the statement of cash flows could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipt budget and actual on comparable basis of Kshs.363,270,900 and Kshs.329,268,185. The

Polytechnic expended Kshs.377,336,143 against actual receipts of Kshs.329,268,185 resulting in over expenditure of Kshs.48,067,958 without approved supplementary budget.

The over expenditure may be an indication of poor budgeting.

My opinion is not modified in respect this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year various issues were raised under the Report on Lawfulness and Effectiveness in use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance.

Review of the status during audit of the National Polytechnic in 2024/2025 revealed that the following matters remained unresolved.

No.	Financial Year	Audit Issue
1.	2023/2024	Anomalies in Revenue from Exchange Transactions
2.	2023/2024	Unsupported Motor Vehicle Expenses
3.	2023/2024	Unsupported Security Expense
4.	2023/2024	Unsupported Expenditure on Board Expenses
5.	2023/2024	Unsupported Repairs and Maintenance Expenses
6.	2023/2024	Long Outstanding Trade Receivables
7.	2023/2024	Inaccurate Biological Assets Balance
8.	2023/2024	Inaccuracy of Intangible Assets
9.		Unsupported Trade and Other Payables
10.	2023/2024	Non-Competitive Procurement Process and Contract Management
11.	2023/2024	Failure of Trainers to Register with TVET Authority

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with the Public Sector Accounting Standards Board (PSASB) Reporting Requirements

The financial statements presented for audit did not comply with the PSASB reporting requirements as detailed below,

- (i) Note for reconciling cash generated from operating activities is missing.
- (ii) Page numbering on page 4 is missing.
- (iii) Statement of changes in net assets and statement of cashflows have been presented in one page instead of separate pages.
- (iv) Names of the Council Chairman, Chief Principal and Finance Officer who signed the statement of financial position on page 2 were not indicated.

In the circumstances, Management was in breach of the PSASB guidelines.

2. Irregular Transfers to Kenya Association of Technical Training Institutes (KATTI)

The statement of financial performance reflects use of goods and services of Kshs.199,994,928 as disclosed in Note 10 to the financial statements. Included in the amount is Kshs.57,262,276 in respect to administration costs. Records provided for audit review revealed that the Polytechnic transferred Kshs.100,000 to Kenya Association of Technical Training Institutes (KATTI). KATTI is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government funding system and there is no assurance that it has implemented effective, efficient, and

transparent financial management and internal control systems to manage the funds transferred.

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

3. Non-Compliance with Law on Ethnic Composition

The statement of financial performance reflects employee costs of Kshs.47,950,759 as disclosed in Note 11 to the financial statements. During the year under review, the Polytechnic employed twenty-nine (29) staff out of which seventeen (17) representing 59% were members of dominant ethnic community in the County. This was contrary to Section 7(1) and 2 of the National Cohesion and Integration Act, 2008 which states that all public offices shall seek to represent the diversity of the people of Kenya in employment of staff and that no public Institution shall have more than one third of its staff establishment from the same ethnic community.

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

4. Irregular Use of Direct Procurement Method

The statement of financial performance reflects use of goods and services of Kshs.199,994,928 as disclosed in Note 10 to the financial statements. Included in the amount is Kshs.57,262,276 as administration costs. Review of payment records revealed that Management awarded the services of a conference facility through direct procurement at a cost of Kshs.1,085,583. This was contrary to the conditions set under Section 103 of the Public Procurement and Asset Disposal Act, 2015.

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

5. Non-Compliance with Public Procurement Capacity Building Levy Order

Audit review of payments for signed contracts amounting to Kshs.169,916,873 revealed, that Kshs.50,975 being capacity building levy of 0.03% as required by Legal Notice No. 206 of 2023 was not deducted and remitted to the Public Procurement Regulatory Authority.

In the circumstances, Management was in breach of Legal Notice No. 206 of 2023.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance

section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Ineffective System of Internal Controls on Imprest Management

Review of system of internal controls on imprest management revealed that imprests were issued without warrants. Further, review of imprest registers and imprest requisitions revealed that job groups were not indicated as required by Regulation 91 of the Public Finance Management (National Government) Regulations, 2015.

In the circumstances, Management of imprest was not effective.

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

Responsibilities of the Management and the Board of Governors

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

17 December, 2025

THE MICHUKI NATIONAL POLYTECHNIC ANNUAL REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED ON 30TH JUNE 2025

**13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE
2025**

	Notes	FY2024-2025	FY2023-2024
Description		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government–grants	6	91,501,576	86,810,250
Total Revenue from non-exchange transactions		91,501,576	86,810,250
Revenue from exchange transactions			
Rendering of services-Fees from students	7	242,847,982	216,428,173
Rental revenue from facilities and equipment	8	566,300	300,200
Miscellaneous income	9	6,264,354	4,647,965
Revenue from exchange transactions		249,678,636	221,376,338
Total revenue		341,180,212	308,186,588
Expenses			
Use of goods and services	10	199,994,928	164,438,369
Employee costs	11	47,950,759	42,554,511
Board Expenses	12	7,727,324	6,221,170
Depreciation and amortization expense	13	39,690,727	33,295,230
Repairs and maintenance	14	29,470,126	19,154,443
Grants and Subsidies	15	4,531,941	8,492,833
Total expenses		329,365,805	274,156,556
Net (deficit)/surplus for the year		11,814,407	34,030,032

THE MICHUKI NATIONAL POLYTECHNIC ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 30TH JUNE 2025

14. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2025

Description	Notes	FY2024- 2025 Ksh	FY2023- 2024 Ksh
Assets			
Current assets			
Cash and cash equivalents	16	27,945,559	73,013,517
Receivables from exchange transactions	17	32,042,428	27,047,560
Total Current Assets		59,987,987	100,061,077
Non-current assets			
Biological assets	18	243,750	325,000
Property ,plant and equipment	19	779,804,761	726,347,707
Intangible Asset-Computer software	20	5,469,596	4,678,700
Total Non-Current Assets		785,518,107	731,351,407
Total assets		845,506,094	831,412,484
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	21	19,193,957	18,602,919
Refundable Deposit from Students	22	9,765,836	7,980,584
Total Current Liabilities		28,959,793	26,583,503
Represented By:			
Capital Fund		566,714,000	566,714,000
Accumulated Surplus		174,793,615	163,076,295
Revaluation Reserve		75,038,686	75,038,686
Total Capital and Reserves		816,546,301	804,828,981
Total Liabilities and Capital & Reserves		845,506,094	831,412,484



Council Chairman



Chief Principal



Finance Officer
ICPAK No.22979

Date: 04/12/2025

Date: 04/12/2025

Date: 04/12/2025

THE MICHUKI NATIONAL POLYTECHNIC ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 30TH JUNE 2025

15. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30TH JUNE 2025

Description	Revaluation reserve Ksh	Accumulated Surplus Ksh	Capital Fund Ksh	Total Ksh
Balance as at 1st July 2024	75,038,686	129,254,058	566,714,000	771,006,744
Provision for bad debts & doubtful debts	-	(207,795)	-	(207,795)
Surplus for the year June 2024	-	34,030,032	-	34,030,032
Balance as at June 30th, 2024	75,038,686	163,076,295	566,714,000	804,828,981
At 1 st July 2024	75,038,686	163,076,295	566,714,000	804,828,981
Revaluation gain	-	-	-	-
Revaluation gain	-	-	-	-
Increase in provision of bad & doubtful debts		(97,087)	-	-
Surplus(Deficit) for the year	-	11,814,407	-	-
At June 30th, 2025	75,038,686	174,793,615	566,714,000	816,546,301

16. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2025

Description	FY 2024-2025 Ksh	FY 2023-2024 Ksh
Cash flows from operating activities		
Receipts		
Transfers from other Government entities/Govt. grants	91,501,576	86,810,250
Rendering of services- Fees from students	230,935,955	242,677,211
Rental revenue from facilities and equipment	566,300	300,200
Miscellaneous income	6,264,354	4,647,965
Total Receipts	329,268,185	334,435,626
Payments		
Use of goods and services	199,994,928	164,438,369
Employees Cost	47,950,759	42,554,511
Repair and maintenance	29,470,126	19,154,443
Board Expenses	7,727,324	6,221,170
Grants and Subsidies	4,531,941	8,492,833
Total Payments	289,675,078	240,861,326
Net cash flows from operating activities	39,593,107	93,574,300
Cash flows from investing activities		
Purchase of property, plant, equipment	87,661,065	45,321,977
Net cash flows used investing activities	(48,067,958)	48,252,323

THE MICHUKI NATIONAL POLYTECHNIC ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 30TH JUNE 2025

Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Increase in deposits		-	-
Net cash flows used in financing activities		-	-
Net(decrease)/Increase in cash and cash equivalents		(48,067,958)	48,252,323
Cash and cash equivalents as at 1 st July 2024		73,013,517	24,761,194
Cash and cash equivalents as at 30th June 2025		27,945,559	73,013,517

THE MICHUKI NATIONAL POLYTECHNIC ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
ON 30TH JUNE 2025

17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2025

Description	Original budget	Adjustment	Final budget	Actual	Performance Difference	Utilization Difference
	FY2024-2025	FY2024-2025	FY2024-2025	FY2024-2025		
Description	a	b	c=a+b	d	e=(c-d)	f=(e/a)*100
Receipts	Kshs	Kshs	Kshs	Kshs		
Rendering of Services	342,663,900		342,663,900	322,437,531	(20,226,369)	6%
Rental revenue	720,000		720,000	566,300	(153,700)	63%
Miscellaneous	19,887,000		19,887,000	6,264,354	(13,622,646)	69%
Total income	363,270,900		363,270,900	329,268,185	(34,002,715)	
Total Receipts						
Use of goods and services	164,409,432		164,409,432	199,994,928	(35,585,496)	22%
Employee cost	57,122,200		57,122,200	47,950,759	9,171,441	16%
Repair and maintenance	21,900,000		21,900,000	29,470,126	(7,570,126)	35%
BOG Emoluments	10,858,000		10,858,000	7,727,324	3,130,676	3%
Grants and Subsidies	-		-	4,531,941	-	-
Capital Expenditures	108,981,268		108,981,268	87,661,065	21,320,203	20%
Total expenditure Payment	363,270,900		363,270,900	377,336,143	(9,533,302)	13%
Surplus/Deficit	-		-	(48,067,958)	24,469,413	

THE MICHUKI NATIONAL POLYTECHNIC ANNUAL REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED ON 30TH JUNE 2025

Notes to the statement of comparison of budget and actual amounts

a) Rendering of services -6%

In the financial year 2024-2025 institution received Funding from the Ministry as wells fees from students however institution did not receive the full scholarships and grants

b) Rental revenue -37%

The year under review some of the staffs houses were partially paid in the FY2023-2024 and conversation of one of the units to host the security officers in the institution to assists in enhancing security in the institution.

c) Miscellaneous income -31%

The anticipated miscellaneous incomes that the institution aimed to realises did not yield the projected incomes especially after the institution converted the a whole block to a tuition block to increase the classroom for students and realignment of the some votes to the rendering of services as per the template guidelines.

d) Use of Goods and services-22%

The over absorption is due to CBET curriculum and modularization curriculum that emphasise on the practical hence this necessitated high costs for the purchase of learning and training materials.

e) Repairs and maintenance -35%

The over absorption is mainly attributed by the transition costs to a national polytechnic that the institution did not anticipates to incurred.

f) Capital Expenditures -20%

The under absorption is due to inadequate funds from the parent ministry.

Budget Reconciliation

Description of Particulars	Amount in Kshs
Actual Surplus Amounts as per the statement of Budget	(48,067,958)
Closing Cash and Cash Equivalent as per the statement of Cash flows	(48,067,958)

18. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Michuki National Polytechnic is established by and derives its authority and accountability from TVET Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to provide Technical Vocational and entrepreneurship Training (TVET).

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The

THE MICHUKI NATIONAL POLYTECHNIC ANNUAL REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED ON 30TH JUNE 2025

preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the entity's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Notes.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the entity.

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. ADOPTION OF NEW AND REVISED STANDARDS

- i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2025.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.

THE MICHUKI NATIONAL POLYTECHNIC ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 30TH JUNE 2025

Standard	Effective date and impact:
IPSAS 45: Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 43 Leases	<i>Applicable: 1st January 2025</i> The new standard requires entities to recognize, measure and present information on right of use of assets and lease liabilities. The objective of the standard is to ensure that leases and lessor provides relevant information in manner that faithfully represents that transaction. The information will give basis for which users of financial statements assess the effect the leases have on the financial position, financial performance and cash flows of an entity.
IPSAS 46: Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47: Revenue	<i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48: Transfer	<i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer

THE MICHUKI NATIONAL POLYTECHNIC ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 30TH JUNE 2025

Standard	Effective date and impact:
Expenses	provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49: Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

iii. Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2025.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

ii) Revenue from exchange transactions

Rendering of services

The entity 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 entity.

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.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the entity's right to receive payments is established.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions (continued)

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

The original budget for FY 2024/2025 was approved by the Council or Board on 30th June 2025. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity did not record additional appropriations on the FY 2024/2025 budget following the Council/ Board's approval.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actual as per the statement of financial performance has been presented under page 5 of these financial statements.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per first schedule of the Income Tax Act.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Taxes (continued)

Sales tax/ Value Added Tax

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

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

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

d) Investment property

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

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of 50 years.

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

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

e) Property, plant and equipment

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

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

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 %
Softwares	20%

Fixed assets are stated at cost or valuation, less accumulated depreciation. Depreciation is on reducing balance basis.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. The assets are subjected to a full year's depreciation at rate of 20% p.a.

h) Research and development costs

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

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

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of

expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Financial instruments

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 Entity 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. Loss arising from impairment is 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 Entity 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 Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or a entity of 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 the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

Financial liabilities

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 Entity 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.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Inventories (Continued)

THE MICHUKI NATIONAL POLYTECHNIC ANNUAL REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED ON 30TH JUNE 2025

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 Entity.

j) Provisions

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

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

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

Contingent liabilities

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

Contingent assets

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

l) Changes in accounting policies and estimates

The Entity 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

Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (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

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

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) Related parties

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

q) Service concession arrangements

The Entity analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Entity recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Entity 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 imp- rest and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

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) Subsequent events

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

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future

THE MICHUKI NATIONAL POLYTECHNIC ANNUAL REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED ON 30TH JUNE 2025

developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

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

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

Provisions

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. (a) TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

During the year under review the institution received funds from the Ministry of Education as tabulated below; capitation grants was distributed to the students and the other grants were transferred to the relevant institutions.

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Unconditional grants		
Capitation grants and Scholarship	86,969,635	78,317,417
Capitation grant& Schorla-Kigumo	4,531,941	899,500
Unconditional grants	91,501,576	79,216,917
Learning facilities grant –(Kieni TVC)		7,593,333
Total Transferred	4,531,941	8,492,833
Total government grants and subsidies	91,501,576	86,810,250

THE MICHUKI NATIONAL POLYTECHNIC ANNUAL REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED ON 30TH JUNE 2025

(b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	2024-2025
	Kshs	Kshs	Kshs	Kshs	Kshs
Ministry/State Department	91,501,576			91,501,576	91,501,576
Total	91,501,576		-	91,501,576	91,501,576

7. RENDERING OF SERVICES

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Tuition fees	129,973,699	63,429,584
P/Emolument teaching staff	21,935,012	26,447,383
Repair and maintenance	7,428,361	13,305,789
Local transport & travel	16,784,985	16,050,560
Activity fees	17,719,345	17,497,103
Electricity Water & Conservation	17,997,813	18,086,434
Insurance	2,125,096	1,822,102
Administration	20,716,837	37,089,846
Student Welfare	6,857,840	5,656,015
Gratuity	3,247,271	2,794,086
P/Emolument Casual	10,180,686	8,751,980
Capacity Building	4,545,892	1,809,178
Practical	6,067,290	23,107,098
P/Emolument non –teaching staff	14,798,790	16,335,687
Industrial attachment fees	5,864,079	11,383,117
Development Fees	5,403,500	3,704,050
Hostel fees	6,692,000	9,145,689
Computer packages	238,500	217,775
Registration Fees	772,044	997,100
Students Activities	1,561,377	1,959,689
KUCCPS	1,836,000	1,148,905
Short Courses	1,345,000	466,000
Driving Course	2,760,000	1,855,870
Library Fees	1,391,000	1,838,150
Pay as You Eat		-
Receivable from National Youth Service	21,575,200	9,846,400
Sub-Total	329,817,617	294,745,590
Less :Capitation & Scholarships	(86,969,635)	(78,317,417)
Total revenue from the rendering of services	242,847,982	216,428,173

THE MICHUKI NATIONAL POLYTECHNIC ANNUAL REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED ON 30TH JUNE 2025

8. RENTAL REVENUE FROM FACILITIES AND EQUIPMENT

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
House Rent	566,300	300,200
Total	566,300	300,200

9. MISCELLANEOUS INCOMES

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
College ID cards	985,832	1,192,300
Farm Account	43,450	57,005
Bus hire	360,520	1,155,840
Library card	-	1,262
Miscellaneous(photocopy ,printing &sale of idle and absolute assets)	284,870	136,676
Graduation Fees	2,278,000	1,933,000
TVETA	273,000	-
IGUI-W01	474,682	134,999
ICT Integration	1,564,000	-
Bad Debt Recovered	-	36,883
Total other income	6,264,354	4,647,965

10. USE OF GOODS AND SERVICES

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Teaching and learning materials	26,622,238	18,036,378
Transport and travelling	1,398,759	607,346
Insurance expense	151,750	902,682
Administration cost	57,262,276	44,648,570
Electricity, Water & conservation	5,254,625	6,339,108
Activity & sport	19,814,264	12,717,891
Fuel & gas	6,715,973	7,719,658
Pay as you Eat Expenses	13,141,500	12,147,250
Capacity Building expense	15,003,190	9,398,723
Practical materials	16,948,775	13,136,517
Industrial attachment costs	1,317,661	1,393,505
Student Welfare	4,221,855	1,806,431
Prepaid fees refund	434,530	505,102
Internet and Telephone	2,156,970	2,223,305
Postage Expenses	-	7,873
Security Services	3,160,744	2,291,420
Advertising and Marketing	7,284,567	8,200,430
Newspaper and Journals	-	68,580
Knec Practical's Material	2,700,577	9,723,391
Motor Vehicle Expenses	-	1,888,167
Cleaning Services	3,897,211	3,250,953
Garbage Collection & Wastes disposals	768,280	551,918
KUCCP	601,500	610,500

THE MICHUKI NATIONAL POLYTECHNIC ANNUAL REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED ON 30TH JUNE 2025

IGU-W01 Expenses	1,273,395	541,808
Graduation Expenses	8,238,870	4,095,089
ISM-ISO Expenses	679,244	-
Bank charges	65,186	54,352
Sub –Total	199,113,940	162,866,947
Others		
Driving course expense	642,878	1,041,890
Farm expense	238,110	426,885
Computer package expenses	-	102,647
Total use of good and services	199,994,928	164,438,369

11. EMPLOYEE COSTS

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
P/E Non- teaching staff	20,973,717	12,551,174
P/E teaching staff	26,272,342	28,747,257
Casual	704,700	584,800
Gratuity	-	671,280
Employee costs	47,950,759	42,554,511

12. BOG EXPENSES

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
BOG Emoluments	6,875,832	5,946,674
Other BOG Expenses	851,492	274,496
Total Council Expenses	7,727,324	6,221,170

13. DEPRECIATION AND AMORTIZATION EXPENSE

Description	FY 2024-2025	FY2023-2024
	Kshs	Ksh
Property ,plant and equipment	37,127,231	32,044,305
Intangible Assets-ERP	2,482,246	1,169,675
Amortization of Biological Assets	81,250	81,250
Total depreciation and amortization	39,690,727	33,295,230

14. REPAIRS AND MAINTENANCE

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Repair and maintenance	-	2,177,443
Maintenance of Property	21,689,828	3,170,664
Maintenance of plant and Equip.	2,231,520	1,060,985
General Refurbishment	-	10,866,247
Motor Vehicles	3,989,458	1,665,660
Computer Accessories	1,559,320	213,444
Total repairs and maintenance	29,470,126	19,154,443

THE MICHUKI NATIONAL POLYTECHNIC ANNUAL REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED ON 30TH JUNE 2025

15. GRANTS AND SUBSIDIES-MENTEES TRANSFER

Description	FY 2024-2025	FY 2023-2024
Mentees	Kshs	Kshs
Learning facilities grant –(Kieni TVC	-	7,593,333
Learning facilities grant –(Kigumo TVC)	4,531,941	899,500
Total Grants and Subsidies	4,531,941	8,492,833

16. CASH AND CASH EQUIVALENTS

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
KCB Current Account	8,784,104	34,810,549
Equity Bank	15,058,558	34,297,839
Amica saving & credit	4,099,148	3,900,656
Cash at Hand	3,749	4,473
Total cash and cash equivalents	27,945,559	73,013,517

16(a).DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
KCB Current Account	8,784,104	34,810,549
Equity Bank	15,058,558	34,297,839
Amica saving & credit	4,099,148	3,900,656
Cash at Hand	3,749	4,473
Total cash and cash equivalents	27,945,559	73,013,517

17. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Current receivables		
Student debtors	15,244,096	10,389,741
Receivable from National Youth Service	10,795,000	9,846,400
Receivable from Tetu Tvc	2,639,364	2,639,364
Receivable from Kigumo Tvc	2,772,574	3,483,574
Receivables from Laikipia West	896,276	896,276
Sub-Total current receivables	32,347,310	27,255,355
Provision for bad & doubtful debts	(304,882)	(207,795)
Total Current Receivable	32,042,428	27,047,560

THE MICHUKI NATIONAL POLYTECHNIC ANNUAL REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED ON 30TH JUNE 2025

17b. AGEING ANALYSIS OF RECEIVABLE FROM EXCHANGE TRANSACTIONS

Description	FY 2024-2025		F Y 2023-2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	10,795,000	34	3,182,679	12
Between 1- 2 years	15,244,096	47	12,873,405	47
Between 2-3 years	3,668,850	11	1,786,233	6
Over 3 years	2,639,364	8	9,413,038	35
Total (a+b)	32,347,310	100	27,255,355	100

18. Biological Assets

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
COST		
Description		
Total as 1st July 2024	568,750	568,750
Additions	-	-
Disposals	-	-
Total as 30th June 2024	568,750	568,750
Amortization		81,250
At 30th June 2024		81,250
At 1st July 2024	81,250	81,250
Amortization at 1 st July 2024	243,750	243,750
Amortization 2025	81,250	81,250
Disposals	-	-
Net book value as at 30th June 2025	243,750	325,000

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19. PROPERTY, PLANT AND EQUIPMENT

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Property, Plant and Equipment

	LAND	BUILDINGS	MACHINERY	Motor Vehicle	COMPUTERS	FURNITURE & FITTINGS	LIBRARY BOOKS	TOTAL
Depreciation Rate		2.00%	12.50%	25.00%	33.30%	12.50%	12.50%	
Costs								
Total as 30th June 2023	42,100,000	434,133,171	91,972,174	26,995,366	9,980,622	25,688,650	15,000,000	794,627,051
At 1st July 2023	42,100,000	434,133,171	91,972,174	26,995,366	9,980,622	25,688,650	15,000,000	794,627,051
Additions	-	188,383,519	4,653,090	-	17,332,536	12,401,257	563,725	46,982,240
Disposals	-	-	-	-	-	-	-	-
At 30th June 2024	42,100,000	622,516,690	96,625,264	26,995,366	27,313,158	38,089,907	15,563,725	869,204,110
At 1st July 2025	42,100,000	622,516,690	96,625,264	26,995,366	27,313,158	38,089,907	15,563,725	869,204,110
Additions	5,693,952	56,542,708	7,625,108		6,215,040	5,385,910	2,925,205	84,387,923
Adjustments	-	42,311,632	39,241,458	5,988,705	16,372,458	14,417,563	5,134,105	136,660,041
As at June 2025	47,793,952	636,747,766	65,008,914	21,006,661	17,155,740	29,058,254	13,354,825	816,931,992
Depreciation								
At 1st July 2023		11,112,429	10,340,022	5,061,631	3,369,959	4,060,428	1,941,858	11,112,429
Depreciation at 2023		12,005,837	9,493,153	5,483,434	6,850,889	3,746,131	1,460,001	-
Accumulated Depreciation at June 2023	-	34,230,695	30,173,197	15,606,696	13,590,807	11,866,987	5,343,717	22,224,858
Depreciation 2024		11,765,720	8,306,508	2,847,168	4,569,543	3,277,865	1,277,501	32,044,305
Depreciation at 30th June 2025	-	12,734,955	8,126,114	5,251,665	5,712,861	3,632,282	1,669,353	37,127,231
Disposals	-	-	-	-	-	-	-	-
Net Book Values								
Net book value as at 30th June 2024	42,100,000	576,520,275	58,145,559	8,541,503	9,152,808	22,945,055	8,942,507	726,347,707
Net book value as at 30th June 2025	47,793,952	624,012,811	56,882,800	15,754,996	11,442,879	25,425,972	11,685,472	779,804,761

THE MICHUKI NATIONAL POLYTECHNIC ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 30TH JUNE 2025

20. Intangible Assets-Computer Software

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
COST		1,784,275
Total as 30th June 2024		9,138,086
At 1st July 2024	9,138,086	9,138,086
Additions	3,273,142	-
Disposals	-	-
At 30th June 2025	12,411,228	9,138,086.00
Depreciation		
At 30th June 2024	1,169,675	1,169,675
At 1st July 2024	1,169,675	-
Depreciation at 30 th June 2024		4,459,386
Depreciation at 1 st July 2025	4,459,386	
Depreciation 2025	2,482,246	-
Disposals	-	-
Net book value as at 30th June 2025	5,469,596	4,678,700

21. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	FY 2024-2025		FY 2023-2024	
	Kshs		Kshs	
Trade payables	6,790,820		1,840,924	
NITA Exam	125,037		312,594	
KNEC Exam Fee	6,513,096		11,084,490	
TVET CDACC Exams	2,481,086		4,835,387	
KASNEB Exams	4,300		14,300	
Contractors Retention	3,279,618		515,224	
Total trade and other payables	19,193,957		18,602,919	
Ageing analysis	FY2024-2025	% of the total	FY 2023-2024	% of the total
Less than 1 year	18,104,141	94	1,855,224	10
Between 1- 2 years	1,089,816	6	16,747,695	90
Between 2-3 years	-		0	0
Over 3 years	-		0	0
Total (a+b)	19,193,957	100	18,602,919	100

22. Refundable Deposit from Students

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
HELB	6,286,626	3,700,954
BURSARY	1,722,210	2,522,630
Caution Money	6,855	6,855
Prepaid Fees	1,750,145	1,750,145
Total	9,765,836	7,980,584

THE MICHUKI NATIONAL POLYTECHNIC ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 30TH JUNE 2025

Ageing analysis	FY 2024-2025	% of the total	FY2023-2024	% of the total
Less than 1 year	-		-	-
Between 1- 2 years	8,008,836	88	6,230,439	78
Between 2-3 years	1,757,000	12	1,750,145	22
Total	9,765,836	100	7,980,584	100

23. Cash generated from operations.

	FY2024-2025	FY2023-2024
Description	Ksh	Ksh
Surplus for the year Before tax	11,814,407	34,030,032
Adjusted for:		
Depreciation	39,690,727	33,295,230
Non-Cash grants received	(4,531,941)	(8,492,833)
Impairment	304,882	207,795
Working Capital Adjustments		
Increase in Receivables	(8,276,006)	27,255,355
Increase in Payables	591,038	(2,796,253)
Increase in Payments received in advance	-	(1,750,145)
Net Cash Flow from Operating Activities	39,593,107	93,574,300

24. FINANCIAL RISK MANAGEMENT

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

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

i) Credit risk

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

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

THE MICHUKI NATIONAL POLYTECHNIC ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 30TH JUNE 2025

The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2024				
Receivables from exchange transactions	27,047,560	27,047,560		207,795
Receivables from non-exchange transactions	-	-	-	-
Bank balances	73,013,517	73,013,517	-	-
Total At 30 June 2024	100,061,077	100,061,077		
At 30th June 2025				
Receivables from exchange transactions	32,347,310	32,347,310	6,308,214	304,882
Receivables from non-exchange transactions	-	-	-	-
Bank balances	27,945,559	27,945,559	-	-
Total	60,292,869	60,292,869	6,308,214	304,882

FINANCIAL RISK MANAGEMENT (Continued)

Credit risk (continued)

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

The entity has no significant concentration of credit risk on amounts

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

(ii) Liquidity risk management

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

Description	Less than 1 month Kshs	Between 1-3 months Kshs	Over 5 months Kshs	Total Kshs
At 30th June 2024				
Trade payables		1,840,924		1,840,924
Prepaid fee	-	1,750,145	-	1,750,145
Caution money			6,855	6,855
NITA Exam		312,594		312,594
KNEC Exam Fee		11,091,345		11,091,345
TVET CDACC Exams		4,835,387		2,452,700
KASNEB Exams		14,300		14,300

THE MICHUKI NATIONAL POLYTECHNIC ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 30TH JUNE 2025

Contractors Retention			515,224	515,224
Total AS At June 2024	-	19,844,695	522,079	20,359,919
At 30th, June 2025				
Trade payables		6,790,820		6,790,820
Prepaid fee		1,750,145		1,750,145
Caution money			6,855	6,855
NITA Exam		125,037		125,037
KNEC Exam Fee		6,513,096		6,513,096
TVET CDACC Exams		2,481,086		2,481,086
KASNEB Exams		4,300		4,300
Contractors Retention		3,279,618		3,279,618
Total		20,944,102	6,855	20,950,957

NOTES TO THE FINANCIAL STATEMENTS (Continued)

25. FINANCIAL RISK MANAGEMENT (Continued)

(iii) Market risk

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

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

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

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

(iv).Capital Risk Management

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

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Revaluation Reserve	75,038,686	75,038,686
Retained Earnings	174,793,615	163,076,295
Capital Reserve	566,714,000	566,714,000
Total Funds	816,546,301	804,828,981
Total Borrowings	-	-
Cash and Bank Balances	(27,945,559)	(73,013,517)
Net Excess Cash and Cash Equivalents	788,600,742	731,815,464
Gearing	-	-

26. RELATED PARTY BALANCES

Nature of related party relationships

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

Government of Kenya

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

- i) The National Government;
- ii) The Parent Ministry;
- iii) Students
- iv) Parents/Guardians/ Sponsors
- v) Community
- vi) Government
- vii) Staff
- viii) External Providers (Suppliers)
- ix) Key management;
- x) Board of Governors ;

27. SEGMENT INFORMATION

The institution operates only in one geographical regions or in departments, and thus IPSAS 18 on segmental reporting requires an entity to present segmental information of each geographic region or department to enable users understand the entity's performance and allocation of resources to different segments does not apply.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

28. EVENTS AFTER THE REPORTING PERIOD

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

29. ULTIMATE AND HOLDING ENTITY

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

30. CURRENCY

The financial statements are presented in Kenya Shillings (Kshs).

APPENDIX I: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

THE MICHUKI NATIONAL POLYTECHNIC ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 30TH JUNE 2025

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Inaccuracies in the Financial Statements	Financial statement were amended	Resolved	
	Anomalies in Revenue from Exchange Transactions	The auditor ought to drill down only the year under review but their run the entire report for the previous years where the anomalies arose from.	Resolved	
	Use of Goods and Services	Classification of the expenses has been re-aligned in the right class of the expenses	Resolved	
	Unsupported Security	The management has ensured all support documents are attached and comply with.	Resolved	
	Unsupported Expenditure on Board Expenses	The management has ensured that board attendance sheet is attached on the payments voucher	Resolved	
	Unsupported Repairs and Maintenance Expenses	The management has ensured that all support documents are attached on the payments	Resolved	
	Long Outstanding Trade Receivables	The management has make necessary measures to recover the money owed by the mentees and some mentees has paid portion of the debts.	Partially Resolved	June 2026
	Inaccurate Biological Assets Balance	Financial statement has been amended.	Resolved	
	Property, Plant and Equipment	Management will undertake valuation of its assets in the FY2026-2027.	Not Resolved	June 2026
	Inaccuracy of Intangible Assets	Financial statement has been amended .	Resolved	
	Non-Competitive Procurement	Management has ensured that all procurement regulations	Resolved	

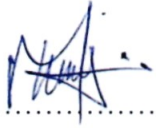
THE MICHUKI NATIONAL POLYTECHNIC ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 30TH JUNE 2025

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Process and Contract Management	are adhered to.		
	Failure of Trainers to Register with TVET Authority	Trainers has register with the regulatory authority	Resolved	

Accounting Officer

Name: ANNE M.MBOGO

THE MICHUKI NATIONAL POLYTECHNIC

Signature.....

Date:04/12/2025

APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY

Projects

Projects implemented by the institute Funded by A-A

Status of Projects completion

Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Source of Funds
PROPOSED CONSTRUCTION OF TUTITON BLOCK	43,238,790	36,146,420	100%	48,000,000	36,146,420	A-A

APPENDIX III: INTER-ENTITY TRANSFERS

ENTITY NAME:		THE MICHUKI NATIONAL POLYTECHNIC			
Break down of Transfers from the State Department of vocational and technical training					
FY 2024/2025					
a.	Recurrent Grants				
		<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>	<u>Indicate the FY to which the amounts relate</u>	
b.	Development Grants				
c.	Capitation Grants & Scholarships				
	The Michuki National Poly.	<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>	<u>Indicate the FY to which the amounts relate</u>	
		20/09/2024	1,122,481.30	FY 2024-2025	
		20/09/2024	4,003,889.40	FY 2024-2025	
		20/09/2024	1,161,794.70	FY 2024-2025	
		23/09/2024	40,140.90	FY 2024-2025	
		25/09/2024	9,654,484.30	FY 2024-2025	
		25/09/2024	13,365,425.00	FY 2024-2025	
		25/09/2024	10,274,425.00	FY 2023-2024	
		25/09/2024	6,449,569.00	FY 2024-2025	
		14/02/2025	40,897,425	FY 2024-2025	
		20/09/2024	288,740.20	FY 2024-2025	
		20/09/2024	611,247.00	FY 2024-2025	
		20/09/2024	624,685.20	FY 2024-2025	
		24/09/2024	839,690.00	FY 2024-2025	
		25/09/2024	1,167,925.00	FY 2024-2025	
		29/09/2024	499,827.00	FY 2024-2025	
		21/12/2024	499,827.00	FY 2024-2025	
	Total		91,501,576		
d.	Donor Receipts				

The above amounts have been communicated to and reconciled with the parent Ministry

Finance Manager
MINaP

Sign _____



Head of Accounting Unit
Ministry Of Education

Sign _____





THE MICHUKI NATIONAL POLYTECHNIC ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 30TH JUNE 2025
