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| CLERK-AT THE-TABLE: | M. Mado |

REPORT

OF

THE AUDITOR-GENERAL

ON

**THE ELDORET NATIONAL
POLYTECHNIC**

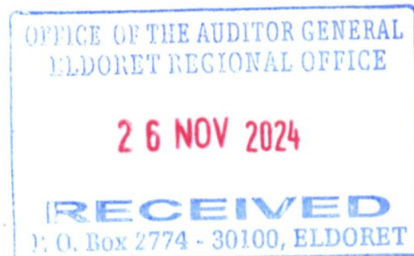
**FOR THE YEAR ENDED
30 JUNE, 2024**



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

FOR THE YEAR ENDED

30th JUNE 2024



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

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1. Acronyms & Glossary of Terms

| | |
|--------|--|
| IPSAS | International Public Sector Accounting Standards |
| TENP | The Eldoret National Polytechnic |
| GC | Governing Council |
| OAG | Office of the Auditor General |
| ICPAK | Institute of Certified Public Accountants of Kenya |
| PFM | Public Finance Management |
| PSASB | Public Sector Accounting Standards Board |
| TENP | The Eldoret National Polytechnic |
| CPA | Certified Public Accountant |
| TVET | Technical Vocational Education Training |
| A.I.A | Appropriation in Aid |
| GOK | Government of Kenya |
| EPSU | Eldoret Polytechnic Student Union |
| FY | Financial year |
| KATTI | Kenya Association of Technical Training Institutions |
| NG-CDF | National Government Constituency Development Fund |
| ICT | Information Communication Technology |
| KUCCPS | Kenya Universities and Colleges Central Placement Services |
| ILO | Industrial Liaison Office |
| RBA | Retirement Benefits Authority |
| SAGAs | Semi-Autonomous Government Agencies |
| NT | National Treasury |

2. Key Eldoret National Polytechnic Information and Management

(a) Background information

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

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

(b) Principal Activities

The principal activities of the The Eldoret National Polytechnic are:

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

Vision

The Vision of The Eldoret National Polytechnic is a center of excellence in technical advancement.

Mission

The mission of The Eldoret National Polytechnic is to produce human capital and advance technology through quality training, applied research and innovation for sustainable development.

Core Values

At The Eldoret National Polytechnic, we are committed to the following values:

- Customer Focus,
- Integrity,
- Professionalism,
- Creativity & Innovation,
- Teamwork.

The following are objectives and functions.

- (i) To restructure the Governing organs including Governing Council and management committee to be compatible with a degree awarding institution with appropriate industrial cluster upon entering into a collaboration with a chartered university.
- (ii) To establish and maintain effective and strategic leadership that can formulate policies and monitor the achievement of institutional vision, mission, and objectives from time to time in accordance with the strategic plan of 2019-2024.
- (iii) To establish and encourage democratic governance and management of the institution in accordance to the constitution of Kenya, existing acts of parliament, circulars, orders, national policies and institutional policies.
- (iv) To promote and adopt the principle of good corporate governance and achieve high quality of work, image, and culture to ISO 9001-2015 standards.
- (v) To strengthen the institution's guidance and counseling and public relations office.
- (vi) To attract and retain highly qualified, competent and motivated human resources for the institution.
- (vii) To develop human resource capacity and capability that can provide an excellent service delivery in teaching and research for the institution.
- (viii) To develop and upgrade teaching/learning facilities and equipment up to the required international standards.
- (ix) To develop quality ICT infrastructure for learning, research, effective and efficient institutional management information systems.
- (x) To develop high quality academic and research programs that are market driven so as to contribute towards training of competent innovative graduates.
- (xi) To restructure and broaden the resource base of the growing institution by diversifying sources of income and improving the resource management system.
- (xii) To harmonize admission criteria to meet quality assurance standards; and
- (xiii) To promote and establish collaboration, linkages, and networking with other institutions.

(c) Key Management

The entities day to day management is under the following key organs:




- The governing council members
- Accounting officer/Principal.
- Deputy Principal (Administration)
- Deputy Principal (Academics)
- Deputy Principal (Research & Extension)
- Registrar
- Dean of students and
- Finance officer

(d) Fiduciary Management

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

| NO | NAME | DESIGNATION |
|----|-----------------|---------------------------------|
| 1 | Charles Koech | Chief Principal |
| 2 | James Mwangi | Deputy Principal-Academics |
| 3 | Emanuel Meres | Deputy Principal-Administration |
| 4 | Dr. Paul Barmao | Registrar-Administration |
| 5 | John Gitau | Registrar-Academics |
| 6 | Benjamin Maiyo | Dean of Students |
| 7 | Zacharia Koech | Internal Auditor |
| 8 | Richard Sang | Finance Officer |
| 9 | Nancy Kariuki | Human Resources Officer |
| 10 | Susan Seron | Farm Manager |
| 11 | Charles Rutto | Procurement Manager |
| 12 | Henry Lelei | Business Enterprises Manager |

(e) Fiduciary oversight Arrangements

| Name of the Committee | Members |
|--|--|
|  Finance, Infrastructure and General-purpose committee | Dr. Paul K. Murgor (Chairperson) CPA Risper A. Makasi Ms. Veronica Wangari Dr. Patrick Mugo Dr. Obudho S. Omondi Charles K. Koech (Secretary) |
|  Audit & Risk committee | CPA Christine Tomno (Chairperson) CPA Risper A. Makasi Dr. Patrick Mugo Antonio Musyoka Zacharia Koech (Secretary) |
|  Education, Training and Research committee | Dr. Obudho S. Omondi (Chairperson) CPA Christine Tomno Ms. Veronica Wangari Dr. Paul K. Murgor Antonio Musyoka Charles K. Koech (Secretary) |

(f) Headquarters & address

P.O. Box 4461 code 30100

Kisumu Road

Eldoret, KENYA

(g) Contacts

Telephone: (254) 797 222 666

(254) 738 092 126

E-mail: info@tenp.co.ke

Website: www.tenp.ac.ke

(h) Bankers

National Bank of Kenya Ltd

Eldoret Branch

P.O. Box 3111 code 30100

Eldoret, Kenya.

(ii) Co-operative Bank of Kenya Ltd

P.O. Box 2948 code 30100

Eldoret, Kenya.

(iii) Equity Bank, Supreme Branch

P.O. Box 953 code 30100

Eldoret

(i) Independent Auditors

Auditor-General

Office of Auditor-General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(j) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112 City Square

00200

Nairobi, Kenya

3. The Governing Council

Chairman's profile

Vacant

Dr. Paul K. Murgor, PhD, MBA, BSc, Dip (Egerton)- Member of the Governing Council

Dr. Murgor was born on 5th November 1965. He is currently the Chairman Finance, Infra-Structure and General-Purpose Committee. He is a highly accomplished and dedicated professional with over 20 years' diverse experience. He was the Managing Director of Eldoret Water & Sanitation. Previously worked for different organizations both in private and public corporations like Mumias Sugar Company, New KCC Ltd amongst others. He has a PhD in Business Administration (Strategic Management) and master's degree in business administration both from the University of Nairobi and a Bachelor Science in Business Administration (Marketing) from United States International University (USIU-A). He also has a post graduate Diploma from Egerton University.



Dr. Patrick Mugo, PhD. (PhD Economics, M.A. Economics, UoN; B. Ed Economics & Mathematics, Moi University):

Alternate Representative of the PS, The National Treasury

Dr. Mugo was born in 1980. A seasoned economist with rich experience spanning over 15 years in macroeconomics, public finance management, development finance, budget formulation, public expenditure reviews, risk analysis, integrated development planning, public investment management, economic research, and review of economic and development policies. He has worked for The National Treasury and Economic Planning in Kenya leading in preparation of medium-term budget documents, expenditure reviews, monitoring and evaluation of development projects and economic policy analysis.



His recent experience has been working for the National Treasury, leading in the establishment of Public Investment Management legal and regulatory framework, under the Public Finance Management Reforms Secretariat. He holds a Bachelor's degree in Mathematics & Economics from Moi University, Master of Arts in Economics and a Ph.D in Economics (Macroeconomics & Public Finance) from the University of Nairobi. He has published widely (several internationally peer reviewed journals and book chapters) in Economics, Business and Finance. His key research interests include Macroeconomics, Finance, Investments and Economic Growth. Dr. Mugo is a member of Economist Society of Kenya and has been involved in tutoring Public Finance at the University of Nairobi.

He is a member of the Finance, Infrastructure & General-Purpose Committee, and a member of the Audit & Risk Committee of the Council.

CPA Risper A. Makasi-MBA(UoN), BCom (Catholic Univ.)- Governing Council Member.

Alternate Representative of the PS, Ministry of Education, State Dpt of TVET

CPA Risper Auma Makasi was born on 12th December 1973, she is the current Finance Officer, State Department for Technical, Vocational Education and Training, Ministry of Education. She is the Ministry's representative in the Council and provides advice and guidelines on Ministry's Strategic goals, mandate, and policy direction. She holds a master's degree in business administration (University of Nairobi) and a Bachelor of Commerce, Finance option degree (Catholic University of East Africa).



Chief

Further, Risper has a wealth of experience in the public service especially in Financial Management, Internal Audit, project management, procurement management and monitoring and evaluation of programmes and projects having served as a senior staff in various positions in several State Departments.

and

She is a member of the Finance, Infrastructure & General-Purpose Committee, and a member of the Audit & Risk Committee of the Council.

CPA Christine Tomno –MBA(Moi), BBM(Moi)-Member of the Governing Council.



Christine was born in 1979. She is currently working at the University of Eldoret as a Senior Accountant. She has over twenty years in financial management and thus provides to the institution immense knowledge in the management of education in Kenya. She is a Certified Public Accountant and a member of The Institute of Public Accountants of Kenya. She holds a master's degree of Business Management from Moi University and a bachelor's degree of Business Management from the same university. She is the chairperson for Audit & Risk Committee and also a member of Education, Training and Research Committee of the Council.

Dr. Obudho S. Omondi -PhD (Moi), MPhil (Moi), Bed-Tech (Moi)-Member of the Governing Council

Samwel was born on 1st April 1972. He is currently the Deputy Director TVET, Kenya Institute of Curriculum Development (KICD). He is very resourced and holds a wealth of experience in the TVET Sector for over seven years. He has been a lecturer in various TVET institutions and worked as a Dean of Faculty of Engineering & Technology at Technical University of Mombasa. Samwel holds a PhD in Building Engineering from Milan University of Technology (Politecnico di Milano), Milan-Italy (2008-2011), Master of Philosophy in Technology Education from Moi University (2000-2003) and a Bachelor of Education (Technology) from Moi University (1992-1997). He is the chairperson of Education, Training & Research Committee and also a member of the Finance, Infra-Structure & General-Purpose Committee of the Council.



Mr. Antonio Musyoka –BSc.Hort (Egerton) Governing Council Member

Antonio was born on 1.1.1981. He is currently the Managing Director for Moiben Connections Limited and is also the Senior agronomy expert for the company. He has worked for over 20 years in the agriculture sector under various capacity with various organizations. He has a wealth experience in Business Administration, agronomy training and extension service provision to large, medium-sized and majorly small scale farmers which is a good resource to the Institution. He is a holder of Bachelor of Science in Horticulture from the Egerton University and currently pursuing a master of science(M.Sc) degree course in crop protection from the University of Eldoret. He is a member of the Audit & Risk Committee and also a member of Education, Training & Research Committee of the Council.



Ms. Veronica Wangari-BSc (Actuarial Science (JKUAT))-Member of the Governing Council

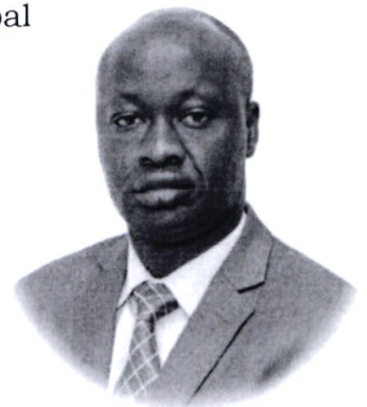


Veronica was born in 1990. She is currently an Entrepreneur in the field of computers and technology equipment. She has over seven years experience in her field and brings a rich in-put in the field of ICT to the Institution. She holds a Bachelor of science in Actuarial Science from Jomo Kenyatta of University of Agriculture and Technology (2008-2012). She is a member of the Finance, Infra-Structure & General-Purpose Committee and a member of Education, Training & Research Committee of the Council.

Charles K. Koech-M.Ed(Moi), B.Ed Tech-Mechanical Eng-(Moi),SMC(KSG)-Chief Principal/ Secretary **Governing Council Secretary**

Charles was born on 22nd February 1974. He is the Chief Executive Officer of The Eldoret National Polytechnic serving as the Principal and Secretary to the Governing Council. He has a wealth of experience in Educational Administration Management having served as a principal in a former station for 13 years.

He has a master's degree in education – Leadership and Policy Studies from Moi University. He attained his bachelor's degree in education technology- Mechanical Engineering from Moi University and has a Senior Management Course from KSG.



4. Key Management Team



Mr. Charles K. Koech- **Chief Principal/ Chief Executive Officer**



Mr. Emmanuel Meres-
Deputy Principal (Administration)



Mr. James Mwa
Deputy Principal Academics



Mr. John Gitau,
Registrar

Mr. Benjamin Maiyo
Dean of Students



CPAS/CS. Richard San
Finance Officer



CPA Zachary Koech
Internal Auditor



Mrs. Nancy Kariuki
Human Resources Officer



5. Chairman's Statement

I am delighted to present this financial report for the year ending 30th June, 2024.


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

Indeed, the Governing Council of The Eldoret National Polytechnic is committed to providing up to date and appropriate facilities and improving on the existing ones to facilitate effective Training and learning. In the financial year under review, we worked very hard towards accomplishing this duty. For instance, we succeeded in enhancing physical facilities in the institution to cater for the increasing number of trainees, which currently stand at over 17,000.

With the help of the Ministry of Education, State Department for TVET, we have successfully nurtured other Institutions who bench marked with us on referrals during the year under review. We thank the Ministry for having confidence in us as expressed by making referrals to other institutions to benefit on our management structure. On the academic front, we have mounted new programmes in CBET, that are aligned to self-employability or otherwise of the graduands and have had linkages with the industry in the technology and ICT, while on the infra-structure we initiated the construction process of the Ultra-modern Library and have completed the Fabricated Student Centre halls. Other strides include the face lifting of old buildings by carrying out major renovations. All these are to enhance public access to technological training.

I take this opportunity once again to thank The Ministry of Education, State Department for TVET for funding our activities through the student capitation to ensure our continued progress during the year under review. I also appreciate our sponsors and other stakeholders who chose to partner with us in different ways during this year. The unwavering support, patience and understanding exhibited by our staff, students and the suppliers of services and goods during times of challenges along the way are highly appreciated by the Governing Council. Similarly, the immense contributions and the support I received from the current and the previous members of the Council is invaluable and highly appreciated.

I also thank the principal for his robust leadership and guidance to the Polytechnic during the year. The passion and positive attitude we all exhibited during the year gives us hope and courage that we are all ready and prepared to face the future as a prospective Centre of Excellence in the region with confidence as we look forward to another successful year 2024/2025.



Dr. Paul K. Murgor

ON BEHALF CHAIRPERSON, GOVERNING COUNCIL

Date: 20th September 2024.

6. Report of the Chief Principal.

As a Polytechnic, the institution is well placed to provide adequate and relevant knowledge to its graduates that will enable them to be assimilated and absorbed by the prevailing market demands and hence contribute towards the attainment of our country's Vision 2030, Government Strategic & Sustainable Development Goals and Medium-Term Programme strategic objectives. This will also go a long way in supporting the drive towards the realization of the objectives of the National Government's agenda on the interventions under BETA target of the five core priority areas namely:

- i) Agricultural transformation and inclusive growth,
- ii) Micro, Small and Medium Enterprise (MSME) economy,
- iii) Housing and settlement,
- iv) Healthcare; and
- v) Digital superhighway and creative economy.

In furtherance of our mandate therefore, we have committed ourselves to review, improve and consolidate our academic programs in ways that will ensure their competitiveness in terms of quality and relevance consistently and regularly. With the guidance of the Governing Council, we worked hard in setting up structures and policies aimed at guiding the institution in the right strategic direction as per our current Strategic Plan for 2019-2024. We have been able to attain and comply with the ISO 9001-2015 re-certifications. We have collaborated with stake holders like the Kenya Commercial Bank Education foundation, The Equity Bank, County Governments who have assisted in sponsoring trainees. Under my leadership and the overall direction of the Polytechnic's Governing Council we were able also to be in the forefront in ensuring that financial resources were utilized efficiently and effectively for optimum output. Despite the many challenges brought about by global economic and financial constraints, the Polytechnic nevertheless continued to discharge its mandate of training, research, outreach, and linkages.

The sources of funding to the Polytechnic at the end of this financial year ending 30th June 2024, were internally generated revenue (Appropriations-In-Aid) from fees of **Ksh. 964,788,292**.

The recurrent expenditure totaled **Ksh. 959,656,066** therefore the Polytechnic closed the year with a surplus of **Kshs. 5,132,226**. The surplus was attributed to the good enrolment.

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

On behalf of the Polytechnic Governing Council and Management, I take this opportunity to thank the National Government for its unequivocal support by deploying trainers during the year under review. I also appreciate the financial, material and moral support of our collaborators, partners and friends during the period. It is because of the co-operation with the National Government through the Ministry of Education, other stake holders and more importantly guidance of the Governing Council steered by the able Chairperson of the Council as well as the cooperation of the Management team, all staff and our students that we ended the year within an environment of peace and stability. I wish to register my gratitude to them all.

I look forward to their continued support in the next financial year and the subsequent periods ahead.



Mr. Charles K. Koech

CHIEF PRINCIPAL/SECRETARY, GOVERNING COUNCIL

Date: 20th September 2024.

7. Statement of Performance against Predetermined Objectives.

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

The Strategic Plan 2019- 2024 approved by the Governing Council on 19th October of 2019 seeks to produce middle level human resources that are well equipped with technical and business skills required to spur the economic growth and GDP of the country to meet the needs and aspirations of a dynamic society. In the year under review, the Council continued to implement the Strategic Plan.

The Polytechnic developed its annual work plans based on the Strategic Plan focusing on the Social Pillar of the Vision 2030. Assessment of the Governing Council's performance against its annual work plan is done on a quarterly basis. The Polytechnic achieved its performance targets set for the FY 2023/2024 period for its' Social Strategic Pillar. The achievements are as follows:

1. Concluded Recognition Agreement (R.A) with Kenya Union for Domestic, Educational Institutions & Hotel Association (KUDHEIHA) for the Non-Teaching staff under Permanent & Pensionable terms.
2. Hosted the 12th Conference successfully whereby 55 well researched paper were presented by various professionals.
3. The construction of the Ultra-Modern Library and Virtual Learning Centre project was started and is to be funded by G.O.K at a cost of **Ksh. 373,500,383**.
4. Completed the Fabricated Student Centre Halls and other general repair and maintenance works were completed.
5. The polytechnic improved and maintained sporting facilities, track, and field areas for games activities.
6. AN e-Learning platform was created and now there is a fully fledged academic department for e-Learning.

The summary of the achievements on the performance targets set for FY 2023/2024 under Social Strategic Pillar is provided under Table 1.

Table 1: Report on the Achievements on the Strategic Plan 2019 – 2024 in FY 2023/2024

| Strategic Pillar | | Social | | |
|--|---|---|---|-----------|
| Strategic Objectives | Key Performance Indicators | Key Activities | Achievements | Score (%) |
| Set up the requisite structure per the new mandate | Number of Offices established for communication development | <ul style="list-style-type: none"> Review and develop Communication structure | <ul style="list-style-type: none"> A customer care office was established. | 100 |
| | <ul style="list-style-type: none"> A Business Enterprise Office and committee were established | <ul style="list-style-type: none"> Increase in Internal Generation Unit activities | <ul style="list-style-type: none"> Enhanced income realized | 70 |
| Develop TENP funding initiatives | <ul style="list-style-type: none"> Finance and General purpose & Audit, Risk and Governance Committees trainings | <ul style="list-style-type: none"> Facilitation of the members | <ul style="list-style-type: none"> Surpassed targets in Revenue collections | 100 |
| Promote national values and principles of financial management | <ul style="list-style-type: none"> No. of capacity building exercises | <ul style="list-style-type: none"> Facilitation of the staff | <ul style="list-style-type: none"> Filed quarterly reports to respective agencies including EACC | 80 |
| Security and safety measures | <ul style="list-style-type: none"> No. of trainings | <ul style="list-style-type: none"> Facilitation of the staff | <ul style="list-style-type: none"> Screening of guest at the gate and enhancement of CCTV usage | 90 |
| Review publicity & Marketing strategies | <ul style="list-style-type: none"> No. of advertisements and Road shows | <ul style="list-style-type: none"> Facilitation of the staff during road shows and | <ul style="list-style-type: none"> Enrolment improved | 90 |

The Eldoret National Polytechnic Annual Report & Financial Statements for the year ended 30th June, 2024

| | | | | |
|---|--|--|--|-----------|
| | | payments of media services | | |
| Promote Prudent Financial Management | <ul style="list-style-type: none"> • Enhance budget Planning • Training staff in Finance | <ul style="list-style-type: none"> • Approval of budgets and presentation of quarterly reports for review and control by the oversighting body (GC). • Facilitation of staff to attend ICPAK continuous Points Development (CPD) seminars. | <ul style="list-style-type: none"> • Approved budget | 100 |
| | | | <ul style="list-style-type: none"> • Timely preparation of financial statements | 90 |
| Overall achievement | | | | 90 |

8. Corporate Governance Statement

The Governing Council and the committees held their meetings during the year. The Polytechnic operated efficiently even though the office of the Chairman of the Council was vacant. The Chief Executive Officer is serving on an appointment by the Public Service Commission on permanent and pensionable terms. The majority members of the Governing Council were appointed on 9th February 2022.

The Council operates as per the current Council Charter. The Council members were appointed by the Cabinet Secretary, Ministry of Education and would serve for 3 years upon which their positions are declared vacant on expiry of the term and are eligible to be appointed for the next and final term.

Composition of the Council.

(1) there shall be a Council of the National Polytechnic which shall consist of nine persons appointed by the Cabinet Secretary as follows.

(a) chairperson.

(b) The Principal Secretary in the Ministry for the time being responsible for the technical and vocational education and training.

(c) The Principal Secretary in the Ministry for the time being responsible for Finance.

(d) Five members appointed by the Cabinet Secretary because of their knowledge and experience in either-

(i) Leadership and management.

(ii) Financial management.

(iii) Industry

(iv) Engineering

(v) Information communication technology; or

(vi) Law, and

(e) The principal who shall be an ex officio member of the Council.

(2) Subject to the provisions of this Order, the office of a member of the Council shall become vacant if the member-

(a) Resigns by notice in writing addressed to the Cabinet Secretary.

(b) is unable to perform the functions of office by reason of prolonged physical or mental incapacity.

(c) Is adjudged bankrupt by a court of competent jurisdiction or enters a composition or scheme of arrangement for the benefit of creditors.

(d) is guilty of gross misconduct.

(e) Fails to meet the requirements of Chapter Six of the Constitution; or

(f) Is convicted of an offence and sentenced to imprisonment for a period of six months or more.

(3) Where the office of a member of the Council becomes vacant, the Cabinet Secretary may, subject to the provisions of this Order, appoint another person to fill the vacancy for the unexpired term of such member.

The Eldoret National Polytechnic Annual Report & Financial Statements for the year ended 30th June, 2024

(4) Notwithstanding the generality of the foregoing, any member of the Council suspected of having contravened Chapters six or thirteen of the Constitution shall vacate office to pave way for investigations.

(5) Where a person who has vacated office under subsection (3) is not found culpable of any unlawful act by a competent legal authority, the person shall be reinstated as a member of the Council.

(6) Regulation 12 shall apply with respect to the conduct of the business and affairs of the Council.

(7) Appointment of Council members shall consider ethnic and gender balance and promote inclusion of persons with disability, minorities and the marginalized and ensure balanced core skills and competencies amongst the members.

(8) In appointing members of the Council, the Cabinet Secretary shall stagger the commencement dates of some members to maintain a proportion of new membership that ensures continuity in the services of the Councils.

Council Committees.

The governing organ of the National Polytechnic may set up such committees as may be appropriate to perform such functions and discharge such responsibilities as it may determine, provided that the organ shall not delegate their principal mandate to the committees.

Functions of the Council.

(1) All documents, other than those required by law to be under seal, made on behalf of the Council, and all decisions of the Council may be signified under the hand of the Chairperson, the Principal or any other members of the Council generally or specifically authorized by the Council in that behalf.

(2) The Council shall ensure that a proper management structure is in place and to make sure that the structure functions to maintain corporate integrity, reputation, and responsibility.

(3) The Council shall monitor and evaluate the implementation of strategies, policies, and management criteria and plans of the National Polytechnic.

(4) The Council shall constantly review the viability and financial sustainability of the National Polytechnic once every year.

(5) The Council shall ensure that the National Polytechnic complies with all the relevant laws, regulations, governance practices, accounting, and auditing standards.

9. Management Discussion and Analysis.

The Polytechnic realized A.I.A of **Ksh. 964,788,292**. During the period the recurrent expenditure stood at **Ksh. 959,656,066**, therefore the Polytechnic closed the year with a surplus of **Kshs. 5,132,226**. The surplus was attributed to the good enrolment and the remittance of students Capitation.

The Eldoret National Polytechnic compliance with statutory requirements

The Eldoret National Polytechnic has complied with all statutory requirements which include prompt remittance of NSSF, NHIF, PAYE, Withholding taxes, Pension scheme funds and NITA levies.

Key projects and investment decisions the Eldoret National Polytechnic is planning/implementing

There were on-going projects at The Eldoret National Polytechnic during the year which were funded using grants from the National Government and internally generated funds (A.I.A).

Major risks facing the Eldoret National Polytechnic

The Eldoret National Polytechnic being a national institution desires to enhance its visibility, performance, and competitiveness in the tertiary education sector in the face of competition from newly established Technical Institutions and private institutes. However, we strive to pronounce a niche market share in the TVET Sector. To do so, however, the Polytechnic requires a lot of support from the Government and other stakeholders in this crucial stage in terms of funding, material support and other contributions. The challenges include the reduction and delay in the disbursement of Exchequer grants and the delay in student capitation and sometimes non-remittance of the same. This will highly likely lead to failure to honor obligations when they fall due. Such a scenario would expose the institution to litigations.

The Eldoret National Polytechnic financial probity and serious governance issues

The Eldoret National Polytechnic has no financial improbity and governance issues among the Governing Council members or the top management in so far as conflict of interest are concerned.

Risks Facing the Eldoret National Polytechnic

The other risk is the ever-increasing debt level which requires concerted efforts to avoid such debts turning into delinquent or bad debts. This includes fees receivables (debtors) and other receivables totaling **Ksh 610,237,006** which was greatly caused by unremitted student capitation.

Material arrears in statutory/financial obligations.

The Eldoret National Polytechnic is a law-abiding institution and is committed to its core mandates hence it has no statutory or tax default to date. The institution rolled out a staff pension scheme in July 2018 as per the law and has complied as per the provisions of retirement benefits Act.2016 and the revised retirement benefits Act No. 3 of 1997.

10. Environmental and Sustainability Reporting Statement

Sustainability Strategy and Profile

The efforts by the Government of Kenya to support the TVET Sector in Kenya has given an assurance of the institutions consistency in its operations into the future.

Environmental Performance

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

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

Employee Welfare

The Polytechnic has come up with the following documents that go a long way in defining the Employees welfare;

- A. Organizational Structure.
- B. Career Guidelines.
- C. Staff Establishment.
- D. Human Resource Manual.

Market Place Practices

The Polytechnic has a standing committee on Corruption Prevention & Integrity Committee where sensitization is done to the entire polytechnic fraternity.

The Polytechnic conducts an annual sensitization day for all suppliers on issues of how the polytechnic is committed in running its affairs in a fair and equitable manner.

The Polytechnic does its marketing through its website and at times on the print and live media.

The Polytechnic is certified ISO 9000-2015 and is compliant to the requirements of the regulators like TVETA.

Corporate Social Responsibility /Community Engagements

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

Research with impact

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

Socially responsible graduates

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

Engaging our communities

Our events and activities are harnessing our knowledge, resources, and visitor attractions for the benefit of our communities including allowing the surrounding farmers to use the cattle dip.

Responsible processes

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

11. Report of the Governing Council

The Governing Council submits their report together with the audited financial statements for the year ended June 30, 2024, which show the state of the The Eldoret National Polytechnic's affairs.

Principal activities

The principal activities of The Eldoret National Polytechnic are;

(1) The National Polytechnic shall have powers to grant higher diplomas, diplomas, certificates, or other academic qualifications which may, for the time being, be authorized by the Academic Policy of the National Polytechnic.

(2) Subject to Technical, Vocational, Education & Training Order, the National Polytechnic may award scholarships, bursaries and prizes and make other awards which may be provided for by the Academic Policy.

Results

The results of the The Eldoret National Polytechnic for the year ended 30th June 2024, are as set out on on pages 1 to 7 of the financial statements.

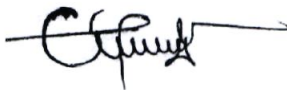
Governing Council

The members of the Governing Council who served during the year are shown on pages ix to xii in accordance with the appointments made then by the Cabinet Secretary, Ministry of Education.

Auditors

The Auditor General is responsible for the statutory audit of The Eldoret National Polytechnic in accordance with Article 229 of the constitution of Kenya and the Public Audit act 2015 to carry out the audit of the Eldoret National Polytechnic for the year ended 30th June 2024, in accordance to section 23 of the Public Audit Act ,2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Council



.....

Secretary of the Council

The Eldoret National Polytechnic

Date: 20th September 2024

12. Statement of Governing Council's Responsibilities

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

The Council is responsible for the preparation and presentation of the The Eldoret National Polytechnic's financial statements, which give a true and fair view of the situation of the The Eldoret National Polytechnic for and as at the end of the financial year (period) ended on 30th June 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of The Eldoret National Polytechnic; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of The Eldoret National Polytechnic; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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

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

Approval of the financial statements

The Eldoret National Polytechnic's financial statements were approved by the Governing Council on 20th September 2024 and signed on its behalf by

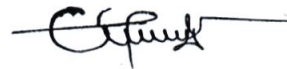
Dr. Paul K. Murgor



On behalf of Chairperson, Governing Council

Date: 20th September 2024

Mr. Charles K. Koech

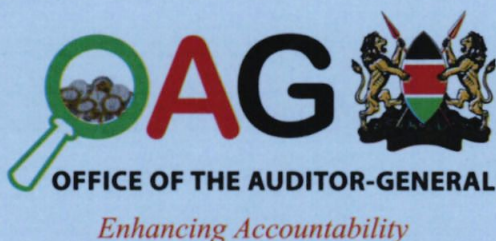


**Accounting Officer,
Secretary, Governing Council**

Date: 20th September 2024

REPUBLIC OF KENYA

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Monrovia Street
P.O Box 30084-00100
NAIROBI

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

PREAMBLE

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

- A. Report on 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.
- 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 The Eldoret National Polytechnic set out on pages 1 to 59, which comprise of the statement of financial position as at

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

30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents of Kshs.46,038,668 as disclosed in Note 26 to the financial statements. However, recast of the balances in Note 26(a) revealed a total of Kshs.45,385,311 resulting to a variance of Kshs.653,357.

Further, it was noted that an Equity bank account was reported with a Nil balance on account No.01129441884401 which is a Cooperative Bank account number but was erroneously reported as an Equity Bank account number.

In the circumstances, the completeness and accuracy of the cash and cash equivalents of Kshs.46,038,668 could not be confirmed.

2. Receivables from Exchange Transactions

The statement of financial position reflects receivables from exchange transactions balance of Kshs.554,797,305 net of provision for bad debts of Kshs.29,199,858 which includes students' debtors balance of Kshs.570,322,468 and sundry debtors balance of Kshs.8,749,340 as disclosed in Note 27(a) to the financial statements. It was observed that the students' debtors increased by Kshs.48,733,338 from Kshs.521,589,130 in 2022/2023 financial year to Kshs.570,322,468 in 2023/2024. Management explained that the bulk of the debtors were attributable to unremitted student capitation due from the Ministry of Education, balance of Ksh.469,273,000 as at 30 June, 2024, out of which Kshs.434,572,000 related to earlier financial years. Management has also explained that the Polytechnic was owed an amount of Kshs.177,903,017 as at 30 June, 2024 in scholarships by the Government.

Further, review of the ageing analysis of the student debtors revealed that out of the total students' debtors balance of Kshs.570,322,468, an amount of Kshs.317,508,441 was less than one year old, Kshs.172,164,358 was between one (1) to two (2) years old, Kshs.75,633,435 was between two (2) to three (3) years old and Kshs.5,016,234 was

more than three (3) years old. In addition, review of the ageing analysis of the sundry debtors revealed that out of the total student's debtors balance of Kshs.8,749,340, an amount of Kshs.6,491,194 was less than one year old and Kshs.2,258,146 was between one (1) to two (2) years old.

Even though Management has stated that the Polytechnic has formulated a strategy for recovery as evidenced by their letter addressed to the Principal Secretary State Department for TVET, it was not possible to verify that strategy because the letter was not provided for audit review.

In the circumstances, the recoverability of the student's debtors and sundry debtors is doubtful.

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

Unexplained Increase in Expenses and Assets

Review of statement of financial performance and statement of financial position revealed increase in expenditure of components compared to prior year expenditures that has not been reconciled and explained as detailed below;

| Statement of Financial Performance | | | | |
|--|------------------|------------------|-----------------|-------------------|
| Component | 2023-2024 | 2022-2023 | Variance | Percentage |
| Revenue from Exchange Transactions | (Kshs.) | (Kshs.) | (Kshs.) | |
| Rental Revenue from Facilities and Equipment | 8,589,956 | 1,717,248 | 6,872,708 | 80% |
| Miscellaneous Income | 63,681,188 | 12,608,220 | 51,072,968 | 80% |
| Expenses | | | | |
| Use of Goods | 438,645,478 | 332,894,886 | 105,750,592 | 24% |
| Employee Costs | 315,196,391 | 265,079,338 | 50,117,053 | 16% |
| Depreciation and Amortization | 111,280,706 | 66,969,495 | 44,311,211 | 40% |
| Inventories | 9,401,032 | 3,142,591 | 6,258,441 | 67% |
| Refundable deposits | 20,061,450 | 10,970,011 | 9,091,439 | 45% |

In the circumstances, unjustified and unchecked increase in expenditure may lead to poor performance of the institution.

My Opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matter 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

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, no report or recommendations from Management of The Eldoret National Polytechnic and oversight bodies were submitted for audit verification. Further, the issues remain unresolved contrary to Section 68(2)(l) of the Public Finance Management Act, 2012 which require accounting officers designated for National Government entities to try to resolve any issues resulting from an audit that remain outstanding.

Other Information

Directors are responsible for the other information set out on pages (ii) to (xxvii) which comprise of Acronyms and Glossary of Terms, Key Eldoret National Polytechnic Information and Management, The Governing Council, Key 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, Report of the Governing Council and Statement of Governing Council's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Stalled Proposed Construction of Ultra-Modern Library

The statement of financial position reflects property, plant and equipment balance of Kshs.5,294,464,485 which includes work-in-progress amount of Kshs.41,973,438 in relation to the construction of an Ultra-Modern Library as disclosed in Note 32 to the financial statements.

The Polytechnic advertised for the Proposed Construction of Ultra – Modern Library in 22 September, 2023. The project is fully funded by G.O.K Development Grant. Nine (9) firms responded and the lowest evaluated bidder was awarded the tender at their quoted contract sum of Kshs.373,500,383 for a period of two hundred and eight (208) weeks from the date of site handing-over. The letter of award was dated 1 November, 2023 and the contract was signed on 20 November, 2023. During the year under review, two (2) interim certificates of completion were issued, the first dated 20 March, 2024 of Kshs.18,142,088.71 and the second was dated 3 June, 2024 of Kshs.23,030,348.72, all totalling to Kshs.41,172,437.42. Management has estimated that the project is approximately 20% complete.

Physical verification at the time of audit, in November, 2024, revealed that the Polytechnic had received a total amount of Kshs.70,000,000 in grants under the project, the amount had been fully utilized and about 25% of the contract period had elapsed, however, it was noted that the foundation, first floor slab and all the columns were completed but the contractor was not on site and the project had stalled.

In the circumstances, value for money incurred on the project may not be obtained.

2. Lack of Approved Staff Establishment

The statement of financial performance reflects employee costs of Kshs.315,196,391 as disclosed in Note 16 to the financial statements. However, review of the human resource records revealed that the Polytechnic did not have an approved staff establishment in place contrary to Paragraph 4.3 of the Staff Establishments of the Guidelines for Development and Review of Human Resource Management Instruments for State Corporations and Public Universities dated 8 August, 2023 which states that each State Corporation will have an approved optimal staff establishment that will form the basis for staffing during the plan period.

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

3. Non-Compliance with Law on Staff Ethnic Composition

As previously reported, review of personnel records provided revealed that the Polytechnic had a total of five hundred and sixteen (516) employees on contract and permanent basis out of which three hundred and ninety-four (394) representing approximately 76% of the total number of members of staff were from the same community. This is contrary to Section 7(1) & (2) of the National Cohesion and Integration Act, 2008 which states that all public establishments shall seek to represent the diversity

of the people of Kenya in the employment of staff and that no public establishment shall have more than one third of its staff from the same ethnic community.

4. Non-Compliance with Data Protection Laws

The Eldoret National Polytechnic collects and processes employee, supplier, student and other stakeholder data, including Mobile Phone Numbers, National Exam Registration Numbers and Results, Birth Dates, National Identification and Passport Numbers, Kenya Revenue Authority (KRA) Personal Identification Numbers (PIN), Companies' Registration Numbers, Employee Data among others. However, review of the Data Management System at the Polytechnic revealed the following breaches of the data protection law;

- (i) The Polytechnic had not established personal data retention schedule contrary to Regulation 19(2)(a) of the Data Protection (General) Regulations, 2021 which requires a data controller or data processor to establish personal data retention schedule with appropriate time limits for the periodic review of the need for the continued storage of personal data that is no longer necessary or where the retention period is reached.
- (ii) The Polytechnic had not established appropriate time limits for the periodic review of the need for the continued storage of personal data for any of the law enforcement purposes contrary to Regulation 19(5) of the Data Protection (General) Regulations, 2021 which states that a data controller or data processor shall establish appropriate time limits for the periodic review of the need for the continued storage of personal data for any of the law enforcement purposes.
- (iii) The Polytechnic had not developed and published a policy reflecting their personal data handling practices contrary to Regulation 23(1) of the Data Protection (General) Regulations, 2021 which states that data controller or data processor shall develop, publish and regularly update a policy reflecting their personal data handling practices.
- (iv) Management of the Polytechnic had not implemented the elements necessary to safeguard the principle of storage limitation including having in place means of managing policies and procedures for information security, assessing the risks against the security of personal data and putting in place measures to counter identified risks and regularly reviewing and testing management information systems used by the Polytechnic to uncover vulnerabilities.
- (v) Management had not implemented the elements necessary to safeguard the principle of storage limitation including having in place a clear internal procedure for deletion and destruction of personal data of subjects, determining what data and length of storage of personal data that is necessary for the purpose and formulating internal retention statements of implementing them contrary to Regulation 35 of the Data Protection (General) Regulations, 2021 which states that the elements necessary to implement the principle of storage limitation include (a) having clear internal procedures for deletion and destruction; (b) determining what data and length of storage of personal data that is necessary for the purpose; (c) formulating internal retention statements of implementing them.

- (vi) Management of the Polytechnic does not conduct data protection impact assessment prior to processing of the data contrary to Regulation 49(2) of the Data Protection (General) Regulations, 2021 which states that a data processor or data controller shall, prior to processing data under Sub-Regulation (1) conduct a data protection impact assessment.

In the circumstances, Management was in breach of the law

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Published Annual Report by the Internal Audit Department and Audit Committee

Review of records of the internal audit department and Internal Audit Committee of the Polytechnic revealed that the Audit Committee did not publish an annual report on the review of the independence, performance, and competence of the internal audit unit contrary to Regulation 166(2) of the Public Finance Management (National) Regulations, 2015 which states that each year the Audit Committee shall carry out annual review of the independence, performance and competency of the internal audit unit and comment on their effectiveness in the annual report.

Further, the internal audit unit has not undergone a professional assessment of its effectiveness by a professionally recognized body or institution in the last three (3) years contrary to Regulation 166(3) of Public Finance Management (National Government) Regulations, 2015 which states that at least once every three (3) years, but not more than five years, internal audit unit shall undergo a professional assessment of its effectiveness undertaken by a professionally recognized body or institution.

In the circumstances, the internal controls of The Eldoret National Polytechnic may not be functioning efficiently and effectively.

2. Weaknesses in ICT Internal Controls

Review of the information communication technology (ICT) internal control environment of the Polytechnic revealed that the Polytechnic does not have in place an approved ICT risk management policy. Further, the access to the server room is not effectively controlled since the entity lacks biometric access to the Facility. Having in place a combination of CCTV cameras and biometric access control at the server room is critical for enhancing security measures by introducing a multi-layered approach to access management. While CCTV cameras provide visual surveillance, biometric access control adds an extra layer of authentication. This dual-layered system significantly reduces the risk of unauthorized access, enhancing overall security in the server room. Biometric access control ensures that only authorized personnel with verified credentials can physically enter the server room, thus mitigating the potential for security breaches, data theft, and unauthorized tampering with critical infrastructure. The combination of video surveillance and biometric authentication not only deters unauthorized access but also facilitates rapid response and forensic analysis in the event of a security incident.

In the circumstances, in the event of a disaster, the Polytechnic's operations can come to a complete shut down and irrecoverable loss of critical operational and strategic data.

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 those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal 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.

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

Auditor-General's Responsibilities for the Audit

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I 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

31 December, 2024

14. Statement of Financial Performance for the Year Ended 30th June, 2024

| | NOTES | 2023/2024 | 2022/2023 |
|---|-------|--------------------|--------------------|
| | | Kshs. | Kshs. |
| Revenue from non-exchange transactions | | | |
| Transfers from the National Government-grants/gifts in kind | 6 | 42,079,882 | - |
| Grants from donors & development partners | 7 | - | - |
| Transfer from other levels of government | 8 | - | - |
| Public contributions and donations | 9 | - | - |
| Sub Total | | 42,079,882 | - |
| Revenue from exchange transactions | | | |
| Rendering of services-Tuition fees & Other incomes | 10 | 823,278,352 | 769,383,155 |
| Sale of goods | 11 | 26,220,595 | 27,789,717 |
| Rental revenue from facilities and equipment | 12 | 8,589,956 | 1,717,248 |
| Finance income-External investment | 13 | 938,319 | 376,027 |
| Miscellaneous income | 14 | 63,681,188 | 12,608,220 |
| Sub Total | | 922,708,410 | 811,874,367 |
| Total revenue | | 964,788,292 | 811,874,367 |
| Expenses | | | |
| Use of goods and services | 15 | 438,645,478 | 332,894,886 |
| Employee costs | 16 | 315,196,391 | 265,079,338 |
| Board/Council Expenses | 17 | 14,530,062 | 13,617,437 |
| Depreciation and Amortization expense | 18 | 111,280,706 | 66,969,495 |
| Repairs and maintenance | 19 | 50,455,572 | 38,628,771 |
| Contracted services | 20 | - | - |
| Grant and subsidies | 21 | - | - |
| Finance costs | 22 | - | - |
| Current Provisions | 38(a) | 29,547,858 | 27,446,070 |
| Total Expenses | | 959,656,066 | 744,635,998 |
| Other gains/(losses) | | | |
| Gain on sale of assets | 23 | - | - |
| Unrealized gain on fair value of investments | 24 | - | - |
| Impairment loss | 25 | - | - |
| Surplus before tax | | 5,132,226 | 67,238,370 |
| Taxation | | - | - |
| Surplus/Deficit for the period | | 5,132,226 | 67,238,370 |

The notes set out on pages 8 to 45 form an integral part of the annual financial statement.

The Eldoret National Polytechnic Annual Report & Financial Statements for the year ended 30th June, 2024

The Financial Statements set out on pages 1 to 7 were signed by:

Dr. Paul K. Murgor **Date: 20th September 2024**

On behalf of Chairman, Of Council

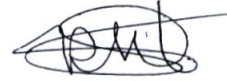
Sign:



CPA Richard K. Sang **Date: 20th September 2024**

Finance Officer: ICPAK NO. 7347

Sign:



Mr. Charles K. Koech **Date: 20th September 2024**

Principal/Secretary, Governing Council.

Sign:



15. Statement of Financial Position as of 30th June, 2024

| Description | NOTES | 2023/2024 | 2022/2023 |
|---|-------|----------------------|----------------------|
| | | Ksh | Ksh |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 26 | 46,038,668 | 47,461,651 |
| Receivables from exchange transactions | 27 | 554,797,305 | 510,455,330 |
| Receivables from non-exchange transactions | 28 | - | - |
| Inventories | 29 | 9,401,032 | 3,142,591 |
| Investments - Financial Assets Biological Assets | 30 | - | - |
| Total-Current assets | | 610,237,006 | 561,059,572 |
| Non-current assets | | | |
| Prepayments | 31 | - | - |
| Property, plant and equipment | 32 | 5,294,464,485 | 5,055,200,824 |
| Intangible assets | 33 | - | - |
| Investments Property | 34 | - | - |
| Biological assets | 35 | 9,888,500 | 9,606,800 |
| Total Non-current assets | | 5,304,352,985 | 5,064,807,624 |
| Total assets | | 5,914,589,991 | 5,625,867,196 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables from exchange transactions | 36 | 143,831,542 | 201,920,452 |
| Refundable deposits from customers-caution money | 37 | 20,061,450 | 10,970,011 |
| Current Provisions | 38(b) | 7,187,272 | 7,187,272 |
| Finance lease obligation | 39 | - | - |
| Non-current liabilities | | | |
| Deferred Income | 40 | - | - |
| Total Non-current liabilities | | | |
| Total liabilities | | 171,080,265 | 220,077,735 |
| Net assets | | 5,743,509,726 | 5,405,789,461 |
| Revaluation Reserves | | 5,136,727,242 | 4,849,139,202 |
| Accumulated surplus/Deficit | | 78,564,699 | 73,432,473 |
| G.O.K Exchequer grants | | 473,916,571 | 428,916,571 |
| Donated Assets (MOEST) | | 54,301,215 | 54,301,215 |
| Total net assets and liabilities | | 5,743,509,726 | 5,405,789,461 |

The Annual Financial Statements set out on pages 1 to 7 were signed on behalf of the polytechnic's Governing Council by:

Dr. Paul K. Murgor

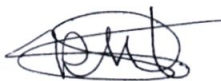
Date: 20th September 2024 Sign:



On behalf of Chairman, Of Council

CPA Richard K. Sang

Date: 20th September 2024 Sign:

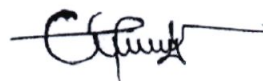


Finance Officer: ICPAK NO. 7347

Mr. Charles K. Koech

Date: 20th September 2024

Sign:



Principal/Secretary, Governing Council

16. Statement of Changes in Net Assets for the Year Ended 30th June, 2024

| Description | Retained earnings | Fair value adjustment reserves | Capital/Development Granta/Fund | Donated Assets (MOEST) | Total |
|------------------------------------|-------------------|--------------------------------|---------------------------------|------------------------|----------------------|
| | Kshs | Kshs | Kshs | Kshs | Kshs |
| Balance as at 30 JUNE 2022 | 6,194,103 | 4,823,274,029 | 403,916,571 | 54,301,215 | 5,287,685,918 |
| Balance as at 1st JULY 2022 | 6,194,103 | 4,823,274,029 | 403,916,571 | 54,301,215 | 5,287,685,918 |
| Surplus/(deficit) for the period | 67,238,370 | - | - | - | 67,238,370 |
| Prior year adjustment | - | - | - | - | - |
| Exchequer grant | - | - | - | - | - |
| Revaluation of Biological assets | - | - | - | - | - |
| donations and Grants | - | - | 25,000,000 | - | 25,000,000 |
| Revaluation of assets | - | 25,865,173 | - | - | 25,865,173 |
| Balance as at 30 June 2023 | 73,432,473 | 4,849,139,202 | 428,916,571 | 54,301,215 | 5,405,789,460 |
| Balance as at 1st JULY 2023 | 73,432,473 | 4,849,139,202 | 428,916,571 | 54,301,215 | 5,405,789,460 |
| Surplus/(deficit) for the period | 5,132,226 | - | - | - | 5,132,226 |
| Prior year adjustment | - | - | - | - | - |
| Exchequer grant | - | - | 45,000,000 | - | 45,000,000 |
| Revaluation of Biological assets | - | - | - | - | - |
| donations and Grants | - | - | - | - | - |
| Revaluation of assets | - | 287,588,040 | - | - | 287,588,040 |
| Balance as at 30 June 2024 | 78,564,699 | 5,136,727,242 | 473,916,571 | 54,301,215 | 5,743,509,726 |

17. Statement of Cash Flows for The Year Ended 30th June,2024

| Description | Note | 2023/2024 | 2022/2023 |
|---|------|---------------------|----------------------|
| | | Ksh | Ksh |
| Surplus/Deficit for the year | | 5,132,226 | 67,238,370 |
| Adjustments for non-cash income and expenses | | - | - |
| Prior year ledger adjustments | | - | - |
| Adjustments for :- | | | |
| Finance cost | | - | - |
| Movement for Provisions (debtors) during the year | | - | - |
| Changes in biological assets | 34 | 281,800 | 784,800 |
| Depreciation | 18 | 111,280,706 | 66,969,495 |
| | | 116,694,732 | 134,992,665 |
| CHANGES IN WORKING CAPITAL | | | |
| Changes in biological assets | 34 | (281,700) | (1,059,400) |
| Changes in Inventories | 29 | (6,258,441) | 2,208,730 |
| Changes in Accounts Receivable | 27 | (44,341,975) | (210,261,014) |
| Changes in Accounts Payable | 36 | (58,088,911) | 44,863,491 |
| Changes in refundable deposits from customers | 37 | 9,091,439 | 1,374,322 |
| Changes in Provisions | 38 | - | (1,740,000) |
| | | (99,879,587) | (164,613,871) |
| Net Inflows/Outflows from Operating Activities | | 16,815,144 | (29,621,207) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of Non-currents assets | | (63,238,127) | (37,224,731) |
| Adjustment for Transfers (Projects Inter bank accounts) | | | |
| Net cash flows from investing activities | | (63,238,127) | (37,224,731) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Government Development Grants | | 45,000,000 | 25,000,000 |
| Asset Financing Term loan (NBK)/Repayment | | | |
| Net cash flows from financing activities | | 45,000,000 | 25,000,000 |
| Net increase/decrease in cash and cash equivalents | | (1,422,982) | (41,845,937) |
| Cash and cash equivalents at the beginning of the year | | 47,461,651 | 89,307,590 |
| Bank overdraft at the beginning of the year | | - | - |
| Net increase/decrease in cash and cash equivalents | | 47,461,651 | 89,307,590 |
| Cash and cash equivalents at the end of the year: | | 46,038,668 | 47,461,651 |

18. Statement of Comparison of Budget and Actual amounts for the year ended 30th June,2024

| Description | | Original Budget | Adjustments | Final Budget | Actual on Comparable basis | Performance difference | Utilisation difference |
|--|-------|--------------------|---------------------|--------------------|----------------------------|------------------------|------------------------|
| | Note | Ksh. | Ksh. | Ksh. | Ksh. | Ksh. | % |
| Revenue | | | | | | | |
| Exchequer operations grants | 6 | 28,176,882 | 13,903,000 | 42,079,882 | 42,079,882 | - | - |
| Public contributions and donations | 9 | - | - | - | - | - | - |
| Rendering of services-Tuition fees & other incomes | 10 | 788,956,186 | 38,523,882 | 827,480,068 | 823,278,352 | 4,201,716 | 1 |
| Sale of goods | 11 | 11,000,000 | 15,220,595 | 26,220,595 | 26,220,595 | - | - |
| Gain on disposal,rental income and agency fees. | 12 | 15,100,000 | - 6,600,000 | 8,500,000 | 8,589,956 | - 89,956 | (1) |
| Finance income | 13 | - | 1,000,000 | 1,000,000 | 938,319 | 61,681 | 6 |
| Other income | 14 | 2,750,000 | 2,750,000 | 5,500,000 | 63,681,188 | - 58,181,188 | (1,058) |
| Total income | | 845,983,068 | 64,797,477 | 910,780,545 | 964,788,292 | - 54,007,747 | (6) |
| Expenses | | | | | | | |
| Use of Goods and Services/Admin & Central service expenses | 15 | 416,580,000 | - | 416,580,000 | 438,645,478 | - 22,065,478 | (5) |
| Employee costs | 16 | 277,526,186 | 35,000,000 | 312,526,186 | 315,196,391 | - 2,670,205 | (1) |
| Remuneration of Governing Council members | 17 | 23,500,000 | (8,430,622) | 15,069,378 | 14,530,062 | 539,316 | 4 |
| Depreciation and amortization expense | 18 | 42,500,000 | 69,591,673 | 112,091,673 | 111,280,706 | 810,967 | 1 |
| Repairs and maintenance | 19 | 35,513,308 | 11,000,000 | 46,513,308 | 50,455,572 | - 3,942,264 | (8) |
| Rents | 17 | - | - | - | - | - | - |
| Marketing expenses | 15 | - | - | - | - | - | - |
| Current Provisions | 38(a) | - | 8,000,000 | 8,000,000 | 29,547,858 | - 21,547,858 | (269) |
| Total expenditure | | 795,619,494 | 115,161,051 | 910,780,545 | 959,656,066 | - 48,875,521 | (5) |
| Surplus/Deficit for the period | | 50,363,574 | (50,363,574) | - | 5,132,226 | (5,132,226) | |

NOTE 14: There were more bookings in the conference facility from government agencies

NOTE 38(a): There was unfavourable expenditure on the the vote due to high wear and tear on equipment and the general market prices for materials short up exponentially.

Statement of Comparison of Capital Budget Estimates and Actual Amounts Spent As At 30th June 2024

| Descriptions | Original budget | Actual Expenditure | Performance Difference | Utilization Difference |
|--------------------------------------|--------------------|--------------------|------------------------|------------------------|
| | 2023/2024 | 2023/2024 | 2023/2024 | 2023/2024 |
| Capital Projects | Ksh | Ksh | Ksh | % |
| STUDENT CENTRE | 12,000,000 | 10,399,488 | 1,600,512 | 13 |
| LIBRARY PHASE 1 | 70,000,000 | 41,173,437 | 28,826,563 | 41 |
| SOLAR PANELS | 1,500,000 | - | 1,500,000 | 100 |
| CANOPY HOSPITALITY BUILDING | 5,000,000 | - | 5,000,000 | 100 |
| PARKING BAY | 5,000,000 | - | 5,000,000 | 100 |
| SUB TOTAL | 93,500,000 | 51,572,925 | 41,927,075 | 45 |
| Expenditure on Capital items | | | | |
| FURNITURE AND FITTING | 8,000,000 | 2,195,687 | 5,804,313 | 73 |
| COMPUTERS,LAPTOPS,COPIERS & PRINTERS | 5,000,000 | 4,909,282 | 90,718 | 2 |
| PLANT & MACHINERY | 5,000,000 | 4,560,232 | 439,768 | 9 |
| Total expenditure | 18,000,000 | 11,665,201 | 6,334,799 | |
| Grand Total | 111,500,000 | 63,238,126 | 48,261,874 | |

19. Notes to the Financial Statements

1. General Information

The Eldoret National Polytechnic is established by and derives its authority and accountability from TIVET Act of 2013, and the PFM Act 2012. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya the entities principal activity is to produce human capital and advance technology through innovative training for a dynamic economy.

2. Statement of compliance and basis of Preparation – IPSAS 1

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

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

3. Adoption of new and Revised Standards.

- a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks.
- b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment.
Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved.
- c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets.
Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.
- d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs).
Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.

The above changes did not impact on the preparation of the Financial Statements of the Eldoret National Polytechnic.

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 realized 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.

Rental income

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

b) Budget information

The original budget for FY 2023/2024 was approved by the Council or Board on 12th January 2023. Revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities.

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 actuals as per the statement of financial performance has been presented under section of these financial statements.

c) Taxes

Current income tax

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

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

Sales tax/ 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. After initial recognition, investment properties are measured using the cost model and are depreciated over a 30-year period.

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

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

e) Property, plant, and equipment

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

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.

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

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

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 deficits 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.

h) Research and development costs

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

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

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

How the asset will generate future economic benefits or service potential

The availability of resources to complete the asset.

The ability to measure reliably the expenditure during development.

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

i) Financial instruments

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

Financial assets

Classification

The Eldoret National polytechnic (TENP) classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial

asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for investments in equity instruments.

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

j) Inventories

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

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

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

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

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

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

k) Provisions

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

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

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

While preparing the financial statements, The Eldoret National Polytechnic provided 5% as a provision on uncollectible fees and other debtors e.g. House Rent, Advances etc. as they are deemed to be collected at an arm's length and was charged to the statement of performance.

Contingent liabilities

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

Contingent assets

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

l) Social Benefits

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

m) Nature and purpose of reserves

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

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

The Eldoret National Polytechnic provides retirement benefits for its employees on gratuity basis. Defined contribution plans are post-employment benefit plans under which TENP pays fixed contributions into a separate TENP (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 a proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

p) Foreign currency transactions

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

q) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

r) Related parties

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

s) Service concession arrangements

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

Polytechnic also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

t) Cash and cash equivalents

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

u) Comparative figures

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

v) Subsequent events

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

5. Significant judgments and sources of Estimation uncertainty

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

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 Eldoret National Polytechnic based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of The Eldoret National Polytechnic. Such changes are reflected in the assumptions when they occur.

Useful lives and residual values

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

- The condition of the asset based on the assessment of experts employed by The Eldoret National Polytechnic
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.

- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 38.

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

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

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

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

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

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

Fixed assets and depreciation –IPSAS 17

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

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

| Assets | Rate (p. a) |
|---|-------------|
| Buildings | 2% |
| Furniture & Fittings, plant and equipment | 12.5% |
| Motor vehicles | 25 % |
| Computers | 33.3 % |

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

v) Agriculture – IPSAS 27

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

be determined reliably by the Farm Manager who is also a member of Agricultural Society of Kenya as stated in basis of valuations given below.

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

Agricultural activity means the management by the polytechnic of the biological transformation and harvest of biological assets.

Conversion into agricultural produce or into additional biological assets for sale or for distribution at no charge or for a nominal charge.

Agricultural produce means the harvested product of the polytechnic's biological assets.

Biological assets mean a living animal or plant.

Harvest means the detachment of produce from a biological asset or the cessation of a biological asset's life processes.

Costs to sell mean the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income taxes.

Recognition

A biological asset or agriculture produce was recognized only when.

The entity controls the asset because of past events.

It is probable that future economic benefits will flow to the entity.

The fair value or cost of the asset can be measured reliably.

Basis for valuation

All farm biological assets are valued based on market rates by an expert from the Government of Kenya Department concerned with Agriculture & Livestock. Apart from market rates, valuation for all the farm biological assets is based on the following factors:

Dairy cows

All the cows were valued differently based on:

Age- Older cows in a higher lactation stage will have a lower value than a cow in its first lactation. An in-calf heifer that has never been given but before will have the highest value than any cow in the herd. Younger cows also have a lower value.

Sex: Bull cows in the same age are valued differently from heifer cows in the same age.

Registration: All our female cows are registered with Kenya Stud Book, and all have registration certificates. Registered cows are valued highly.

Pedigree: The institution cows have been bred and upgraded for many years using artificial insemination. Their pedigree information and records are well known through continued record keeping. They are superior breeds with high milk production. Pedigree cows have a higher value than other cows.

Pure breeds: These are cows whose ancestors or pedigree information is the same. The cows are pure Ayrshire's without any mix of other blood. This means their lineage is known therefore an added value.

Doper Sheep

The doper sheep are valued based on the following:

Sex: females have a higher value than the males

Age: Female sheep that have been weaned and have already been served or in lamb for the first time fetch the highest price than older or younger females.

Pure breeds: Sheep that have been bred selectively from pedigree rams will also be valued higher than those bred randomly.

Pigs (Large White)

Pigs are valued based on:

Age

Breed

Sex

Condition e.g., whether lactating, dry or in gilt (pregnant)

Live weight

Poultry

The poultry is valued based on the following:

Age

Indigenous vs Hybrid: Hybrid chicken is valued higher than indigenous chicken.

Crops

Crops are valued based on the following:

Growth stage

Acreage planted.

Inputs applied.

6. Transfers from other National Government entities

| Description | 2023/2024 | 2022/2023 |
|--|-------------------|-----------|
| | Kshs. | Kshs. |
| Unconditional grants | | |
| Capitation grants | | - |
| Operational grant | 42,079,882 | - |
| Other grants | | - |
| Total unconditional Grants | 42,079,882 | - |
| Conditional Grants amortised/ recognised in revenue | | |
| Library grant | 45,000,000 | - |
| Hostel grant | | - |
| Administration block grant | | - |
| Laboratory grant | | - |
| Learning facilities grant | | - |
| Other organizational grants | | - |
| Total government grants and subsidies | 87,079,882 | - |

(a) Transfers from other Government Entities (Categorized)

| Name of the Entity Sending Grant | Amount recognized to Statement of Financial Performance | Amount deferred under deferred income |
|----------------------------------|---|---------------------------------------|
| | Kshs | Kshs |
| State Department of TVET | 42,079,882 | - |
| Ministry of Education | - | - |
| Total | 42,079,882 | - |

7. Grants from Donors and Development Partners

| Description | 2023/2024 | 2022/2023 |
|--|-----------|-----------|
| | Kshs. | Kshs. |
| JICA-Research grant | | - |
| World bank grants | | - |
| Other grants | | - |
| Total Grant from development partners | - | - |

(a) Reconciliation of grants from donors and development partners

| Description | 2023/2024 | 2022/2023 |
|---|-----------|-----------|
| | ksh | ksh |
| Balance unspent at the beginning of the year | | |
| Current year receipts | - | - |
| conditions Met-Transferred to Revenue | - | - |
| Conditions Yet To Be Met-Remain Liabilities | - | - |
| | | |

8. Transfers from Other Levels of Government

| Description | 2023/2024 | 2022/2023 |
|--------------------------|-----------|-----------|
| | Kshs. | Kshs. |
| Transfer from county | - | - |
| Transfer from Institutes | - | - |
| Total Transfers | - | - |

9. Public Contributions and Donations

| Description | 2023/2024 | 2022/2023 |
|---|-----------|-----------|
| | Kshs. | Kshs. |
| Public donations | - | - |
| Donations from local leadership | - | - |
| Donations from religious institutions | - | - |
| Donations from alumni | - | - |
| Other donations | - | - |
| Total dontions and Contributions | - | - |

10. Rendering of Services

| Description | 2023/2024 | 2022/2023 |
|-------------------------------------|--------------------|--------------------|
| | Kshs. | Kshs. |
| Tuition fees | 470,006,964 | 469,088,004 |
| Activity fees | 59,865,087 | 54,779,593 |
| Facilities and materials | | - |
| Application fees | 3,534,440 | 3,703,498 |
| Industrial Attachment fees | 13,464,434 | 11,778,320 |
| Registration fees | 11,212,950 | 3,185,100 |
| Maintenance | 28,118,313 | 10,625,670 |
| Electricity, Water & Conservancy | 27,865,467 | 10,963,721 |
| Local Travel & Transport | 29,121,237 | 10,964,287 |
| Library levy | 6,186,882 | 11,004,713 |
| Internet Levy | 6,174,737 | 10,996,071 |
| Hostel & Catering | | - |
| Tender fees and other misc. incomes | - | - |
| Medical fees | 25,889,005 | 27,713,440 |
| Personal Emoluments | 103,259,732 | 82,309,315 |
| Graduation Income | | - |
| Sports | - | - |
| Driving school income | 2,649,138 | 3,345,250 |
| Research and Development | 86,440 | 169,130 |
| Practicals fees | 35,843,528 | 58,757,043 |
| Total | 823,278,352 | 769,383,155 |

11. Sale of Goods

| Description | 2023/2024 | 2022/2023 |
|---|-------------------|-------------------|
| | Kshs. | Kshs. |
| Sale of books | | - |
| Sale of publications | | - |
| Sale of farm produce | 8,469,013 | 2,644,864 |
| Hostel & Cafeteria sales | 17,751,582 | 25,144,853 |
| Other | | - |
| Total revenue from sale of goods | 26,220,595 | 27,789,717 |

12. Rental Revenue from Facilities & Equipment

| Description | 2023/2024 | 2022/2023 |
|--|------------------|------------------|
| | Kshs. | Kshs. |
| Hire of facilities and equipment | 7,349,076 | 1,026,368 |
| Contigent rentals -Staff quarters rent | 1,240,880 | 690,880 |
| Operating lease revenue | | - |
| Total | 8,589,956 | 1,717,248 |

13. Finance Income

| Description | 2023/2024 | 2022/2023 |
|--|----------------|----------------|
| | Kshs. | Kshs. |
| Cash investments and fixed deposits | 938,319 | 376,027 |
| Interest income /Treasury bill & bonds | | - |
| Interest from outstanding debtors | | - |
| Total | 938,319 | 376,027 |

14. Miscellaneous Income

| Description | 2023/2024 | 2022/2023 |
|---|-------------------|-------------------|
| | Kshs. | Kshs. |
| Insurance recoveries | | - |
| Consultancy fees | | - |
| Income from sale of tender | | - |
| Service concession income | | - |
| Skills development levy | | - |
| Reimbursements and refunds | | - |
| Graduation fees | 7,718,150 | 3,830,250 |
| Rental of physical facilities and services | | - |
| Project management income | | - |
| Guest House & Conferences | 55,302,202 | 8,240,721 |
| Gain on revalued biological assets | | - |
| Reduction on provision for uncollectible fees debtors | | - |
| Disposal of inserviceable/Obsolete assets | | - |
| Gain on revaluation of Biological assets | | - |
| Savings from projects completed | | - |
| Penalties losses & damages | 660,836 | 537,249 |
| Total | 63,681,188 | 12,608,220 |

15. Use of Goods and Services (Administrative and Central service costs)

| Descriptions | 2023/2024 | 2022/2023 |
|--|--------------------|--------------------|
| | Kshs. | Kshs. |
| Teaching & learning materia-Tuition and related Expenses | 84,139,090 | 85,530,923 |
| Medical Expenses | 3,353,843 | 3,894,973 |
| Travelling,Transport & Accom. Exp. | 68,234,163 | 56,047,049 |
| Telephone/Telecommunicatin Expenses | 1,901,450 | 1,634,500 |
| Electricity,Water & Conservancy | 18,251,961 | 14,642,138 |
| Graduation Expenses | 13,875,877 | 4,927,712 |
| Insurance Expenses(Assets covers) | 1,212,242 | 1,854,450 |
| Insurance Expenses(Student Life covers) & WIBA | 2,307,380 | 2,376,883 |
| Postage | 435,834 | 329,895 |
| Publishing &Printing | 356,575 | 49,529 |
| Bank Charges | 676,614 | 311,237 |
| Administrative costs | 12,250,403 | 7,294,107 |
| Cleaning materials | 3,564,602 | 2,032,297 |
| Fees,Commissions & Honoraria/ conference delegation | 1,953,631 | 9,002,446 |
| Staff Uniforms & other protective gear | 6,776,589 | 2,337,760 |
| Catering, Hostel and Conference Expenses | 39,095,330 | 29,358,844 |
| Attachment Expenses(ILO) | 7,093,900 | 7,026,300 |
| Internet services | 3,146,609 | 3,852,141 |
| Activity/Sports | 30,689,275 | 32,927,899 |
| Rental and Hire of teaching Equipment and facilities-Town Campus | 57,032,799 | 14,640,715 |
| Subscription Charges- KUCCPS,/TVETA | 1,289,000 | 1,441,500 |
| Advertising & Publicity | 4,346,562 | 6,865,956 |
| Fuel oil & lubricants | 18,424,013 | 12,228,356 |
| Licenses and permits | | |
| Driving school Expenses | 46,800 | 185,350 |
| Tivet Fairs,Research & Development | 9,754,316 | 2,902,170 |
| Performance, Evaluation & Monitoring | 1,367,890 | 3,347,333 |
| Contracted Professional & Consultancy services | 9,658,172 | 4,166,489 |
| Outsourced Legal fees | - | 358,000 |
| Court awards and Penalties | - | 2,838,737 |
| workshops for sfaff | 17,337,924 | 8,354,585 |
| KATTI | 1,970,232 | 744,828 |
| Inventory scrapping | | |
| Farm expenses | 18,102,402 | 9,389,785 |
| Audit fees | | |
| Guest House & Conference expenses | | |
| Total | 438,645,478 | 332,894,886 |

16. Employee Cost

| Descriptions | 2023/2024 | 2022/2023 |
|---|--------------------|--------------------|
| | Kshs. | Kshs. |
| Basic Salary/ Salaries and wages | 196,103,146 | 179,731,769 |
| Other Allowances(Hse,leave & DIT Levy) | 36,873,663 | 35,246,106 |
| Gratuity Costs/Contribution to pensions | 2,905,589 | 2,873,598 |
| Commuter | 16,661,704 | 15,775,738 |
| Staff Training & Development | | - |
| Medical allowances | 2,967,470 | 3,134,280 |
| NHIF Penalty | | - |
| Salary Arrears | 227,969 | 3,263,448 |
| Part time teaching claims(Facilitators) | 58,055,723 | 23,026,965 |
| Passage & Leave Allowance | 1,323,137 | 2,027,435 |
| Overtime payments | 77,990 | - |
| Performance and other bonuses | | - |
| Social contribution | | - |
| Total | 315,196,391 | 265,079,338 |

17. Board/Council Expenses

| Descriptions | 2023/2024 | 2022/2023 |
|------------------------------|-------------------|-------------------|
| | Kshs. | Kshs. |
| Chairman's honoraria | | 749,250 |
| Directors emoluments | 5,127,715 | 12,868,187 |
| Other allowances | 4,873,300 | |
| Other Board/Council Expenses | 4,529,047 | |
| Total | 14,530,062 | 13,617,437 |

18. Depreciation and Amortization Expenses

| 18. Depreciation and Amortization Expenses | 2023/2024 | 2022/2023 |
|--|--------------------|-------------------|
| | Kshs. | Kshs. |
| Plant and equipment | 17,987,742 | 14,661,536 |
| Buildings | 21,124,641 | 17,103,314 |
| Computers, Printers and Copiers | 36,925,159 | 7,739,231 |
| Furniture and fittings | 10,919,462 | 7,765,100 |
| Motor vehicles | 24,323,702 | 19,700,314 |
| Intangible assets | | - |
| Total | 111,280,706 | 66,969,495 |

19. Repairs and Maintenance

| Description | 2023/2024 | 2022/2023 |
|-------------------------------------|-------------------|-------------------|
| | Kshs. | Kshs. |
| Investment property-earning rentals | | - |
| Equipment and machinery | 19,300,835 | 19,601,158 |
| Vehicles | 7,892,497 | 8,982,420 |
| Furniture and fittings | | - |
| Computers and accessories | | - |
| Others | | - |
| Property-Building | 23,262,239 | 10,045,193 |
| Total | 50,455,572 | 38,628,771 |

20. Contracted Services

| Description | 2023/2024 | 2022/2023 |
|-----------------------|-----------|-----------|
| | Kshs. | Kshs. |
| Actuarial valuations | - | - |
| Property valuations | - | - |
| Investment valuations | - | - |
| Total | - | - |

21. Grants and Subsidies

| Description | 2023/2024 | 2022/2023 |
|-------------------------------------|-----------|-----------|
| | Kshs. | Kshs. |
| Community development | - | - |
| Education initiatives and programs | - | - |
| Social development | - | - |
| community trust | - | - |
| Sporting bodies | - | - |
| Total grants & subsidies | - | - |

22. Finance Costs

| Description | 2023/2024 | 2022/2023 |
|--|-----------|-----------|
| | Kshs. | Kshs. |
| Borrowings (amortized cost) | - | - |
| Finance lease(armotized cost) | - | - |
| Unwinding of discount from lease liabilities | - | - |
| Interests on bank overdrafts | - | - |
| Interests on loans from commercial banks. | - | - |
| Total | - | - |

23. Gain On Sale of Assets

| Description | 2023/2024 | 2022/2023 |
|------------------------------|-----------|-----------|
| | Kshs. | Kshs. |
| Property Plant and Equipment | - | - |
| Intangible assets | - | - |
| Other assets not capitalised | - | - |
| Total | - | - |

24. Gain/(Loss) on Fair Value Investments

| Description | 2023/2024 | 2022/2023 |
|---------------------------|-----------|-----------|
| | Kshs. | Kshs. |
| Investments at fair value | - | - |
| Total | - | - |

25. Impairment Loss

| Description | 2023/2024 | 2022/2023 |
|------------------------------|-----------|-----------|
| | Kshs. | Kshs. |
| Property Plant and Equipment | - | - |
| Intangible assets. | - | - |
| Total | - | - |

26. Cash and Cash Equivalents

| Description | 2023/2024 | 2022/2023 |
|--|-------------------|-------------------|
| | Kshs. | Kshs. |
| Cash-on-hand and in transit | 142,220 | - |
| Current account (Bank) | 45,896,448 | 47,461,651 |
| On-call/ Short-term deposits | - | - |
| Staff car loan/mortgage | - | - |
| Total cash and cash equivalents | 46,038,668 | 47,461,651 |

26 (a). Detailed analysis of the cash and cash equivalents

| Financial Institutions | Account Number | 2023/2024 | 2022/2023 |
|--------------------------------------|----------------|-------------------|-------------------|
| | | Kshs. | Kshs. |
| (a) Current Accounts | | | |
| National Bank of Kenya -Eldoret | .7700088934 | 1,231,042 | 11,697,449 |
| National Bank of Kenya -Eldoret | 7700088942 | 365,526 | 67,290 |
| National Bank of Kenya -Eldoret | 7700088950 | 6,818,896 | 5,919,150 |
| National Bank of Kenya -Eldoret | 7700088969 | 367,510 | 58,496 |
| National Bank of Kenya -Eldoret | 7700088977 | 30,424,750 | 25,463,660 |
| National Bank of Kenya -Eldoret | 7700088985 | 1,155,040 | 1,163,500 |
| National Bank of Kenya -Eldoret | 7701702571 | 668,392 | 676,852 |
| Co-operative Bank of Kenya | 01129441884400 | 1,653,572 | 478,485 |
| Equity Bank Supreme BR-Fees | 1640279055360 | 2,558,363 | 1,936,770 |
| Equity Bank Supreme BR-Fees | 01129441884401 | | - |
| Sub Total | | 45,896,448 | 47,461,651 |
| 26.b) On-Call Deposits | - | - | - |
| 26.c) Fixed Deposits Account | - | - | - |
| 26.d) Staff Car Loan/Mortgage | - | - | - |
| 26.e) Others | | - | |
| Cash in Transit | | 220.00 | |
| Cash in Hand | | - | |
| Money Orders & cheques | | 142,000 | - |
| M-Pesa (Pay Bill No. (304250) | | - | - |
| M-Pesa (Pay Bill No. 632451) | | - | - |
| Sub Total | | 142,220 | - |
| Grand Total | | 46,038,668 | 47,461,651 |

27. Receivables from Exchange Transactions

27(a) Current Receivables from Exchange Transactions:

| Description | 2023/2024 | 2022/2023 |
|--|---------------------|---------------------|
| | Kshs. | Kshs. |
| Students debtors | 570,322,468 | 521,589,130 |
| Sundry debtors | 8,749,340 | 6,742,615 |
| House Rent debtors | 3,394,553 | 3,348,813 |
| Staff P.U Advances | - | 3,651,291 |
| Staff salary advances | 30,802 | 489,551 |
| Staff Imprests | | - |
| Sports | - | - |
| Prepaid Examination fees | | - |
| Rental facility deposit-Debtos | 1,500,000 | 1,500,000 |
| Court Deposit | - | - |
| Student Union | - | |
| E.A Regional Network of Excel. In Dairy | - | - |
| Colleges & Institutes Canada (CICAN)-SITVES | - | - |
| Funds held by mentoring Institutions bank accounts | - | - |
| Consultancy debtors | - | - |
| Less: impairment allowance | - | - |
| Sub Total | 583,997,163 | 537,321,400 |
| Less Provisions for the year | (29,199,858) | (26,866,070) |
| Total | 554,797,305 | 510,455,330 |

27 (b) Long-term Receivables from Exchange Transactions

| Description | 2023/2024 | 2022/2023 |
|-------------------------------|-----------|-----------|
| | Kshs | Kshs |
| At the beginning of the year | - | - |
| Provisions during the year | - | - |
| Recovered during the year | - | - |
| Write offs during the year | - | - |
| At the end of the year | - | - |

27. C) Ageing Analysis of Receivables from Exchange Transactions

| Description | 2023/2024 | % of total | 2022/2023 | % of total |
|--------------------------------|--------------------|------------|--------------------|------------|
| | Kshs. | | Kshs. | |
| Less than 1 year | 324,277,487 | 56 | 255,077,711 | 47 |
| Between 1-2 years | 174,616,064 | 30 | 179,083,653 | 33 |
| Between 2-3 years | 75,930,516 | 13 | 87,501,176 | 16 |
| over 3 years | 9,173,097 | 2 | 15,658,860 | 3 |
| Total Receivables (a+b) | 583,997,164 | 100 | 537,321,400 | 100 |

27 (d) Reconciliation for impairment Allowance on Receivables from Exchange Transactions

| Description | 2023/2024 | 2022/2023 |
|-------------------------------|-----------|-----------|
| | Kshs | Kshs |
| At the beginning of the year | - | - |
| Provisions during the year | - | - |
| Recovered during the year | - | - |
| Write offs during the year | - | - |
| At the end of the year | - | - |

28. Receivables from non-Exchange transactions

| Description | 2023/2024 | 2022/2023 |
|---|-----------|-----------|
| | Kshs | Kshs |
| Current Receivables | | |
| Capitation Grants* | - | - |
| Transfers from Other Govt. entities | - | - |
| Undisbursed Donor Funds | - | - |
| Other Debtors (Non-Exchange Transactions) | - | - |
| Less: Impairment Allowance | - | - |
| Total Current Receivables | - | - |

28 (a) Ageing Analysis on Receivables from Non-Exchange Transactions

| Description | 2023/2024 | | 2022/2023 | |
|--------------------|-----------|----------------|-----------|----------------|
| | Kshs | | Kshs | |
| | 2023/2024 | % of the total | 2022/2023 | % of the total |
| Less than 1 year | - | - | - | - |
| Between 1- 2 years | - | - | - | - |
| Between 2-3 years | - | - | - | - |
| Over 3 years | - | - | - | - |
| Total | - | - | - | - |

28 (b) Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions

| Description | 2023/2024 | 2022/2023 |
|---------------------------------------|-----------|-----------|
| | Kshs | Kshs |
| At the beginning of the year | - | - |
| Additional provisions during the year | - | - |
| Recovered during the year | - | - |
| Written off during the year | - | - |
| At the end of the year | - | - |

29. Inventories

| Description | 2023/2024 | 2022/2023 |
|--|------------------|------------------|
| | Kshs. | Kshs. |
| Consumables stores-Stationery | 2,254,460 | 323,265 |
| Maintenance stores | 354,815 | 152,420 |
| Health unit stores | - | - |
| Electrical stores/ Toners | 2,233,800 | 1,254,100 |
| Cleaning material stores | 1,820,883 | 307,956 |
| Catering stores | 2,737,074 | 1,104,850 |
| Total Inventories at lower of cost and Net Realizable Value | 9,401,032 | 3,142,591 |

30. Investments in Financial Assets

| Description | 2023/2024 | 2022/2023 |
|---|-----------|-----------|
| | Kshs. | Kshs. |
| Financial Institution | | |
| CBK | - | - |
| Sub- Total | - | - |
| b) Investments with Financial Institutions/banks | | |
| NBK | - | - |
| KCB | - | - |
| Sub-Total | - | - |
| c. Equity Investments | | |
| Equity/ Shares in Co. X | - | - |
| Sub-Total | - | - |
| Grand Total | - | - |

31. Prepayments

| Description | 2023/2024 | 2022/2023 |
|---------------------------|-----------|-----------|
| | Kshs. | Kshs. |
| Prepaid Electricity Costs | - | - |
| Other Prepayments | - | - |
| Total | - | - |

32. Property, Plant and Equipment

| Cost | Land | Buildings | W.I.P | Plant and Equipment | Computers, Printers & Copiers | Furniture & Fittings | Motor Vehicles | Total |
|-------------------------------|----------------------|----------------------|-------------------|---------------------|-------------------------------|----------------------|-------------------|----------------------|
| Depreciation Rate | - | 0.02 | - | 0.125 | 0.333 | 0.125 | 0.25 | |
| COST/VALUATION | KShs | KShs. | KShs. | KShs | KShs. | KShs. | KShs | KShs. |
| Revaluations during the year | | | | | | | | |
| Bal as at 30 June,2022 | 4,290,816,000 | 839,619,576 | - | 112,497,477 | 74,477,421 | 53,663,483 | 53,720,881 | 5,424,794,837 |
| Bal. as at 1st July,2022 | 4,290,816,000 | 839,619,576 | - | 112,497,477 | 74,477,421 | 53,663,483 | 53,720,881 | 5,424,794,837 |
| Additions | - | 15,546,114 | 2,166,000 | 4,794,813 | 6,260,484 | 8,457,320 | - | 37,224,731 |
| Disposals | - | - | - | - | - | - | - | - |
| Donations | - | - | - | - | - | - | - | - |
| Transfer/adjustments | - | - | - | - | - | - | - | - |
| Revaluations during the year | - | - | - | - | - | - | 25,080,373 | 25,080,373 |
| Bal as at 30 June,2023 | 4,290,816,000 | 855,165,690 | 2,166,000 | 117,292,289 | 80,737,905 | 62,120,803 | 78,801,254 | 5,487,099,941 |
| Bal. as at 1st July,2023 | 4,290,816,000 | 855,165,690 | 2,166,000 | 117,292,289 | 80,737,905 | 62,120,803 | 78,801,254 | 5,487,099,941 |
| Additions | | 10,399,488 | 41,173,438 | 4,560,232 | 4,909,282 | 2,195,687 | | 63,238,127 |
| Disposals | | | | | | | | - |
| Donations | | | | | | | | - |
| Transfer/adjustments | | | (1,366,000) | 1,366,000 | | | | - |
| Revaluations during the year | 9,184,000 | 190,666,894 | | 20,683,415 | 25,239,177 | 23,039,202 | 18,493,552 | 287,306,240 |
| Bal as at 30 June,2024 | 4,300,000,000 | 1,056,232,072 | 41,973,438 | 143,901,936 | 110,886,364 | 87,355,692 | 97,294,806 | 5,837,644,308 |
| DEPRECIATION | | | | | | | | |
| Accum. As At 30 June 2022 | - | (120,187,757) | - | (100,265,400) | (57,945,132) | (37,336,843) | (49,194,492) | (364,929,622) |
| Accum. As At 1ST July, 2022 | - | (120,187,757) | - | (100,265,400) | (57,945,132) | (37,336,843) | (49,194,492) | (364,929,622) |
| Depreciation charged (22/23) | - | (17,103,314) | | (14,661,536) | (7,739,231) | (7,765,100) | (19,700,314) | (66,969,495) |
| Impairment | | | | | | | | |
| Accum. As At 30 June 2023 | - | (137,291,070) | - | (114,926,936) | (65,684,363) | (45,101,943) | (68,894,806) | (431,899,117) |
| Accum. As At 1ST July, 2023 | - | (137,291,070) | - | (114,926,936) | (65,684,363) | (45,101,943) | (68,894,806) | (431,899,117) |
| Depreciation charged (23/24) | - | (21,124,641) | - | (17,987,742) | (36,925,159) | (10,919,462) | (24,323,702) | (111,280,706) |
| Impairment | | | | | | | | |
| Accum. As At 30 June 2024 | - | (158,415,712) | - | (132,914,678) | (102,609,522) | (56,021,404) | (93,218,507) | (543,179,823) |
| NBV At 30 June 2024 | 4,300,000,000 | 897,816,360 | 41,973,438 | 10,987,258 | 8,276,843 | 31,334,288 | 4,076,299 | 5,294,464,485 |
| NBV At 30 June 2023 | 4,290,816,000 | 717,874,619 | 2,166,000 | 2,365,353 | 15,053,543 | 17,018,860 | 9,906,448 | 5,055,200,824 |

Valuation

As per National Treasury guidelines, Land and Buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were revalued by Allstate Realtors Limited professional valuers on 19th April 2024. These amounts were adopted in the financial statements on 27th June 2024.

32 (b) Property, Plant and Equipment at Cost

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

| Description | Cost | Accumulated Depreciation | NBV |
|---|----------------------|--------------------------|----------------------|
| | Kshs | Kshs | Kshs |
| Land | 4,300,000,000 | - | 4,300,000,000 |
| Buildings | 1,056,232,072 | (158,415,712) | 897,816,360 |
| W.I.P | 41,973,438 | - | 41,973,438 |
| Plant And Machinery | 143,901,936 | (132,914,678) | 10,987,258 |
| Motor Vehicles including Motorcycles | 97,294,806 | (93,218,507) | 4,076,299 |
| Computers and Related Equipment | 110,886,364 | (102,609,522) | 8,276,843 |
| Office Equipment, Furniture, And Fittings | 87,355,692 | (56,021,404) | 31,334,288 |
| Total | 5,837,644,308 | (543,179,823) | 5,294,464,485 |

33. Intangible Assets

| Description | 2023/2024 | 2022/2023 |
|-------------------------------------|-----------|-----------|
| | Kshs. | Kshs. |
| Cost | | |
| At the beginning of the year | - | - |
| Additions | - | - |
| At end of the year | - | - |
| Additions—internal development | - | - |
| At end of the year | - | - |
| Amortization and impairment | | |
| At beginning of the year | - | - |
| Amortization | - | - |
| At end of the year | - | - |
| Impairment loss | - | - |
| At end of the year | - | - |

34. Investment Property

| Description | 2023/2024 | 2022/2023 |
|--|-----------|-----------|
| | Kshs. | Kshs. |
| At the beginning of the year | - | - |
| Additions | - | - |
| Fair value gain | - | - |
| Depreciation(where investment property is at cost | - | - |
| At end of the year | - | - |

35. Biological assets

| Description | 2023/2024 | 2022/2023 |
|------------------------|------------------|------------------|
| | Kshs. | Kshs. |
| Maize in Field | - | - |
| Fodder in Field | - | - |
| Vegetables | 90,000 | 105,000 |
| Silage | 1,050,000 | 1,050,000 |
| Maize in store | - | - |
| livestock | 6,708,000 | 6,972,000 |
| Pigs | - | - |
| Poultry | 1,482,300 | 840,000 |
| Avocado Plants | 74,800 | 120,000 |
| Tissue Culture Bananas | 483,400 | 489,800 |
| Macadamia | - | 30,000 |
| Total | 9,888,500 | 9,606,800 |

36. Trade and Other Payables

| Description | 2023/2024 | 2022/2023 | | |
|---|--------------------|-----------------------|--------------------|-----------------------|
| | Kshs. | Kshs. | | |
| Trade Payables | 68,526,948 | 44,225,962 | | |
| Examination Fund | 38,993,587 | 88,838,602 | | |
| Miscellaneous students & other deposits | - | 16,130 | | |
| Provision for Contigent Liabilities | - | 118,125 | | |
| Unreceipted effects: | | | | |
| CDF & other Bursaries | - | 40,881,327 | | |
| Unreceipted Bank deposits | 31,675,484 | 27,840,307 | | |
| Retention accounts: | | | | |
| Student centre 2024 | 518,179 | - | | |
| Nekims Merchants & contractors | - | - | | |
| Total | 143,831,542 | 201,920,452 | | |
| Ageing analysis: | 2023/2024 | % of the Total | 2022/2023 | % of the Total |
| Under one year | 117,274,936 | 100 | 71,426,276 | 35 |
| 1-2 years | 2,927,316 | 0 | 19,567,190 | 10 |
| 2-3 years | 3,213,281 | 0 | 8,226,003 | 4 |
| Over 3 years | 20,416,010 | 0 | 102,700,982 | 51 |
| Total (to tie to totals above) | 143,831,543 | 100 | 201,920,451 | 100 |

37. Refundable Deposits from Customers/Students

| Description | 2023/2024 | | 2022/2023 | |
|---|-------------------|-----------------------|-------------------|-----------------------|
| | Kshs. | | Kshs. | |
| Student union | 1,025,732 | | 25,572 | |
| Caution Money | 15,783,939 | | 10,944,439 | |
| Colleges & Institutes Canada (CICAN)-SITVES | 3,251,779 | | - | |
| Total | 20,061,450 | | 10,970,011 | |
| Ageing analysis: | 2023/2024 | % of the Total | 2022/2023 | % of the Total |
| Under one year | 20,061,450 | 100 | 10,970,011 | 100 |
| 1-2 years | - | - | - | - |
| 2-3 years | - | - | - | - |
| Over 3 years | - | - | - | - |
| Total (to tie to totals above) | 20,061,450 | 100 | 10,970,011 | 100 |

38. (a) Current Provisions

| Description | 2023/2024 | | 2022/2023 | |
|---------------------------------------|-------------------|--|-------------------|--|
| | Kshs. | | Kshs. | |
| Additional provisions raised(Reduced) | 29,199,858 | | 26,866,070 | |
| Additional provisions raised(Reduced) | 348,000 | | 580,000 | |
| Provision paid | - | | - | |
| Provision paid during the year | - | | - | |
| Total Provisions | 29,547,858 | | 27,446,070 | |

38. (b) Current Provisions for Audit & Contingent Liability

| Description | 2023/2024 | | 2022/2023 | |
|--|------------------|--|------------------|--|
| | Kshs. | | Kshs. | |
| Balance at the beginning of the year | 7,187,272 | | 8,927,272 | |
| Additional provisions raised(Reduced)-Audit fees | 348,000 | | 580,000 | |
| Provision paid-Audit fees | (348,000) | | (2,320,000) | |
| Additional provisions raised(Reduced)-Debtors | - | | - | |
| Balance as at 30 June 2023 | 7,187,272 | | 7,187,272 | |

39. Finance lease obligation

| Description | 2023/2024 | 2022/2023 |
|--------------------------------------|-----------|-----------|
| | Kshs | Kshs |
| At the start of the year | - | - |
| Discount interest on Lease Liability | - | - |
| Paid during the year(less) | - | - |
| At end of the year | - | - |

40. Deferred Income

| Description | 2023/2024 | 2022/2023 |
|------------------------------------|-----------|-----------|
| | Kshs | Kshs |
| National Government | - | - |
| Interntional finding Bodies | - | - |
| Public Contributions and donations | - | - |
| Total Deferred Income | - | - |

41. Employment benefit obligation

| Description | Defined benefit Plan | Post Employment Medical benefit | Other Provisions | 2023/2024 | 2022/2023 |
|--|----------------------|---------------------------------|------------------|-----------|-----------|
| | Kshs | Kshs | Kshs | Kshs | Kshs |
| Current Benefit Obligation | | - | - | - | - |
| Non Current Benefit Obligation | | - | - | - | - |
| Total Employee Benefits Obligations | | - | - | - | - |

Retirement benefit Asset/ Liability

| Description | 2023/2024 | 2022/2023 |
|-----------------------------|-----------|-----------|
| | Kshs | Kshs |
| Discount Rates | - | - |
| Future salary Increases | - | - |
| Future Pension Increases | - | - |
| Mortality (Pre-Retirement) | - | - |
| Mortality (Post-Retirement) | - | - |
| Withdrawals | - | - |
| III Health | - | - |
| Retirement | - | - |

42. Payment Received in advance

| Description | 2023/2024 | 2022/2023 | 2021/2022 |
|--------------------------|-----------|----------------------|---------------------|
| | Kshs | Kshs | Kshs |
| Fees received in advance | | - | - |
| Others (Specify) | | - | - |
| Total | | - | - |
| | | - | - |
| Ageing analysis: | | - | - |
| Under one year | 2023/2024 | 2022/2023 % of Total | 2021/2022 %Of Total |
| 1-2 years | | | |
| 2-3 years | | | |
| Over 3 years | | | |
| Total | | | |

43. Borrowings

| Description | 2023/2024 | 2022/2023 | 2021/2022 |
|---|-----------|-----------|-----------|
| | Kshs | Kshs | Kshs |
| Balance at the beginning of the year | - | - | - |
| External borrowing during the year | - | - | - |
| Domestic borrowing during the year | - | - | - |
| Repayment of external borrowing during the year | - | - | - |
| Repayment of domestic borrowing during the year | - | - | - |
| Balance at the end of the period | - | - | - |

43 a) Analysis of external and domestic borrowings

| Description | 2023/2024 | 2022/2023 | 2021/2022 |
|---|-----------|-----------|-----------|
| | Kshs | Kshs | Kshs |
| Dollar denominated loan from 'xxx organisation' | - | - | - |
| Sterling Pound denominated loan from 'yyy organisation' | - | - | - |
| Euro denominated loan from zzz organisation' | - | - | - |
| Domestic Borrowings | - | - | - |
| Kenya Shilling loan from KCB | - | - | - |
| Kenya Shilling loan from Barclays Bank | - | - | - |
| Kenya Shilling loan from Consolidated Bank | - | - | - |
| Total balance at end of the year | - | - | - |

43 b) Breakdown of long and shortterm borrowings

| Description | 2023/224 | 2022/2023 | 2021/2022 |
|--|----------|-----------|-----------|
| | Kshs | Kshs | Kshs |
| Short term borrowings(current portion) | - | - | - |
| Long term borrowings | - | - | - |
| Total | - | - | - |

44. Non-Current Provisions

| Description | Long service leave | Bonus Provision | Gtatuity | Other Provisions | Total |
|---|--------------------|-----------------|----------|------------------|----------|
| | Kshs | Kshs | Kshs | Kshs | Kshs |
| Balance at the beginning of the year | - | - | - | - | - |
| Additional Provisions | - | - | - | - | - |
| Provision utilised(less) | - | - | - | - | - |
| Change due to discount and time value for money | - | - | - | - | - |
| Less: Current portion(less) | - | - | - | - | - |
| Total deferred income | - | - | - | - | - |

45. Service concession arrangement

| Description | 2023/2024 | 2022/2023 |
|--|-----------|-----------|
| | Kshs | Kshs |
| Fair value of service concession assets recognized under PPE | - | - |
| Accumulated depreciation to date(less) | - | - |
| Net carrying amount | - | - |
| Service concession liability at beginning of the year | - | - |
| Service concession revenue recognized(less) | - | - |
| Service concession liability at end of the year | - | - |

46. Social Benefit Liabilities

| Description | 2023/2024 | 2022/2023 |
|--|-----------|-----------|
| | Kshs | Kshs |
| Health social benefit scheme | - | - |
| Unemployment social benefit scheme | - | - |
| Orphaned and vulnerable benefit scheme | - | - |
| People Living with disabilities benefit scheme | - | - |
| Elderly social benefit scheme | - | - |
| Bursary social benefits | - | - |
| Total | - | - |
| Current social benefits | - | - |
| Non- current social benefits | - | - |
| Total (tie to totals above) | - | - |

47. Cash Generated from Operations

| Description | 2023/2024 | 2022/2023 |
|---|-------------------|---------------------|
| | Kshs | Kshs |
| Surplus for the year before tax | 5,132,226 | 67,238,370 |
| Adjusted for: | | |
| Depreciation | 111,280,706 | 66,969,495 |
| Non-cash grants received(less) | | - |
| Contributed assets(less) | | - |
| Impairment | | - |
| Valuation Gain/Loss | 281,800 | 784,800 |
| Gains and losses on disposal of assets | | - |
| Contribution to provisions | | (1,740,000) |
| Contribution to impairment allowance | | - |
| Finance income | | - |
| Finance cost | | - |
| Working Capital adjustments | | |
| Increase in inventory | (6,258,441) | 2,208,730 |
| Increase in Biological Assets | (281,700) | (1,059,400) |
| Increase in receivables | (44,341,975) | (210,261,014) |
| Increase in deferred income | - | |
| Increase in payables | (58,088,911) | 44,863,491 |
| Increase in payments received in advance(Refundable Deposits) | 9,091,439 | 1,374,322 |
| Net cash flow from operating activities | 16,815,144 | (29,621,207) |

48. 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 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 | Fully performing |
|--|--------------------|--------------------|
| | Kshs | Kshs |
| At 30 June 2023 | | |
| Receivables from exchange transactions | 510,455,330 | 510,455,330 |
| Receivables from non-exchange transactions | - | - |
| Biological Assets | 3,142,591 | 3,142,591 |
| Bank balances | 47,461,651 | 47,461,651 |
| Total | 561,059,573 | 561,059,573 |
| At 30 June 2024 | | |
| Receivables from exchange transactions | 554,797,305 | 554,797,305 |
| Receivables from non-exchange transactions | - | - |
| Biological Assets | 9,401,032 | 9,401,032 |
| Bank balances | 46,038,668 | 46,038,668 |
| Total | 610,237,006 | 610,237,006 |

Financial risk management (continued)

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

The entity has significant concentration of credit risk on amounts due from 2021/2022 financial year.

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.

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

| Description | Less than 1 month | Between 1-3 months | Over 5 months | Total |
|-------------------------------|-------------------|--------------------|-------------------|-------------------|
| | Kshs | Kshs | Kshs | Kshs |
| At 30 June 2023 | | | | Kshs |
| Trade Payables | 4,066,104 | 23,137,537 | 44,225,962 | 71,429,603 |
| Current Portion Of Borrowings | - | - | - | - |
| Provisions | - | - | - | - |
| Deferred Income | - | - | - | - |
| Employee Benefit Obligation | - | - | - | - |
| Total | 4,066,104 | 23,137,537 | 44,225,962 | 71,429,603 |
| At 30 June 2024 | | | | |
| Trade Payables | 13,254,407 | 27,388,768 | 27,883,773 | 68,526,948 |
| Current Portion Of Borrowings | - | - | - | - |
| Provisions | - | - | - | - |
| Deferred Income | - | - | - | - |
| Employee Benefit Obligation | - | - | - | - |
| Total | 13,254,407 | 27,388,768 | 27,883,773 | 68,526,948 |

(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 ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the 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 optimizing 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.

a) Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

| Description | In Kshs | Other Currencies | TOTAL |
|---|---------|------------------|-------|
| | Kshs | Kshs | Kshs |
| At 30 June 2024 | - | - | - |
| Financial Assets (Investments, Cash, Debtors) | - | - | - |
| Liabilities | - | - | - |
| Trade and Other Payables | - | - | - |
| Borrowings | - | - | - |
| Net Foreign Currency Asset/(Liability) | - | - | - |

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 | 2023/2024 | 2022/2023 |
|---|----------------------|----------------------|
| | Kshs | Kshs |
| Revaluation Reserve | 5,136,727,242 | 4,849,139,202 |
| Retained Earnings | 78,564,699 | 73,432,473 |
| Capital Reserve | 473,916,571 | 483,217,786 |
| Total Funds | 5,689,208,511 | 5,405,789,460 |
| Total Borrowings | - | - |
| Less: Cash and Bank Balances | 46,038,668 | 47,461,651 |
| Net Debt/(Excess Cash and Cash Equivalents) | 46,038,668 | 47,461,651 |
| Gearing | 0.01 | 0 |

49. 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. From the foregoing statement The Eldoret National Polytechnic did not have any related party relationship.

50. Segment Information

(Where an organization operates in different geographical regions or in departments, 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).

51. Contingent Assets and Contingent Liabilities

52. Capital Commitments

53. Events after the Reporting Period

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

54. Ultimate and Holding Entity

The entity is a Semi-Autonomous Government Agency under the Ministry of Education-State Department for TVET. Its ultimate parent is the Government of Kenya.

55. Currency

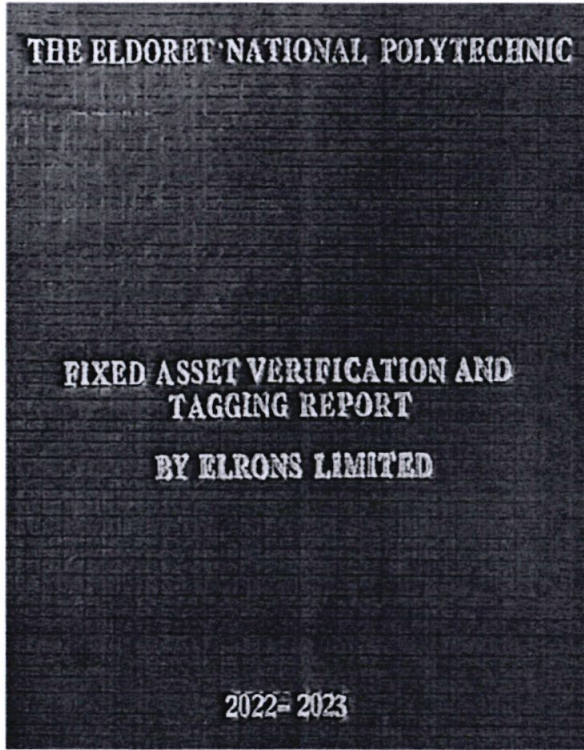
The financial statements are presented in Kenya Shillings (Kshs) and the values are rounded off to the nearest shilling.

Appendices

Appendix I: Implementation Status of Auditor General Recommendations.

The follow up of the auditor's recommendations is on continuing progress as shown on the management letter response on prior year audit matters.

| Reference no. On the external audit report | Issue/Observations from auditor | Management comments | Status | Timeframe-Date expected to resolve. | | | | | | |
|--|---|--|------------------|-------------------------------------|--------------------------|---------------|--------------------|----------------------|--------------------|--------------------------------------|
| 1. | <p>Unreconciled variance on Grants from state department for Technical Vocational Education and Training.</p> <p>Appendix III to the financial statements discloses receipts for the State Department for Technical, Vocational Education and training amount of kshs.233,863,000. However financial statements for the State Department for Technical, Vocational Education and Training reflected transfer to the polytechnic totaling Kshs.298,843,000. The resultant variance of kshs.64,980,000 has not been explained or reconciled.</p> | <p>RESPONSE</p> <p>From the resultant variance of ksh.64,980,000. Ksh. 45,000,000 was received and receipted in the subsequent year vide attached receipt number 743452 and 745579 being development grant of Ksh.25,000,000 and operation exchequer grants of Ksh. 20,000,000.</p> <p><small>Received From: MINISTRY OF EDUCATION, SOTVET BatchNo: 123546 The Sum of Kenya Shillings: 25,000,000.00</small></p> <table border="1" data-bbox="1093 1013 1444 1066"> <thead> <tr> <th>Being Payment of</th> <th>Amount (Kshs)</th> </tr> </thead> <tbody> <tr> <td>G.O.X Development Grants</td> <td>25,000,000.00</td> </tr> <tr> <td>GRAND TOTAL</td> <td>25,000,000.00</td> </tr> </tbody> </table> <p><small>Amount in Words: twenty five million shillings only</small></p> <p><small>Paid by: BANK TRANSFER No.FT23187FORNG on 6/7/2023 Bank</small></p> <p><small>Officer's Signature _____ Served by: RSang</small></p> <p><small>COPY COPY COPY</small></p> | Being Payment of | Amount (Kshs) | G.O.X Development Grants | 25,000,000.00 | GRAND TOTAL | 25,000,000.00 | Pending Resolution | The matter still handled by the OAG. |
| Being Payment of | Amount (Kshs) | | | | | | | | | |
| G.O.X Development Grants | 25,000,000.00 | | | | | | | | | |
| GRAND TOTAL | 25,000,000.00 | | | | | | | | | |

| | | | | |
|-----------|---|--|---------------------------|---|
| <p>2.</p> | <p>Property, plant, and equipment The statement of financial position reflects property, plant, and equipment balance of kshs.5,055,200,824 in respect of land, plant and equipment, computers, printers, and copiers, furniture and fittings and motor vehicles as disclosed in Note 31 to financial statements. However, as reported previously, the management did not maintain fixed asset register which would provide a means of controlling the assets including acquisition, disposal, and transfer, enable counting calculations to be performed on asset cost, depreciation, and net book value, and allow assets to be checked regularly to avoid misappropriation. This is contrary to regulation 143(1) of Public Financial Management (National Government) Regulations,2015 which states that accounting officer be</p> | <p>RESPONSE The institution engaged a valuer known as Elrons Limited to carry out asset valuation and as such an assets register has been developed in the subsequent period and a hard copy is available for verification.</p>  | <p>Pending Resolution</p> | <p>The matter still handled by the OAG.</p> |
|-----------|---|--|---------------------------|---|

| | | | | |
|----|--|---|--------------------|--------------------------------------|
| | <p>responsible for maintaining A register of assets under his or her control or possession as prescribed by the relevant laws.</p> <p>In the circumstances, the accuracy and completeness of the property, plant and equipment balance of kshs. 5,055,200,824 could not be confirmed.</p> | | | |
| 3. | <p>Trade and other Payables from Exchange Transactions The statement of financial position reflects trade and other payables for exchange transactions balance of kshs. 201,920,452 which includes National Government constituencies Development Fund (NGCDF) and other bursaries totaling to kshs. 40,881,327 and unreceipted bank deposits balance of kshs.27,840,307 that had not been receipted and debited to</p> | <p>RESPONSES The outstanding amount of ksh.102,700,982, comprised of an examination fee of kshs.88,838,602 which was paid by students at beginning of their 3-year course and the amount is payable to examination body at the end of the course. The remaining balance of ksh.13,862,380 were direct deposits receipted as a liability due to depositors. At the close of the financial year, we were still in process of tracing and identifying the owners.</p> | Pending Resolution | The matter still handled by the OAG. |

| | | | | |
|----|---|--|--------------------|--------------------------------------|
| | <p>respective students' accounts as disclosed in Note 35 to financial statements. In addition, review of trade and other payables from exchange transactions ageing analysis provided for audit indicated that out of the total payables' balances of ksh, 201,920,452, accounts payable with balances totaling kshs. 102,700,982 had been outstanding for more than three years.</p> <p>In the circumstances, the accuracy and completeness of trade and other payables from exchange transactions balance Kshs. 201,920,452 could not be confirmed.</p> | | | |
| 4. | <p>Misclassification of Capitation Grants in the Financial Statements</p> <p>The statement of financial performance reflects rendering of services- tuition fees and other incomes amount of ksh.769,383,155 which includes</p> | <p>RESPONSE</p> <p>Capitation grants were treated as funds from the government to sponsor students and these amounts are usually receipted to individual students' accounts, the same way we treat funds from other sponsors like NG-CDF, NYS, County Governments etc. It was</p> | Pending Resolution | The matter still handled by the OAG. |

| | | | | |
|--|---|---|--|--|
| | <p>tuition fees amount of kshs. 469,088,004 as disclosed in Note 10 to the financial statements. Review of records provided for audit indicated that tuition fees amount of kshs.469,088,004 includes capitation grants amount of kshs.208,843,000 received from the state department for Technical, Vocational Education and Training. However, the capitation grants have been classified in the statement of financial performance as revenue from exchange transactions instead of revenue from non- exchange transactions.</p> <p>In the circumstances, the capitation grants have not been presented in the financial statements as per the financial statements as per the financial reporting template issued by the Public Sector Accounting Standard Board and IPSAS.</p> | <p>classified as conditional grants i.e revenue from exchange transactions because the institution gave the training in exchange of invoiced revenue or fees that was paid for by the state department. However, we stand guided on the interpretation of the same.</p> | | |
|--|---|---|--|--|

| | | | | |
|--|---|---|---------------------------|---|
| | | | | |
| | EMPHASIS OF MATTER | | | |
| | <p>Budgetary Control and Performance</p> <p>The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs. 863,677,149 and kshs.811,874,367 respectively resulting to an under realization of kshs.51,802,782 or 6% of the budget. Similarly, the Polytechnic expended kshs.744,635,997 against an approved budget of kshs.792,177,149 resulting to an under expenditure of kshs.47,541,151 or 6%. Of the budget. Further, the Polytechnic had an unbalanced budget.</p> <p>The under realization and underperformance affected the</p> | <p>RESPONSE</p> <p>A decrease in the actual amounts of receipts compared to the budget was as result of the portion of the non-remitted student capitation fees by the state department for TVET. The underfunding directly affected the behavior of expenditure whereby under expenditure was realized.</p> | <p>Pending Resolution</p> | <p>The matter still handled by the OAG.</p> |

| | | | | |
|----|---|---|--------------------|--------------------------------------|
| | planned activities and may have impacted negatively on service delivery to the public. Opinion is not modified in respect of this matter. | | | |
| | OTHER MATTERS | | | |
| 1. | <p>Shortfall in Students' Capitation</p> <p>The statement of financial performance reflects rendering of services-tuition fees and other incomes amount of kshs. 769,383,155 which includes tuition fees of kshs. 469,088,004 as disclosed in note 10 to the financial statements. However according to the letter referenced No.TENP/FIN/10/VOL 3/106 DATED 10 January 2023 and as reported in previous year, the</p> | <p>RESPONSE</p> <p>The unremitted student capitation fees Ksh. 434,572,000.00 has caused the ballooning of the Receivables and Non clearance of the Payables. This situation has affected the institution in executing its mandate.</p> | Pending Resolution | The matter still handled by the OAG. |

| | | | | |
|--|--|--|--|--|
| | <p>institution did not receive a total amount of ksh. 45,780,000 for student capitation which was in relation to the financial year 2018/2019 and 2019/2020 financial years. Further in the financial year 2021/2022 and in the year under audit the institution did not receive capitation fee amounting to ksh.81,712,500 and 307,079,500 respectively. The total underfunding from 2018/2019 to 2022/2023 amounted to ksh.434,572,000.</p> <p>In circumstances, the shortfall of students' capitation revenue may affect planned activities and may have hampered service delivery to the students and other stakeholders of the polytechnic.</p> | | | |
|--|--|--|--|--|

| Unresolved Prior Year matters | | | | |
|--------------------------------------|--|-----------------|--------------------|--------------------------------------|
| 2. | In the audit report of previous year, several issues were raised | RESPONSE | Pending Resolution | The matter still handled by the OAG. |

| | | | | |
|---|--|---|--|--|
| | <p>under the report on Financial Statements, Report on Lawfulness, and effectiveness in use of Public Resources, and Report on effectiveness of internal controls, RISK Management and Governance. However, no report or recommendations from management of polytechnic and oversight bodies were submitted for audit verification. Further, the issues remain unresolved contrary to section 8(2)(1) of the Public Finance Management Act, 2012 which require accounting officers designated for national government entities to try to resolve any issues resulting from an audit that remain outstanding.</p> | <p>Unresolved Prior year's issues which were still pending during the audit, were resolved by the institution with the office of the auditor general when the reports for the financial years 2019/2020, 2020/2021 and 2021/2022 were table before the Public Investment committee on June 12th, 2024.</p> | | |
| <p>REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES</p> | | | | |
| <p>Non-compliance with Law on Ethnic Composition</p> | | | | |

| | | | | |
|--|---|--|---------------------------|---|
| | <p>As previously reported, review of payroll records provided revealed that The Eldoret National Polytechnic had three hundred and twenty-eight (328) permanent and pensionable non-teaching employees, two hundred and sixty-seven (267) which is about 81% come from the same community. This is contrary to Section 7 (1) and (2) of National Cohesion and Integration Act, 2008 requires all public establishments seek to represent the diversity of the people of Kenya in the employment of staff. Section (2) further states that no public establishment shall have more than one third of its staff from the same ethnic community.</p> <p>In circumstances. Management was in breach of the law.</p> | <p>RESPONSE</p> <p>We undertake to be compliant with the legal provision of the National Cohesion and Integration Act, 2008 in the future. Job advertisements have always been done competitively at the Polytechnic through advertisements and the best candidates given an opportunity.</p> | <p>Pending Resolution</p> | <p>The matter still handled by the OAG.</p> |
| <p>REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE.</p> | | | | |
| <p>Basis for Conclusion</p> | | | | |
| <p>Controls and Data Environment</p> | | | | |
| | <p>Controls and Data Environment</p> <p>Review of the Eldoret National Polytechnic ICT environment revealed that there was an ICT Policy document in place. However,</p> | <p>RESPONSE</p> <p>Observation 1</p> | <p>Pending Resolution</p> | <p>The matter still handled by the OAG.</p> |

| | | | | |
|--|--|--|--|--|
| | <p>an ICT security policy and disaster recovery plans have neither been developed nor spelt out in the ICT policy. Further, formally documented, and approved processes to manage system changes and upgrades made to the existing ICT systems are also not in place. In addition, review of the ICT data Centre room also revealed the lack of an access control system to restrict and monitor access to the server room, lack of smoke detector and lack of an environmental monitoring system to monitor the humidity and temperature in the data Centre. Also, there was no existing closed-circuit television (CCTV) system extended to the data Centre.</p> <p>In the circumstances, The Polytechnic may face prolonged downtimes in the event of a disaster or equipment hardware failure which may lead to data loss.</p> | <p>ICT security policy and disaster recovery plans not been developed nor spelt out in the ICT policy.</p> <p>MANAGEMENT RESPONSE</p> <p>We promise to revise the ICT policy to address the above issues.</p> <p>Observation 2</p> <p>The institution data Centre lacks: Access control system to restrict and monitor access to the server room, air conditioning equipment, an environmental monitoring system to monitor the humidity and temperature in the data Centre.</p> <p>The institution has completed the installation of air conditioning equipment, an environmental monitoring system to monitor the humidity and temperature in the date Centre as was recommended by the auditor.</p> <p>Observation 3</p> <p>The existing closes-circuit television (CCTV) system has not been extended to data center.</p> <p>The server /Control room has now been installed with a surveillance CCTV camera as was recommended by the auditor.</p> | | |
|--|--|--|--|--|

Mr. Charles K.Koech

A handwritten signature in black ink, appearing to read 'Charles K. Koech', with a long horizontal line extending to the right.

Accounting Officer,
Secretary, Governing Council

Date: 20th September, 2024.

Appendix II: Projects Implemented by The Eldoret National Polytechnic

Projects

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

| Project title | Project Number | Donor | Period/ duration | Donor commitment | Separate donor reporting required as per the donor agreement (Yes/No) | Consolidated in these financial statements (Yes/No) |
|---------------|----------------|-------|---------------------|---------------------|--|---|
| 1 | | G.O.K | 208 Weeks | None | N/A | Yes |

Status of Projects completion

| | Project | Total project Cost | Total expended to date | Completion % to date | Budget | Actual | Sources of funds |
|---|-----------------------------|--------------------------|------------------------------|-------------------------|------------|------------|---------------------|
| 1 | Ultra- Modern Library | 373,500,383 | 41,173,437 | 11% | 70,000,000 | 41,173,437 | G.O.K |

Appendix III: Inter-Entity Confirmation Letter

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

Name of beneficiary entity: **The Eldoret National Polytechnic**

| Reference Number | Date Disbursed | Recurrent (A) | Amounts Disbursed by [MOE, State Dept TVET] (Kshs) as at 30th June 2024 | | | | Amount Received (Kshs) as at 30 th June 2024 (E) (E)=(A+B+C+D) | Remarks |
|------------------|---------------------------------|-------------------|---|--------------------------------------|-----------------------------------|--------------------|--|---------|
| | | | Development (B) | Student Capitation & Scholarship (C) | MOE, State Dept TVET Functions(D) | | | |
| | | Ksh. | Ksh. | Ksh. | Ksh. | Ksh. | | |
| 1 | 20 th July 2023 | 0 | 25,000,000 | 0 | 0 | 25,000,000 | | |
| 2 | 2 nd August 2023 | 20,000,000 | 0 | 0 | 0 | 20,000,000 | | |
| 3 | 14 th September 2023 | 0 | 0 | 0 | 5,800,000 | 5,800,000 | | |
| 4 | 9 th October 2023 | 0 | 0 | 59,944,500 | 0 | 59,944,500 | | |
| 5 | 29 th January 2024 | 0 | 0 | 49,087,500 | 0 | 49,087,500 | | |
| 6 | 15 th February 2024 | 0 | 0 | 56,100,000 | 0 | 56,100,000 | | |
| 7 | 4 th March 2024 | 0 | 0 | 33,379,495 | 0 | 33,379,495 | | |
| 8 | 13 th March 2024 | 0 | 20,000,000 | 0 | 0 | 20,000,000 | | |
| 9 | 20 th March 2024 | 0 | 0 | 2,801,781 | 0 | 2,801,781 | | |
| 10 | 28 th May 2024 | 0 | 0 | 0 | 3,899,200 | 3,899,200 | | |
| 11 | 29 th May 2024 | 0 | 0 | 0 | 6,097,000 | 6,097,000 | | |
| 12 | 13 th June 2024 | 22,079,882 | 0 | 0 | 0 | 22,079,882 | | |
| TOTAL | | 42,079,882 | 45,000,000 | 201,313,276 | 15,796,200 | 304,189,358 | | |

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

Head of Accounts Department - Disbursing Entity:

Name: Sign: Date:

Head of Accounts Department - Beneficiary Entity:

Name: CPA Richard K. Sang

Sign



Date: 20th September 2024

Appendix IV: Reporting of Climate Relevant Expenditures

| Project Name | Project Description | Project Objectives | Project Activities | | | | | Source Of Funds | Implementing Partners |
|--------------|---------------------|--------------------|--------------------|----|----|----|----|-----------------|-----------------------|
| | | | | Q1 | Q2 | Q3 | Q4 | | |
| None | None | None | None | 0 | 0 | 0 | 0 | N/A | N/A |

Appendix V: Reporting on Disaster Management Expenditure

| Column I | Column II | Column III | Column IV | Column V | Column VI | Column VII |
|-----------|---------------|---------------|--|------------------|----------------|------------|
| Programme | Sub-programme | Disaster Type | Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/p repairedness) | Expenditure item | Amount (Kshs.) | Comments |
| None | None | None | None | None | None | None |

APPENDIX VI: TENP Main Gate



The Eldoret National Polytechnic - TENP

21K likes • 24K followers



APPENDIX VII: His Excellency President William Ruto, CGH presenting a trophy to the team from TENP for the best performance during Kenya Music Festival Winner/s State House concert in State House Nakuru.



APPENDIX VIII: A Trainee during a practical lesson in an Engineering workshop



APPENDIX IX: Hon. Ezekiel Machogu, CBS, The Cabinet Secretary, Ministry of Education, during his visit to grace 18th Graduation ceremony. On the right is Mr. Charles Koech, Chief Principal and Dr. Edwin Tarno, CEO School of TVET on the left.



APPENDIX X: Hon. Ezekiel Machogu, CBS, The Cabinet Secretary, Ministry of Education, with Kesses MP Hon. CPA Julius Rutto.



APPENDIX XI: Hon. Eliud Owalo, EGH, Cabinet Secretary Ministry of Information, Communication and Digital Economy, during the launching of Jitume ICT Laboratory Hub.



Mr. Eliud Owalo, CS Ministry of Information, Communication and The Digital Economy signing visitors book, to his immediate right PS, State Department of TVET Dr. Esther T. Muoria, Governing Council Chair, Prof. Eng. Simiyu Sitati, Ag.CEO Konza Technopolis Mr. John Paul Okwiri and Mr Charles Koech Chief Principal (immediate left) during the launch of KONZA digital Lab.

APPENDIX XII: Mr. Charles Koech, Chief Principal receiving the TVET lamp during the celebration of 100th year for TVET.



The Eldoret National Polytechnic Annual Report & Financial Statements for the year ended 30th June, 2024

CPA Richard K. Sang

Finance Officer: ICPAK NO. 7347

Sign:



Mr. Charles K. Koech

Principal/Secretary, Governing Council

Sign:



Date: 20th September, 2024