

REPUBLIC OF KENYA




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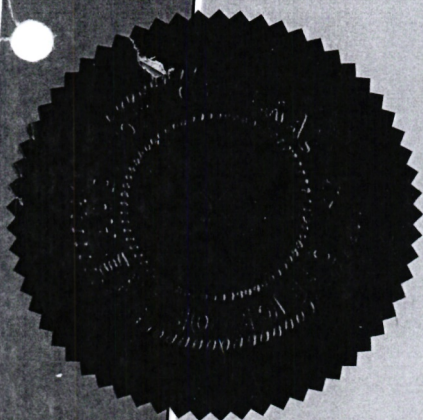
REPORT

OF

THE AUDITOR-GENERAL

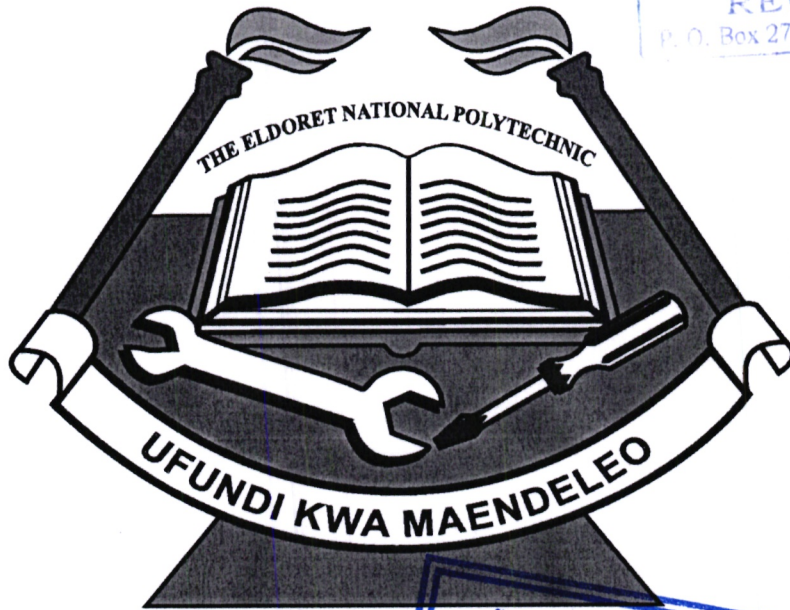
	
THE NATIONAL ASSEMBLY PAPER LAID	
DATE: 17 NOV 2021	DAY: Wed
TABLED	<i>D. M. Njoroge</i>
ELDORET NATIONAL POLYTECHNIC	
CLERK-AT THE-TABLE:	<i>Gr. Chebet</i>

FOR THE YEAR ENDED
30 JUNE, 2019



The Eldoret National Polytechnic Financial Statement for the year ended 30th June, 2019

OFFICE OF THE AUDITOR GENERAL
ELDORET HUB
[3 JUL 2020
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P.O. Box 2774 - 30100, ELDORET



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DAY: wed
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CLERK-AT THE-TABLE: D/Majority whip
Chapman

THE ELDORET NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2019

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

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I. THE ELDORET NATIONAL POLYTECHNIC INFORMATION AND MANAGEMENT

(a) Background information

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

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

(b) Principal Activities

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

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

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

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

The Eldoret National Polytechnic Financial Statement for the year ended 30th June, 2019

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

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

To strengthen guidance and counselling and public relations office;

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

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

(c) Key Management

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

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

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Josphat K. Sawe
2.	Deputy Principal (Administration)	Emmanuel Meres
3.	Deputy Principal (Academics)	James Mwangi
4.	Registrar	John Gitau
5.	Dean of Students	Benjamin Maiyo
6.	Finance Officer	Richard K. Sang

(e) Fiduciary Oversight Arrangements

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

1. Finance and General Purpose Committee
2. Audit, Risks & Governance Committee
3. Education, Research & Training Committee
4. Infra-Structure, Equipment & Management Systems Committee

(f) The Eldoret National Polytechnic Headquarters

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

(g) The Eldoret National Polytechnic Contacts

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

(h) The Eldoret National Polytechnic Bankers

1. National Bank of Kenya Ltd

Eldoret Branch

P.O. Box 3111 code 30100

Eldoret, Kenya

2. Co-operative Bank of Kenya Ltd

Eldoret Branch

P.O. Box 2948 code 30100

Eldoret, Kenya

(i) Independent Auditors

Office of Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GOP 00100

Nairobi, Kenya

(j) Principal Legal Advisers

The Attorney General

State Law Office



Harrabee Avenue

P.O Box 40112

City Square 00200

Nairobi, Kenya

II. THE GOVERNING COUNCIL

Member's passport-size photo and name, and key profession/academic qualifications	Description of each Member's date of birth, key qualifications and work experience
 <p>Prof. Mabel Imbuga, BSc.,MSc.,PhD., MBA, EBS, Hon DSC Cardiff Met</p> <ul style="list-style-type: none"> • Chairperson, Governing Council 	<p>Prof. Imbuga was born on 7th July, 1951. She is currently the Chairperson of the Governing Council of the polytechnic. She has wealth of experience of corporate & public Education administration having worked in Public Universities as a Vice Chancellor of Jomo Kenyatta University of Agriculture & Technology. She is a Professor of Biochemistry with over 35 years of teaching, Scholarly and leadership experience. She is a graduate in Bsc. (Hon) from University of Nairobi (1975), a Masters graduate in MSc. (Biochemistry) from the University of Nairobi (1980), PhD. Biochemistry from the University of Nairobi(1988) and MBA (Strategic Management) from ESAMI(2008).</p>
 <p>Dr. Paul K. Murgor, PhD,MBA,BSc, Dip(Egerton)</p> <ul style="list-style-type: none"> • Member of the Governing Council 	<p>Dr.Murgor was born on 5th November, 1965. He is currently the Chairman for Infra-Structure, Equipment & Management System. He is a highly accomplished and dedicated professional with over 20 years' diverse experience. He is the current 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.</p>



**Diana Phanice M. Lukosi, B.A,
EMBA, M.A**

- Member of the Governing Council

Diana was born on 10th September, 1976. She is currently the chair person for Finance, Administration & General purpose committee. Her experience is in the field of Tax and administration. She is the Director of Training & Certifications at Kenya Association of Project Managers and a lecturer at Africa Nazarene University. She has been a director a Rift Valley Water Service Board, Senior Tax Auditor, Senior Revenue Officer and Senior Policy Analyst at Kenya Revenue Authority. She has a master of arts degree from the University of Nairobi (2011) and also a M.A administration (Finance) from JKUAT (2010). She is a graduate in B.A from the University of Nairobi (2000) and CPA 2.



**Victoria J. Chepseba,
LLB(Hons)-Moi University**

- Member of the Governing Council

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



Dr. Wesley K. Mutai, PhD, MPhil, BEd

- Member of the Governing Council

Wesley was born on 28th December, 1967. He has a wealth of experience in Education Technology. At the moment, he is a lecturer at Moi University in the Department of Technology Education. He has been a lecturer in Public tertiary institutions namely Masinde Muliro University of science & Technology, Egerton University and Eldoret Polytechnic. He is a holder of PhD from the university of Eldoret (2018), a Master's degree in Technology Education from Moi University (2003) and a graduate degree in Technology Education from Moi University (1992). He is a member of Institute of Engineers & Technologists (IET).



Prof. Peter Okemwa, PhD.

- Member of the Governing Council

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



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

Member of the Governing Council

- Alternate Representative of the PS, The National Treasury
- Member of the Governing Council

Mr Patrick Mbehi Stom was born on 6.4.1981. He is an accountant and a financial analyst. He works in the department of Government Investment and Public Enterprises at The National Treasury. He holds a Master's of Science degree in Finance from Jomo Kenyatta University of Technology, Bachelor degree in Business Administration (Accounting option) from Moi University, Certified Public Accountants of Kenya, Certified Securities and Investment Analysts Part II. Mr. Stom is a member of the Institute of Certified Public Accountants of Kenya (ICPAK) with wealth of experience in Public Sector Financial Management. He has undertaken several work improvement skills, development training, workshops and seminars on management and governance.



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

- Chief Principal/ Secretary
Governing Council

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

III. MANAGEMENT TEAM



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

- **Principal/ Secretary Governing Council**

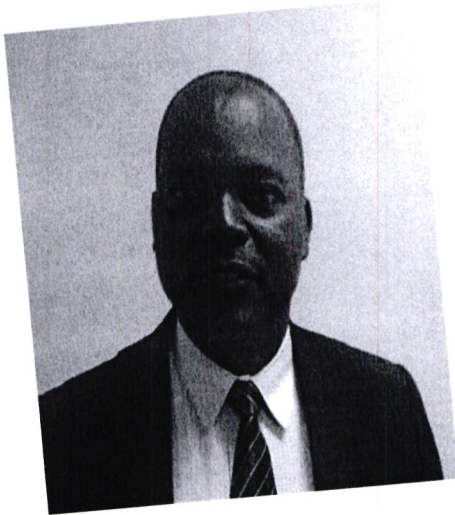
Josphat was born on 12th December, 1958. He is the chief executive officer of the polytechnic serving as the principal and secretary to the Governing Council. He has a wealth of experience in Education Management having served as a principal in various institutions. He has been a deputy principal, head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



Emmanuel K. Meres

- **Deputy Principal(Administration)**

Emmanuel Meres was born in 1972. He is the Deputy Principal in charge of Administration and has a Bachelor's Degree in Computer Science from Catholic University of East Africa, and currently pursuing a Master's Degree in Business Administration. Has over 19 years as a Technical Trainer and a Head of Department.



James Mwangi
Deputy Principal – Academics

James Mwangi was born on 12th December, 1964. He is the Deputy Principal in charge of Academics and has a Bachelor's Degree in Education from Kenyatta University, a Master's Degree in Business Management and currently pursuing Doctor of Philosophy in Business Management. Has over 30 years teaching and administration.



John Gitau
• **Registrar**

John Gitau was born in 1964. He is the Registrar and has a master's in Engineering from Egerton University, Higher diploma (Engineering) from Kenya Polytechnic. Has over 24 years as a Technical Trainer and Examinations Officer.



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

- **Dean of students**

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



Richard K. Sang
MBA(Moi),Bcom(UON),CPA(K),CPS(K)

- **Finance Officer**

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

IV. CHAIRMAN'S STATEMENT

I am delighted to present this financial report for the year ended 30th June, 2019.

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 having been elevated to a National Polytechnic status in order to realize its academic and physical infrastructure development.

Indeed, the Governing Council of Eldoret National Polytechnic is committed to providing new appropriate facilities and improving existing ones to facilitate effective learning and teaching. In the financial year under review, we worked very hard towards accomplishing this duty. For instance, we succeeded in enhancing physical facilities in the institution to cater for the increasing number of students which stand at over 13,000 currently.

With the help of the Ministry of Education, Science and Technology, we have successfully nutured Ziwa, Endebess and Turkana East Technical Training Institutes. We have also completed construction works on the Science laboratory hospitality department complex, Kitchen Annex, Ablution, Changing Rooms and a field Podium here in main campus. All these are to enhance public access to technological training.

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

The Eldoret National Polytechnic Financial Statement for the year ended 30th June, 2019

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

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



Prof. Mabel Imbuga.

CHAIRPERSON OF THE GOVERNING COUNCIL

28th April, 2020.

V. REPORT OF THE CHIEF EXECUTIVE OFFICER

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

With the guidance of the Governing Council, we worked hard in setting up structures and policies aimed at guiding the institution in the right strategic direction. We were able to attain ISO 9001-20015 certification during the year. Under my leadership and the overall direction of the Polytechnic's Governing Council we were able also to be in the forefront in ensuring that financial resources were utilized efficiently and effectively for optimum output. Despite the many challenges brought about by economic constraints, the Polytechnic nevertheless continued to discharge its mandate of teaching, research and outreach. We were able to successfully host a conference on Innovations for Advancement in Humanity (IFAH).

The source of funding to the Polytechnic during this period under review was the Exchequer which was supposedly to contribute a total of **Kshs. 105,345,000** million for recurrent expenditure purposes but was not realized. Internally generated revenue from Fees was **Ksh. 547,038,922**. In the Financial year under review hire of facilities was another major source of funding of **Ksh. 1,162,320** while other revenues were **Ksh. 9,722,032**. In a nutshell, the Polytechnic realized an aggregate income of **Kshs. 557,923,273** in revenue during the year. The recurrent expenditure stood at **Kshs. 569,594,010** therefore the Polytechnic closed

the year with a shortfall of **Kshs. 11,670,737**. The shortfall is attributed to the general price increase in goods and services while fees charged remain constant and all were not realized.

Under the Capital development Exchequer allocations, the Polytechnic received a total of **Kshs. 3,820,875** for budgeted physical and infrastructure development during the year. The amount is to be expended in the proposed Library Complex construction. I wish to report that construction works on the other projects progressed well during the year and that all of them were completed in the 2019/2020 financial year.

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

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

The Eldoret National Polytechnic Financial Statement for the year ended 30th June, 2019

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

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



Mr. Josphat K. Sawe

Date: 28th April ,2020

CHIEF PRINCIPAL

VI. CORPORATE GOVERNANCE STATEMENT

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

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

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

The Polytechnic's corporate governance materials, including the Corporate Governance Guidelines, the Polytechnic's legal order, the terms and reference for each Governing Council committee, the Polytechnic's Codes of Business Conduct, information about how to report concerns about the Polytechnic and the

Polytechnic's public policy engagement and technological contributions policy, can be accessed by visiting the polytechnic's website: www.tenp.ac.ke.

VII. CORPORATE SOCIAL RESPONSIBILITY STATEMENT

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

- **Research with impact**

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

- **Socially responsible graduates**

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

- **Engaging our communities**

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

- **Responsible processes**

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

- **Environmental sustainability**

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

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

VIII. REPORT OF THE GOVERNING COUNCIL

The Governing Council submit their report together with the audited financial statements for the year ended June 30, 2019 which show the state of the *The Eldoret National Polytechnic's* affairs.

Principal activities

The principal activities of the The Eldoret National Polytechnic are;

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

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

Results

The results of the The Eldoret National Polytechnic for the year ended June 30, 2019 are set out on page 1 to 5

Governing Council

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

Auditors

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

No other auditors were appointed.

By Order of the Governing Council



Prof, Mabel Imbuga

Chairperson, Governing Council

Date: 28th April, 2020.

IX. STATEMENT OF GOVERNING COUNCIL S' RESPONSIBILITIES

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

The Council is responsible for the preparation and presentation of the *The Eldoret National Polytechnic's* financial statements, which give a true and fair view of the state of affairs of the *The Eldoret National Polytechnic* for and as at the end of the financial year (period) ended on June 30, 2019. 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 June 30, 2019, and of *The Eldoret National Polytechnic's* financial position as at that date. The Council further confirm the completeness of the accounting records maintained

The Eldoret National Polytechnic Financial Statement for the year ended 30th June, 2019

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 28th April, 2020 and signed on its behalf by



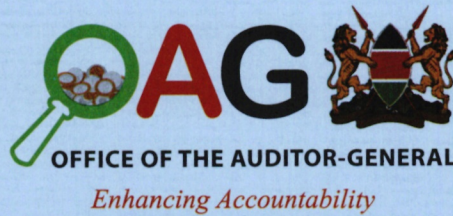
**Chairperson, Governing Council
Council**



Secretary, Governing

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON ELDORET NATIONAL POLYTECHNIC FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Eldoret National Polytechnic set out on pages 29 to 57, which comprise the statement of financial position as at 30 June, 2019, 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 effects of the matter 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, 2019, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Revaluation of Property, Plant and Equipment

The statement of financial position as at 30 June, 2019 reflects property, plant and equipment balance of Kshs.5,083,299,985 which is an increase by Kshs.3,906,156,779 from the previous year's figure of Kshs.1,177,143,206 due to revaluations during the year amounting to Kshs.3,900,569,299. Although the Management provided an interim valuation report, it had not been adopted by the Council for implementation.

Consequently, the correctness, validity and accuracy of property, plant and equipment with a net book value of Kshs.3,900,569,299 as at 30 June, 2019 could not be confirmed.

2. Staff Production Unit Advances

Included in receivables from exchange transactions figure of Kshs.358,939,341 as at 30 June, 2019 is an amount of Kshs.19,147,166 representing staff production unit

advances which were due for recovery with some remaining outstanding since the year 2013. Further, it was observed that officers with outstanding advances transferred from the Polytechnic without recovering the outstanding amounts. No reason was provided for failure to recover the staff advances when due.

Consequently, the recoverability of the staff production unit advances debt amounting to Kshs.19,147,166 is doubtful.

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

Emphasis of Matter

Financial Performance

During the year under review, the Polytechnic recorded a deficit of Kshs.11,670,737 which increased the accumulated deficit from Kshs.2,431,345 reported in the year 2017/2018 to accumulated deficit of Kshs.14,102,082 as at 30 June, 2019. If strategies are not put in place to reverse the lossmaking trend, the institution's future operations are likely to face financial challenges leading to failure by the institution to sustain services to the public.

My opinion is not modified in respect of the above matter

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. I have determined that there are no other key audit matters to communicate in my report.

Other Matter

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter(s) described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources 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. Late Submission of Financial Statements

During the year under review, the Management submitted the financial statements for the year ended 30 June, 2019 to the Auditor-General on 28 January, 2020. Late submission of financial statements is contrary to the Section 81(4) of the Public Finance Management Act, 2012 and Section 47 of the Public Audit Act, 2015 which provide a statutory deadline of 30 September, 2019, and adversely affect the planned audits by the Office causing undue delay in meeting our statutory deadlines.

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

2. Salary Structure Implementation

Eldoret National Polytechnic had not implemented a new salary structure proposed by the Cabinet Secretary Ministry of Public Service, Youth and Gender Affairs through circular No. MPSYG.DPSM. 2/6/4A Vol XI (21) dated 4 June, 2018. Instead, the management continued to use outdated salary structure proposed by circular No. MSPS 2/6/4A Vol XI(2) from Permanent Secretary office of the Prime Minister of July, 2012.

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

3. Failure to Observe One-Third Rule

A review of personnel records availed for audit revealed that as at 30 June, 2019, the Polytechnic had eleven (11) governing council employees out of which six (6) 55% came from same community. Similarly, out of two hundred and sixty-six (266) permanent and pensionable non-teaching employees, two hundred and nine (209) representing 78% come from one community. Further analysis of the human resource records revealed that the institution recruited twenty-five (25) members of staff during the year under review. However, it was observed that out of the total staff recruited, 80% were from the one ethnic community contrary to Sections 7(1) and (2) of National Cohesion and Integration Act, 2008 that advocates for diversity in recruitment.

Consequently, the Management is in breach of the law.

4. Nonpayment of Leave Allowance

An analysis of staff annual leave records for the year under audit review revealed that most of the employees had taken their annual leave. However, there were no evidence from the payrolls that leave allowances were paid to the employees who proceeded for their leave contrary to Section 6.3a of the Eldoret Polytechnic Human Resource Management Manual 2014/2015.

Consequently, the Management is in breach of the law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT SYSTEMS AND GOVERNANCE

Conclusion

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

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

Responsibilities of Management and the Governing Council

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

In preparing the financial statements, Management is responsible for assessing the Polytechnic's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Polytechnic or 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 are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

The Governing Council is responsible for overseeing the Polytechnic's financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant

legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

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

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

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


Nancy Gathungu

AUDITOR-GENERAL

Nairobi

14 October, 2021

The Eldoret National Polytechnic Financial Statement for the year ended 30th June, 2019

XI. STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 30 June 2019

STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 30 June 2019

	NOTE	2019 Kshs.	2018 Kshs.
Revenue from non-exchange transactions			
Exchequer grants	3	-	112,345,000
		-	112,345,000
Revenue from exchange transactions			
Tuition fees & Other incomes	4	547,038,922	292,902,315
Rental revenue from facilities and equipment	5	1,162,320	964,020
Other income	6	9,722,032	9,543,103
		557,923,273	303,409,438
Total revenue		557,923,273	415,754,438
Expenses			
Employee costs	7	171,963,183	192,779,795
Remuneration of Governing Council members	8	6,337,368	11,435,628
Depreciation and amortization expense	9	29,505,066	25,328,442
Repairs and maintenance	10	37,457,611	6,041,236
Administration & Central service expenses	11	290,580,163	170,703,135
Rents	12	9,506,000	5,563,004
Marketing expenses	13	14,600,182	5,440,565
Provisions	22	9,644,438	893,977
Total Expenses		569,594,010	418,185,783
Other gains/(losses)			
Gain on sale of assets			
Surplus before tax		(11,670,737)	(2,431,345)
Taxation			-
Deficit for the period		(11,670,737)	(2,431,345)

The notes set out on pages 31 to 34 form an integral part of the Financial Statements

XII. STATEMENT OF FINANCIAL POSITION
As at 30 June 2019

Assets	NOTES	2019	2018
Current assets			Ksh
Cash and cash equivalents	14	30,749,104	64,813,959
Receivables from exchange transactions	15	358,939,341	202,522,138
Inventories	16	2,627,273	56,795,515
		392,315,718	324,131,612
Non-current assets			
Biological assets	17	8,351,900	9,086,500
Property, plant and equipment	18	5,083,299,985	1,177,143,206
		5,091,651,885	1,186,229,706
Total assets		5,483,967,603	1,510,361,318
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	19	238,843,237	172,875,988
Bank Overdraft	20	-	-
Refundable deposits from customers-caution money	21	11,108,081	5,790,319
Provisions	23	10,538,415	1,473,977
		260,489,733	180,140,284
Non-current liabilities		-	-
Total liabilities		260,489,733	180,140,284
Net assets		5,223,477,870	1,330,221,033
Revaluation Reserves	XIII	4,823,274,029	922,167,330
Accumulated surplus/Deficit	XIII	(26,372,194)	(14,701,457)
G.O.K Exchequer grants	XIII	396,274,821	392,453,946
Donated Assets (MOEST)	XIII	30,301,215	30,301,215
Total net assets and liabilities		5,223,477,870	1,330,221,034

XIII. STATEMENT OF CHANGES IN NET ASSETS
For the year ended 30 June 2019

	Revenue reserve Kshs	Revaluation reserve Kshs	G.O.K grants Kshs	Donated Assets Kshs	Total Kshs
Balance as at 30 JUNE 2017	(12,270,113)	922,167,330	381,706,446	30,301,215	1,321,904,878
Surplus/(deficit) for the period	(2,431,345)				(2,431,345)
Prior year adjustment					-
Exchequer grant			10,747,500		10,747,500
Revaluation of Biological assets					-
Balance as at 30 JUNE 2018	(14,701,457)	922,167,330	392,453,946	30,301,215	1,330,221,034
Balance as at 1st JULY 2018	(14,701,457)	922,167,330	392,453,946	30,301,215	1,330,221,034
Surplus/(deficit) for the period	(11,670,737)				(11,670,737)
Prior year adjustment					-
Exchequer grant			3,820,875		3,820,875
Revaluation of Biological assets		537,400			537,400
Revaluation of assets		3,900,569,299			3,900,569,299
Balance as at 30 JUNE 2019	(26,372,194)	4,823,274,029	396,274,821	30,301,215	5,223,477,870

XIV. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30.6.2019

	Note No.	2019 Ksh	2018 Ksh
Surplus/Deficit for the year		(11,670,737)	(2,431,345)
Adjustments for non-cash income and expenses			
Prior year ledger adjustments		-	(20,000)
Adjustments for :-			
Realised income from revaluation of Biological Assets		537,400.00	-
Depreciation	18	29,505,066	25,328,442
		18,371,729	22,877,098
CHANGES IN WORKING CAPITAL			
Changes in Inventories	16	54,168,243	(47,239,322)
Changes in biological assets	17	734,600	(294,700)
Changes in Accounts Receivable	15	(156,417,204)	(11,233,698)
Changes in Accounts Payable	19	65,967,249	46,184,162
Changes in refundable deposits from customers	21	5,317,762	696,050
Changes in Provisions	24	9,064,438	313,977
		(21,164,912)	(11,573,531)
Net Inflows/Outflows from Operating Activities		(2,793,183)	11,303,567
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Non-currents assets	18	(35,092,545)	(45,938,305)
Adjustment for Transfers (Projects Inter bank accounts)		-	-
Net cash flows from investing activities		(35,092,545)	(45,938,305)
CASH FLOWS FROM FINANCING ACTIVITIES			
Government Development Grants	xiii	3,820,875	10,747,500
Asset Financing Term loan (NBK)/Repayment	23	-	-
Net cash flows from financing activities		3,820,875	10,747,500
Net increase/decrease in cash and cash equivalents		(34,064,854)	(23,887,238)
Cash and cash equivalents at the beginning of the year	14	64,813,959	88,701,197
Bank overdraft at the beginning of the year	20	-	-
		64,813,959	88,701,197
Cash and cash equivalents at the end of the year:	14	30,749,105	64,813,959

**XV. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 30TH JUNE, 2019**

		Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference
	Note	2018-2019	2018-2019	2018-2019	2018-2019	2017-2018
Revenue						
Exchequer operations grants		105,345,000	-	105,345,000	-	(105,345,000)
Tuition fees & other incomes		749,150,000	-	749,150,000	557,923,273	(191,226,727)
Total income		854,495,000	-	854,495,000	557,923,273	(296,571,727)
Expenses						
Employee costs		214,589,384		214,589,384	171,963,183	42,626,201
Remuneration of Governing Council members		15,000,000		15,000,000	6,337,368	8,662,632
Depreciation and amortization expense		29,505,066	-	29,505,066	29,505,066	-
Repairs and maintenance		29,900,000	-	29,900,000	17,071,906	12,828,094
Administration & Central service expenses		320,081,112	-	320,081,112	312,651,706	7,429,406
Rents		11,800,000	-	11,800,000	9,506,000	2,294,000
Marketing expenses		14,600,000	-	14,600,000	12,914,344	1,685,656
Provisions		9,644,438	-	9,644,438	9,644,438	0
Finance Cost					-	-
Total expenditure		645,120,000	-	645,120,000	569,594,010	75,525,990
Surplus/Deficit for the period		-			(11,670,737)	(221,045,737)

STATEMENT OF COMPARISON OF CAPITAL BUDGET ESTIMATES AND ACTUAL AMOUNTS

		Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference
	Note	2018-2019	2018-2019	2018-2019	2018-2019	2017-2018
Revenue						
Exchequer Development grants		15,200,000	-	15,200,000	3,820,875	(11,379,125)
Funding by AIA		33,900,000	-	33,900,000	27,921,588	(5,978,412)
Total income		49,100,000	-	49,100,000	31,742,463	(17,357,537)
Capital Expenditures						
Applied Science phase 2		25,800,000		25,800,000	12,786,815	13,013,185
CCTV & Other security gadgets		12,400,000		12,400,000	8,797,405	3,602,595
Solar Panels phase 1		783,000	-	783,000	-	783,000
Fabricated Lecture Rooms		10,000,000	-	10,000,000	6,337,368	3,662,632
Total expenditure		48,983,000	-	48,983,000	27,921,588	21,061,412

XVI. NOTES TO THE FINANCIAL STATEMENTS

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

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

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

2. Summary of significant accounting policies

a) Revenue recognition

i) Revenue from non-exchange transactions – IPSAS 23

Fees, taxes and fines

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

Transfers from other government entities

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

ii) Revenue from exchange transactions – IPSAS 9

Rendering of services

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

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

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information – IPSAS 24

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

c) Taxes – IAS 12

Current income tax

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

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

Sales tax

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

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

The Eldoret National Polytechnic Financial Statement for the year ended 30th June, 2019

- When receivables and payables are stated with the amount of sales tax included

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

d) Investment property – IPSAS 16

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

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

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

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

e) Property, plant and equipment – IPSAS 17

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

g) Intangible assets – IPSAS 31

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

The useful life of the intangible assets is assessed as either finite or indefinite.

i) Research and development costs

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

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

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

h) Financial instruments – IPSAS 29

Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

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

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

ii) Financial liabilities

Initial recognition and measurement

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

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

Loans and borrowing

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

IPSAS 29.65

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

i) Inventories – IPSAS 12

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

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

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

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

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

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

j) Provisions – IPSAS 19

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

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

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

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

Contingent liabilities

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

management information system. The case has not been dispensed of to date. No contingent liability was probable in the financial year 2018/2019.

Contingent assets

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

k) Nature and purpose of reserves

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

l) Changes in accounting policies and estimates – IPSAS 3

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

m) Employee benefits – IPSAS 25

Retirement benefit plans

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

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

n) Foreign currency transactions – IPSAS 4

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

o) Borrowing costs – IPSAS 5

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

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

p) Related parties – IPSAS 20

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

q) Service concession arrangements – IPSAS 32

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

r) Cash and cash equivalents

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

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

s) Comparative figures

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

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

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

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

Estimates and assumptions

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

Useful lives and residual values

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

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

Provisions

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

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

Assumptions were used in determining the provision for rehabilitation of landfill sites. Landfill areas are

rehabilitated over years and the assumption was made that the areas stay the same in size for a number of years.

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

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

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

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

u) Subsequent events – IPSAS 14

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2019.

The Eldoret National Polytechnic Financial Statement for the year ended 30th June, 2019

v) Fixed assets and depreciation –IPSAS 17

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

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

<u>Assets</u>	<u>Rate (p.a)</u>
Buildings	2%
Furniture, plant and equipment	12.5%
Motor vehicles	25 %
Computers	33.3 %

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

v) Agriculture – IPSAS 27

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

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

- Agricultural activity means the management by the polytechnic of the biological transformation and harvest of biological assets
- Conversion into agricultural produce or into additional biological assets for sale or for distribution at no charge or for a nominal charge.
- Agricultural produce means the harvested product of the polytechnic's biological assets.

The Eldoret National Polytechnic Financial Statement for the year ended 30th June, 2019

- Biological asset means a living animal or plant.
- Harvest means the detachment of produce from a biological asset or the cessation of a biological asset's life processes.
- Costs to sell means the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income taxes.

Recognition

A biological asset or agriculture produce was recognized only when

- a) the entity controls the asset as a result of past events
- b) it is probable that future economic benefits will flow to the entity
- c) the fair value or cost of the asset can be measured reliably

Basis for valuation

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

Dairy cows

All the cows were valued differently based on:

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

Dorper Sheep

The dorper sheep are valued based on the following:

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

Pigs (Large White)

Pigs are valued based on:

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

Poultry

The poultry is valued based on the following:

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

Crops

Crops are valued based on the following:

- Growth stage
- Acreage planted
- Inputs applied

ELDOR ET POLYTECHNIC ANNUAL REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Exchequer Recurrent grants	2019	2,018
	Kshs.	Kshs.
Disbursements		112,345,000
Total	-	112,345,000

4. Tuition fees and other related income	2019	2,018
	Kshs.	Kshs.
Tuition fees	337,360,094	158,476,966
Application fees	4,007,025	3,165,230
Attachment fees	10,958,485	5,531,480
Registration fees	3,193,700	2,611,500
Maintenance	4,837,420	4,005,150
Electricity, Water & Conservancy	8,136,320	4,084,000
Local Travel & Transport	7,129,160	4,143,800
Library levy	8,105,766	4,046,170
Internet Levy	8,007,195	4,018,800
Hostel & Catering	4,912,201	22,753,134
Tender fees and other misc. incomes	368,371	554,975
Medical fees	20,215,400	10,143,200
Personal Emoluments	60,641,510	30,573,509
Graduation Income	1,679,960	1,375,110
Sports	40,396,850	20,195,800
Driving school income	1,524,745	937,741
Research and Development	51,000	
Practicals fees	25,513,720	16,285,750
Total	547,038,922	292,902,315

5. Rental revenue from facilities and equipment	2019	2,018
	Kshs.	Kshs.
Staff quarters rent	1,162,320	964,020
Total	1,162,320	964,020

6. Other income	2019	2,018
	Kshs.	Kshs.
Receipts from sale of farm produce/other incomes	3,308,371	3,319,777
Rental of physical facilities and services	5,443,262	6,223,326
Guest House & Conferences	970,399	
Total	9,722,032	9,543,103

7. Employee costs	2019	2,018
	Kshs.	Kshs.
Basic Salary	111,536,091	91,971,385
Other Allowances(Hse,leave & DIT Levy)	23,539,225	21,007,787
Gratuity Costs	13,559,823	8,454,103
Commuter	13,714,000	12,512,700
Staff Training & Development	-	
Medical allowances	2,705,910	2,432,505
Salary Arrears	671,280	-
Part time teaching claims	6,236,855	56,401,315
Total	171,963,183	192,779,795

8. Remuneration of Governing Council	2019	2,018
		Ksh
Governing Council Expenses	6,337,368	11,435,628
Total	6,337,368	11,435,628

9. Depreciation and amortization expense	2019	2,018
	Kshs.	Shs
Plant and equipment	9,080,466	9,080,466
Buildings	14,948,202	11,254,061
Computers, Printers and Copiers	1,311,706	1,152,166
Furniture and fittings	4,081,059	3,774,159
Motor vehicles	83,633	67,591
Total	29,505,066	25,328,442

10. Repairs and maintenance	2019	2,018
	Kshs.	Shs
Property and equipment Repairs & maintenance	37,457,611	6,041,236
Total	37,457,611	6,041,236

The Eldoret National Polytechnic Financial Statement for the year ended 30th June, 2019

11. Administrative and Central service costs	2019	2,018
	Ksh	Ksh
Medical Expenses	12,976,874	905,428
Travelling, Transport & Accom. Exp.	34,309,971	33,140,033
Telephone Expenses	3,035,977	3,181,641
Electricity, Water & Conservancy	17,887,787	11,565,337
Graduation Expenses	8,038,072	2,581,894
Insurance Expenses	5,497,103	266,826
Postage	82,390	21,889
Bank Charges	464,856	244,212
Administrative costs	5,339,357	9,636,197
Fees, Commissions & Honoraria	15,533,385	14,841,160
Establishment costs		-
Hostel and Catering Expenses	50,577,562	25,801,699
Attachment Expenses	3,267,450	2,659,180
Tuition and related Expenses	30,016,832	31,265,443
Sports	44,992,151	29,287,369
Rental and Hire of teaching Equipment and facilities	2,587,780	1,859,120
Subscription Charges- KUCCPS,	6,180,000	-
Fuel oil & lubricants	14,322,261	-
Driving school Expenses	93,920	-
Tivet Fairs, Research & Development	12,019,829	-
Performance, Evaluation & Monitoring	3,764,440	-
Contracted Professional expenses	2,169,349	-
Outsourced Legal fees	5,721,860	-
Revaluation loss for biological assets	1,272,000	
Student union expenses	1,457,000	1,266,250
Farm expenses	8,971,955	2,179,457
Total	290,580,163	170,703,135

12. Rent Expenses	2019	2,018
	Ksh	Ksh
Rent expense-town Campus	7,656,000	-
Rent expense- GABA campus	1,850,000	5,563,004
Total	9,506,000	5,563,004

13. Marketing Expenses	2019	2,018
	Kshs.	Ksh
Advertising & Publicity	14,600,182	5,440,565
Total	14,600,182	5,440,565

14. Cash and Bank Balances

	2019	2,018
	Kshs.	Ksh
Cash-on-hand and in transit	3,929,195	15,707,480
Bank	26,819,909	49,106,479
Short-term deposits	-	-
Total cash and cash equivalents	30,749,104	64,813,959

Detailed analysis of the cash and cash equivalents

14 (a) Banks

Name of the Bank	Bank Account Number	2019	2,018
		Kshs.	Ksh.
National Bank of Kenya -Eldoret	01021027668101	2,250,532	680,695
National Bank of Kenya -Eldoret	01021027668102	5,402,915	81,506
National Bank of Kenya -Eldoret	01021027668103	322,010	1,889,733
National Bank of Kenya -Eldoret	01021027668104	538,421	359,278
National Bank of Kenya -Eldoret	01021027668105	6,971,946	15,013,907
National Bank of Kenya -Eldoret	01021027668106	20,025	20,025
National Bank of Kenya -Eldoret	0124027668100	3,581,474	26,435,542
Co-operative Bank of Kenya	01129441884400	7,732,585	4,625,794
Equity Bank	01640262813295		-
Kenya Commercial Bank	01159276706		-
Total		26,819,909	49,106,479

The Eldoret National Polytechnic Financial Statement for the year ended 30th June, 2019

Bank accounts overdrawn

Name of the Bank	Bank Account Number	2019	2018
		Kshs.	Ksh.
National Bank of Kenya -Eldoret	01021027668101		-
National Bank of Kenya -Eldoret	01021027668102		-
Co-operative Bank of Kenya	01129441884400		-
Total			-

Cash on hand and in transit

Form of cash holding e.g liquid cash, Mpesa, Mobicash, e.t.c	2019	2018
	Kshs.	Ksh.
Hard Currency	82,375	24,936
Money Orders & cheques	-	13,324,064
M-Pesa (Pay Bill No. (304250)	3,267,082	2,135,155
M-Pesa (Pay Bill No. 632451)	579,738	223,324
Total	3,929,195	15,707,480

14. (C) Net Bank Balances

	2019	2018
	Kshs.	Ksh.
Total	30,749,104	64,813,959

The Eldoret National Polytechnic Financial Statement for the year ended 30th June, 2019

15. Receivables from exchange transaction

Current Receivables:

Amounts falling due within one year:-

Students debtors

Sundry debtors

House Rent debtors

Staff P.U Advances

Staff salary advances

Staff Imprests

EPSU

Sports

Prepaid Examination fees

Rental facility deposit

Court Deposit

Total

	2019 Kshs.	2018 Kshs.
Students debtors	321,791,731	140,968,358
Sundry debtors	8,355,728	2,000,321
House Rent debtors	2,966,051	2,649,895
Staff P.U Advances	19,147,166	19,824,379
Staff salary advances	1,399,124	1,598,124
Staff Imprests	3,648,920	4,375,270
EPSU	130,621	24,172,535
Sports	-	-
Prepaid Examination fees	1,500,000	1,500,000
Rental facility deposit	-	5,433,255
Court Deposit	-	-
Total	358,939,341	202,522,138

16. Inventories

Inventory Farm Stores(Stock)

Inventory Central Stores(Stock)

Total

	2019 Kshs.	2018 Kshs.
Inventory Farm Stores(Stock)	-	-
Inventory Central Stores(Stock)	2,627,273	56,795,515
Total	2,627,273	56,795,515

The Eldoret National Polytechnic Financial Statement for the year ended 30th June, 2019

17. Biological assets	2019	2,018
Group A	Kshs.	Kshs.
Maize in Field	-	-
Fodder in Field	-	700,000
Vegetables	30,000	30,000
Silage	1,200,000	
Maize in store	-	-
livestock	6,920,000	8,192,000
Pigs	-	-
Poultry	201,900	164,500
Total	8,351,900	9,086,500

18. PROPERTY, PLANT AND EQUIPMENT MOVEMENT SCHEDULE FOR 2018-2019

	Land	Buildings	W.I.P	Plant and Equipment	Computers, Printers & Copiers	Furniture & Fittings	Motor Vehicles	Total
Depreciation Rate	nil	0.02	-	0.125	0.333	0.125	0.25	
COST/VALUATION	KShs	KShs.	KShs.	KShs	KShs.	KShs.	KShs	KShs.
Bal as at 30 June,2017	520,000,000	455,958,255	176,623,034	72,223,726	46,843,211	20,548,552	22,369,560	1,314,566,338
Bal. as at 1st July,2017	520,000,000	455,958,255	176,623,034	72,223,726	46,843,211	20,548,552	22,369,560	1,314,566,338
Additions	-	-	32,413,628	420,000	3,459,957	9,644,720	-	45,938,305
Disposals	-	-	-	-	-	-	-	-
Donations (moest)	-	-	-	-	-	-	-	-
Transfer/adjustments	-	106,744,771	(106,744,771)	-	-	-	-	-
Bal as at 30 June,2018	520,000,000	562,703,026	102,291,891	72,643,726	50,303,168	30,193,272	22,369,560	1,360,504,643
Bal. as at 1st July,2018	520,000,000	562,703,026	102,291,891	72,643,726	50,303,168	30,193,272	22,369,560	1,360,504,643
Additions			28,698,289		3,939,056	2,455,200		35,092,545
Disposals								-
Donations (moest)								-
Transfer/adjustments		55,288,295	(55,288,295)					-
Revaluations during the year	3,770,816,000	129,418,768					334,531	3,900,569,299
Bal as at 30 June,2019	4,290,816,000	747,410,089	75,701,885	72,643,726	54,242,224	32,648,472	22,704,091	5,296,166,487
Depreciation and impairment								
Accum. At 30June 2017	-	(43,912,260)	-	(40,636,504)	(40,846,040)	(10,538,996)	(22,099,195)	(158,032,995)
At 1st July 2017	-	(43,912,260)	-	(40,636,504)	(40,846,040)	(10,538,996)	(22,099,195)	(158,032,995)
Depreciation charged (17/18)	-	(11,254,061)	-	(9,080,466)	(1,152,166)	(3,774,159)	(67,591)	(25,328,442)
Impairment	-	-	-	-	-	-	-	-
Accum. At 30June 2018	-	(55,166,321)	-	(49,716,970)	(41,998,206)	(14,313,155)	(22,166,786)	(183,361,437)
At 1st July 2018	-	(55,166,321)	-	(49,716,970)	(41,998,206)	(14,313,155)	(22,166,786)	(183,361,437)
Depreciation charged (18/19)	-	(14,948,202)	-	(9,080,466)	(1,311,706)	(4,081,059)	(83,633)	(29,505,065)
Impairment								
Accum. As At 30June 2019	-	(70,114,523)	-	(58,797,436)	(43,309,911)	(18,394,214)	(22,250,419)	(212,866,502)
NBV At 30 June 2019	4,290,816,000	677,295,566	75,701,885	13,846,290	10,932,313	14,254,259	453,672	5,083,299,985
NBV At 30 June 2018	520,000,000	507,536,705	102,291,891	22,926,756	8,304,963	15,880,118	202,774	1,177,143,206

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

The Eldoret National Polytechnic Financial Statement for the year ended 30th June, 2019

19. Trade and Other Payables	2019	2,018
Amounts falling due within one year:-	Kshs.	Kshs.
Trade Creditors	65,880,177	36,326,943
Salaries June 2018	-	-
Staff P.U Creditors	14,264,893	14,552,136
Rent payable	-	-
Examination Fund	3,324,218	10,949,730
Miscellaneous students & other deposits	1,070,930	65,930
Prepaid fees	-	75,030
Prepaid staff house rent	-	172,132
CDF & other Bursaries	112,328,397	59,440,977
Unreceipted Bank deposits	17,582,567	22,504,662
Retention accounts:		
Pako contractors	523,865	-
Nekims Merchants & contractors	3,823,343	3,537,308
Harmo Engineering & Building co. ltd	2,574,272	2,640,370
Eldo-Rotsa constr. Co. (Kitchen Annex)	1,498,936	2,730,679
Bowls Plumbers Ltd-Mechanical	430,634	347,089
Solvit solution & security	790,040	
Andimass Electr. Co ltd	125,350	212,690
Amounts falling due without one year:-		
Equity student smart card	5,050,035	-
MOE Grant Ziwa	-	427,668
MOE Grant Bomet	9,575,582	18,892,645
Total	238,843,237	172,875,988

20. Bank Overdrafts	2019	2,018
	Kshs.	Kshs.
College Fund A/C-NBK No.0102102766810	-	-
Co-operative Bank of Kenya		
No.01129441884400	-	-
College Fund A/C-NBK No.0102102766810:	-	-
Farm Account no.01021027668103	-	-
Total	-	-

The Eldoret National Polytechnic Financial Statement for the year ended 30th June, 2019

21. Refundable deposits from customers	2019	2018
	Kshs.	Kshs.
Student Union	3,138,262	-
Caution Money	7,969,819	5,790,319
Total	11,108,081	5,790,319

22. Provisions during the period	2019	2,018
	Kshs.	Kshs.
Provision for accrued Audit fees during the ye	580,000	580,000
Provision for uncollectible fees debtors	9,064,438	313,977
Total	9,644,438	893,977

NB: Fees Debtors gross	321,791,731	140,502,983
5% Provision	16,086,110	7,025,149
additional change to charge	9,060,961	313,977
(16,089,586.55-7,025,149)		

23. Current Provisions for the year ended 30.6.2019

	Fees & Audit	Fees & Audit
	Kshs.	Kshs.
Balance at the beginning of the year	1,473,977	580,000
Additional provisions raised	9,644,438	893,977
Provision paid	(580,000)	-
Balance as at 30 June 2019	10,538,415	1,473,977