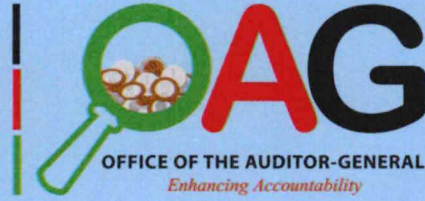



REPUBLIC OF KENYA



 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 04 DEC 2025	DAY: THURSDAY
TABLED BY:	MAJORITY LEADER
CLERK-AT-TABLE:	FINLAT

REPORT

PARLIAMENT
OF KENYA
LIBRARY

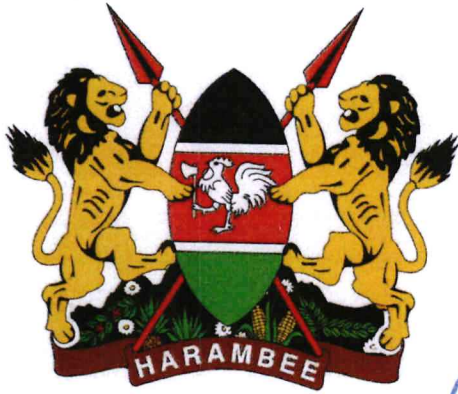
OF

THE AUDITOR-GENERAL

ON

**THE SIGALAGALA NATIONAL
POLYTECHNIC**

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



THE SIGALAGALA NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 JUNE 2025

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

2505 7 10 R 1

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

TABLE OF CONTENTS

1.	ACRONYMS & DEFINATION OF KEY TERMS.....	ii
2.	KEY INFORMATION AND MANAGEMENT.....	iv
3.	MEMBERS OF GOVERNING COUNCIL.....	xiv
4.	KEY MANAGEMENT TEAM.....	xviii
5.	COUNCIL CHAIRPERSON'S STATEMENT.....	xxii
6.	REPORT OF THE CHIEF PRINCIPAL.....	xxv
7.	STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES.....	xxxi
8.	CORPORATE GOVERNANCE STATEMENT.....	xlvi
9.	MANAGEMENT DISCUSSION AND ANALYSIS.....	liii
10.	ENVIRONMENTAL AND SUSTAINABILITY REPORTING STATEMENT.....	lxiii
11.	REPORT OF THE GOVERNING COUNCIL.....	lxx
12.	STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES.....	lxxi
13.	REPORT OF THE AUDITOR GENERAL ON SIGALAGALA NATIONAL POLYTECHNIC.....	lxxiii
14.	STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025.....	1
15.	STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025.....	2
16.	STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2025.....	3
17.	STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025.....	4
18.	STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2025.....	6
19.	NOTES TO THE FINANCIAL STATEMENTS.....	10
20.	APPENDICES.....	50

THE SIGALAGALA NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

1. ACRONYMS & DEFINATION OF KEY TERMS

A. Acronyms

AGPO	Access to Government Procurement Opportunities
A-in-A	Appropriation in Aid
CBET	Competency Based Examination Test
CDACC	Curriculum Development Assessment Certification Council
CDF	Constituency Development Fund
CiCAN	Colleges and Institutes Canada
CSR	Corporate Social Responsibility
CPC	Corruption Prevention Committee
ERP	Enterprise Resource Planning
ESG	Environmental Sustainability and Governance
HELB	Higher Education Loans Board
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
IAO	Integrity Assurance Officers
ICM	Institute of Chartered Management
KASNEB	Kenya Accountants and Secretaries National Examination Board
KCE	Kenya Certificate of Education
KEFEP	Kenya Education for Employment Program
KEFRI	Kenya Forestry Research Institute
KENIA	Kenya National Innovation Agencies
KFS	Kenya Forest Service
KIPI	Kenya Industrial Property Institute
KNEC	Kenya National Examination Council
KNQA	Kenya National Qualification Authority
LMS	Learning Management System
NACOSTI	National Commission for Science, Technology and Innovation
NEMA	National Environment Management Authority
NGCDF	National Government Constituency Development Funds
NITA	National Industrial Training Authority
NTSA	National Transport Safety Authority
NRF	National Research Fund
ODEL	Open and Distance Electronic Learning Programme
OSHA	Occupational and Safety Health Act
PSASB	Public Sector Accounting Standards Board
SAGA	Semi-Autonomous Government Agency
SCAC	State Corporation Advisory Council
SDTVET	State Department Technical, Vocational, Education and Training
SIBOGE	Sigalagala Board of Governors Employees
SNP	Sigalagala National Polytechnic

THE SIGALAGALA NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

TTI	Technical Training Institute
TVC	Technical and Vocational College
TVET	Technical, Vocational, Education and Training
TVETA	Technical, Vocational, Education and Training Authority
VDI	Virtual Desktop Infrastructure
WIBA	Work Injury Benefit Act

B. Definition of Key Terms

Academic Board	Institutional committee in charge of academic monitoring
Council	The governing body appointed by the cabinet secretary
Management Board	Top management of the institution after the council
Mentorship Project	Projects undertaken by the institution on behalf of the government
Principal	The accounting officer and AIE holder
Fiduciary Management	Members of Management directly entrusted with the entity's financial resources.
Comparative Year	The prior period.
Young African Works	Foundation by master card to promote employment in Africa

THE SIGALAGALA NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

2. KEY INFORMATION AND MANAGEMENT

(a) Background information

Sigalagala National Polytechnic (SNP) was founded in 1950 and has evolved within a span of over sixty-nine years to become a leading Polytechnic in Kenya under the Ministry of Education. It is the third oldest Technical and Vocational Training Institute in this country after the current Kabete National Polytechnic and Machakos Technical Training Institute.

SNP was started in 1950 as Nyanza Technical and Trade School on a 33-acre piece of land.

It inherited land and buildings from gold miners who had been operating there since 1930s.

It became a National Technical School in 1967 offering ordinary level technical competencies and programs including Kenya Certificate of Education (KCE) till when all such schools were turned into Technical Training Institutes (TTIs) in the late 80s.

The institution was made a National Polytechnic on May 30th, 2016 by the Cabinet Secretary for Education Science and Technology in exercising the powers conferred by section 26(2) of the TVET Act, 2013 through a legal notice No. 90 known as the Sigalagala National Polytechnic Order of 2016, and currently offers Competency Based Training (CBET) besides those of Kneec and Kasneb. Other than the Main Campus the Polytechnic currently has other campuses; Kakamega Town Campus and Maturu Campus.

(b) Principal Activities

The mandates of the Polytechnic, as contained in the Sigalagala National Polytechnic Order No. 90 of 2016 are to:

- Offer training to students in technical and business courses as per the industry needs which are examined by KNEC, KASNEB, ICM and CBET courses.
- Provide an excellent educational experience to attract and retain students who regardless of their background, will succeed at the Polytechnic and become graduates of influence.
- Continuously improve research performance and through research, deliver social dividends.
- Be a sustainable institution of TVET Training
- Enhance engagement with the entire Republic of Kenya and to consolidate our reputation as one of the country's most engaged Polytechnic.

THE SIGALAGALA NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

- Contribute to industrial and technological development of society in collaboration and partnership with industry and other organizations;
- Develop quality and relevant programmes for diplomas, certificates and Artisan.
- Inculcate and promote a culture of innovation, critical inquiry and creativity in art, science, technology, engineering, and education, amongst staff, students, and society;
- Develop an institution of excellence in teaching, training, entrepreneurship, research, consultancy, community service, among other educational services and products, with emphasis on technology and its development, impact and application to society;
- Provide a multi-level system of education and training that is 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 educational levels.
- Provide high quality facilities for educational, research, residential, commercial, cultural, social, recreational, sporting, and other activities.
- Facilitate students' mobility between programmes of study at different Polytechnics.
- Participate in commercial ventures and activities that promote the objectives of the Polytechnic.
- Foster the general welfare of staff, students, and the community.
- Provide opportunities for development and further training for the staff of the institution.
- Develop and provide educational, cultural, professional, technical and vocational services to the community, and in particular foster corporate social responsibility.
- Facilitate the development, provision, and expansion of services, programmes, and other products in ways that are easily accessible and which reflect the principles of equity and social justice.
- Conduct examinations, and grant such academic awards as may be provided for in the Statutes, and to syndicate examinations for awards at other institutions as may be approved by KNEC.
- Determine who may teach, what may be taught, and how it may be taught in the Polytechnic.
- Promote social-economic development in line with the country's development agenda

Our Vision

A premier technical training, research and innovation institution relied upon by industry.

Our Mission

To provide innovative industry responsive technical skills training for sustainable development.

THE SIGALAGALA NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Our Motto

Skills to Transform Livelihoods.

Core Values

Sigalagala National Polytechnic is guided by:

- **Integrity** – Committed to acting in an honest, accountable and transparent manner in all our undertakings.
- **Professionalism** – Committed to the highest levels of achievement obtainable through competence and critical skills.
- **Teamwork** - Embrace collaboration both within the Council and with all partners in the provision of services.
- **Efficiency** – Strive to achieve the highest value of benefit from the deployment of resources, particularly to the TVET graduates and industry.
- **Transparency** - Ensure timely disclosure and access of adequate information to allow active public participation in the Council's processes.
- **Good Governance** - Committed to the protection of stakeholders' rights and the enforceability of contracts with service providers.
- **Accountability** - Responsible for decisions and actions, including stewardship of public funds and performance through clarity of responsibilities and roles.
- **Equality and gender** - Committed to ensuring non-discrimination and fairness in all undertakings.

Our Strategic Direction

1. Quality training for sustainable development
2. Resource mobilization and management
3. Research, Innovation and Technology
4. Corporate Governance, Partnerships and linkages for effective service delivery

(c) Key Management

The day-to-day management of the institution is under the following key organs:

- The Governing council
- Principal/Council Secretary
- Management Board
- Academic Board
- Heads of Department

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

(d) Fiduciary Management

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

No.	Designation	Name
1.	Chief Principal	Mr. Evans Bosire
2.	Deputy Principal Administration & Planning	Mrs. Anne Mutsami
3.	Deputy Principal Academic & Trainee affairs	Mr. George Luvaha
4.	Registrar	Mr. Benard Jumba
5.	Dean of Students	Mr. Geoffrey Ondele
6.	Head of Finance	CPA. Christopher Oselu
7.	Head of Procurement	Mr. Theophilus Laboso
8.	Head of Human Resource	Mr. Solomon Assava
9.	Head of Internal Audit	M/s Annah Martha Mwanza
10.	Co-ordinator Performance Contracting	Mrs. Mudy Esther

(e) Fiduciary Oversight Arrangements

The Governing Council does oversight role through the use of council committees in various areas. The full Council and Council committees held various meetings during the year as Stated below;

FULL COUNCIL MEETINGS

NO.	NAME	1 ^s Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
		Date	Date	Date	Date
		26/09/2024	10/01/2025	11/04/2025	13/06/2025
1	Prof Mabel Majanja-Chairperson	✓	✓	✓	✓
2	Mrs. Lynette A.Odoni	✓	✓	✓	✓
3	CPA. Phoebe Musau	✓	✓	✓	✓
4	Mrs. Stella Oimbo	✓	✓	✓	✓
5	Mr. Vitalis Sikuku	✓	✓	✓	✓
6	Dr. Geoffrey K. Kimutai	✓	✓	✓	✓
7	Mr. Evans Bosire-Secretary	✓	✓	✓	✓
8	Eng. John Ombeng'i	✓	✓	✓	✓
9	Mr. Charles W. Ndambuki	✓	✓	✓	✓

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

(i) Internal Audit department

- Assessing the level of compliance with all legal requirements and practices within the polytechnic.
- Assisting in the investigation of suspected fraudulent activities as and when requested.
- Reviewing the means of safeguarding assets and, as appropriate, verifying the existence of assets
- Reviewing the implementation of the SNP corporate strategic plan and operational plans periodically
- Reviewing the efficiency and effectiveness of management processes;
- Preparing the internal audit strategic plan and budget for the Committee;
- Developing a flexible annual risk-based audit plan reference that includes any risks or control concerns identified by management;
- Implementing the annual audit plan, including any special tasks or projects requested by management, the Audit and Risk management Committee and the Council;
- Regularly reporting on the status of the Internal Audit activity, including progress against the plan, to the Council Audit and Risk Committee.

(ii) Audit and Risk committee Activities

- Obtain assurance from management that all financial and non-financial internal control and risk management functions are operating effectively and reliably.
- Oversee the implementation of developed policies, procedures and strategies that promote effective and efficient management systems within the Polytechnic;
- Provide an independent review of the Polytechnic's reporting functions to ensure the integrity of the financial reports.
- Ensure the Polytechnic effectively monitors compliance with legislative and regulatory requirements and promotes a culture committed to lawful and ethical behaviour.
- Provide oversight of the implementation of accepted audit recommendations and consider reports on matters relating to audit.
- Provide strong and effective oversight of the Polytechnic's internal audit function.
- Report to Council regularly regarding matters considered in each of the committee's meetings.

THE SIGALAGALA NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

- During the year, the following served in this committee:

NO.	NAME	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
		Date	Date	Date	Date
		12/09/2024	10/12/2024	25/02/2025	10/06/2025
1	CPA. Phoebe Musau - Chair	✓	✓	✓	✓
2	Mr. Charles Ndambuki - Member	✓	✓	✓	✓
3	CPA Annah Mwanza	✓	✓	✓	✓
4	Mrs. Lynette A. Odondi-Member	✓	✓	-	-
5	Eng. John Ombengi - Member	✓	✓	-	-
6	Dr. Geoffrey Kimutai - Member	-	-	✓	✓
7	Mrs. Stella Oimbo- Member	-	-	✓	✓

(iii) Finance and Operations Committee Activities

- Oversee the development and administration of policies, procedures and strategies that will promote prudent financial management, high quality infrastructural development and acceptable resource mobilization practices including recruitment, reward, retention, motivation and development of the Polytechnic's staff.
- Oversee the Polytechnic's compliance with legal, statutory and regulatory requirements relating to finance, infrastructure and resource mobilization matters as well as compliance with ethical and quality standards adopted by the Polytechnic.
- Receive and consider proposals and reports on matters relating to finance, development projects and resource mobilization in the Polytechnic and its campuses.
- Oversee the development of policies and procedures to enhance effective and efficient utilization of all the resources of the Polytechnic.
- Oversee the budget formulation and execution inline with all relevant laws and report t full council on the same.
- Over see the formulation and execution of performance contract activities and does self-evaluation before the polytechnic is subjected to the performance contract unit
- During the year the following served in this committee;

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

NO	NAME	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
		Date	Date	Date	Date
		20/09/2024	09/01/2025	10/04/2025	12/06/2025
1.	Mr. Vitalis Sikuku - Chairperson	✓	✓	✓	✓
2.	Dr. Geoffrey K. Kimutai -Member	✓	✓	✓	✓
3.	Mr. Charles Ndambuki - Member	✓	✓	✓	✓
4.	Mrs. Stella Oimbo -Member	✓	✓	✓	✓
5.	Mr. Evans Bosire - Secretary	✓	✓	✓	✓
6.	Mrs. Lynette Odondi	-	-	✓	✓

(iv) Academic and Research Committee Activities

- To oversee the preparation and regular review of the Polytechnic’s academic policy; the research policy and the staff development and training policy and compliance to the provisions thereof.
- To receive and consider proposals for collaboration with other institutions of higher learning, research and technology institutions for the enhancement of technological, professional and scientific education.
- To receive, review and consider proposals for introduction of new or review of existing courses and subjects of study, institutes, departments, resource and research and innovation.
- To monitor and oversee institutional 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;
- To monitor and oversee provision of a multi-level system of post-secondary school education and training programs relevant to the needs of the community covering a wide range of fields and levels with provision for recognition of prior learning and flexibility of transition between programs.
- To receive and consider proposals for development and further training of the academic staff of the Polytechnic.
- To oversee the management of scholarships, bursaries and prizes which may be provided for by the Academic Policy.
- To submit regular reports to the Council on all matters related to education, training and research.
- During the year the following served in this committee;

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

NO.	NAME	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
		Date	Date	Date	Date
		11/09/2024	09/12/2024	24/02/2025	09/06/2025
1	Dr. Geoffrey K. Kimutai -Chairperson	✓	✓	✓	✓
2	Mrs. Stella Oimbo-Member	✓	✓	✓	✓
3	Eng. John Ombengi-Member	✓	✓	✓	✓
4	Mr. Vitalis Sikuku-Member	✓	✓	✓	✓
5	Mr Evans Bosire	✓	✓	✓	✓
6	Mrs. Lynette Odondi	-	-	✓	✓

(v) Enterprise Committee Activities

- Oversee the implementation of initiated enterprise activities in order to generate revenue for the Polytechnic.
- Ensure the Polytechnic effectively monitors compliance requirements that promote an environment in which the Polytechnic can strategically invest resources with an aim of making profits.
- Provide oversight of the implementation of accepted income generating activities through production or manufacturing, consultancy, tailor-made short courses, part – time training programmes, hire of facilities and approved equipment, hospitality services to complement government grants and revenue from fees collection.
- Provide a strong and effective oversight and a coordination framework in the Polytechnic that will facilitate the creation of profitable business units across all departments.
- Provide an assurance to the Governing Council that the Polytechnic has adopted appropriate cost recovery strategies coupled with integrated modern technology, creativity, quality procedures and customer focus to offer products and services that meet the demand of the targeted market.
- Promote a vibrant and effective implementation of a Trainee work study program at the Polytechnic within the Polytechnics Income Generating activities.
- Report to Council regularly regarding matters considered in each of the committee’s meetings
- During the year the following served in this committee;

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

NO.	NAME	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
		Date	Date	Date	Date
		13/09/2024	11/12/2024	26/02/2025	11/06/2025
1	Ms. Lynette Odondi-Chairperson	✓	✓	✓	✓
2	Mr. Vitalis Sikuku -Member	✓	✓	✓	✓
3	CPA. Phoebe M. Musau-Member	✓	✓	✓	✓
4	Mrs. Stella Oimbo-Member	✓	✓	✓	✓
5	Mr Evans Bosire - Secretary	✓	✓	✓	✓
6	Eng. John Ombengi-Member	-	-	✓	✓
7	Mr. Charles Ndambuki - Member	-	-	✓	✓

(f) Polytechnic Location

Country: Kenya

County: Kakamega

Sub County: Shinyalu

Location: Khayega

Street: Kisumu/ Kakamega Road/Butere Road Junction.

P.O Box 2966- 50100 - Kakamega.

(g) Polytechnic Contacts

Telephone: 0725-663322

E-mail: info@sigalagalapoly.ac.ke, sigalagala@yahoo.com

Website: www.sigalagalapoly.ac.ke

(h) Sigalagala National Polytechnic Bankers

	Bank Name	Bank Account Number	Branches
(i)	Absa Bank	8043543	Kakamega
(ii)	Absa Bank	8043551	Kakamega
(iii)	Absa Bank	8256911	Kakamega
(iv)	Kenya Commercial Bank	1234829517	Kakamega
(v)	Co-operative Bank	01120098473700	Kakamega
(vi)	Co-operative Bank	01139098473702	Kakamega
(vii)	Co-operative Bank	01139098473700	Kakamega
(viii)	National Bank	01037017738900	Kakamega
(ix)	National Bank	01021071653900	Kakamega
(x)	Equity Bank	0500277394606	Kakamega

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

3. MEMBERS OF GOVERNING COUNCIL

	<p>Prof. Mabel K Minishi-Majanja – Council chair</p> <p>Prof. Mabel Majanja was born on 5th August, 1956. She holds a Doctor of Philosophy in Library and Information Science from the University of Zululand, Masters in Library Science (MLS) from the University of Pittsburgh, Post-Graduate Diploma in Education (PGDE) from Kenyatta University and a Bachelor of Arts in Librarianship (BA Lib.) from the University of North London. She has a work experience of over 45 years as a lecturer in various learning institutions; LIS at the Unisa (South Africa), Unisa, Moi University and Kenya Science Teachers College.</p> <p>Prof. Majanja has wealth of experience in administrative matters gained from various position she held in several institutions like; Director of School - School of Arts UNISA, Chair of the Department of Information Science - UNISA, Head of the Department of Library & Information Studies at Moi University, Head, Library Department at Kenya Science Teachers College, Deputy Head of Library Department, Kenya Science Teachers College among others.</p>
	<p>Eng. John Mokaya Ombengi - Independent Member</p> <p>Eng. Ombengi was born on 30th September 1952. He holds Bsc. Eng. (Hons) University of Nairobi. He is a Registered Engineer by Engineers Registration Board of Kenya No. A1463 and Institution of Engineers of Kenya No. M521. He is Registered Consulting Engineer No. E103. He is a registered Civil and Structural Engineer with over 47 years post graduate practical experience in all aspects of Civil and Structural Engineering projects from feasibility studies through design, construction, supervision and commissioning of works. He is well conversant with GOK, World Bank, KfW procurement procedures and FIDIC Conditions of Contract. He worked for Nairobi City Council and private Consulting engineering firms in areas of; Project Management, Contract Administration, Design Management, preparation of Technical Reports/Studies and Management of Multi-Disciplinary Expert Teams where he held various positions; Resident Engineer, Project Engineer, Project Manager, Project Co-ordinator and Team Leader for various projects. He currently works as a consultant in Mokaya Ombengi Consulting Engineers where he is the Principal Partner. Eng. Ombengi has been a Board Member in Karura Seventh Day Adventist Secondary School, Highway Secondary School before he become a Council Member of Sigalagala National Polytechnic.</p>

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025



Mr. Vitalis Wekesa Sikuku - Independent Member

Mr. Sikuku was born on 29th July, 1981. He holds Msc - Human Resource Management and a Professional Certificate in HRM (CHRP-K). He is a Seasoned Banker with over 17 Years' Experience and Currently works as a Branch Manager of Sidian bank Kakamega branch.

In the current Council, he serves in various committees; Chair - Finance & Operations Committee, Member - Enterprise Committee and a Member - Education, Research & Training Committee.



CPA. Phoebe Mumbua Musau- Independent Member.

Cpa. Phoebe Mumbua Musau was born on 12th April, 1984. She holds Msc- Finance and B.com - Accounting & Finance.

CPA. Musau has over 12 years work experience in various institutions such as Siakiago law Courts, Tele-Posta SACCO and Mutiso Menezes International Ltd, MMI Developers Ltd, MMID Management Ltd. Cpa Musau is also a holder of Certified Professional Mediator (CPM)

In the Sigalagala National Polytechnic Council, she is the current Chair of Audit and Risk Committee.



Mrs. Linnet Odondi - Independent Council Member

Mrs. Odondi was born in 1961. She holds Masters in International Studies, Bachelor's Degree in Public Administration and Diploma in Human Resources Management. She is an Associate - European Union (EU) Jean Monnet Network, Vice Chairperson - Homa Bay Sustainable Development Trust (USAID), Treasurer - Board of Fellows of Human Resources profession in Kenya, Fellow - Institute of Human Resource Management, Kenya, Full Member-Kenya Institute of Management Kenya, Chairperson - Mumias West Technical Training Institute. Mrs. Odondi is a seasoned Human Resources and administration practitioner in International NGOs and Public Sector. Specialization in public policy analysis and organizational development. She is also an experienced lecturer and adult facilitator in International Development, International Relations (peace, security and conflict; gender and development). Former Examiner with the Human Resources Management Professional Examinations Board (HRMPEB). In the Sigalagala National Polytechnic Council, she serves in Audit and Risk Committee and Chair – Enterprise Committee

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025



Mr. Charles Wambua Ndambuki. – Alternate Member PS – Treasury

Mr. Ndambuki was born on 1st January 1983. He is an alternate member representing the PS National Treasury in the Council. He holds bachelor of Economics and Mathematics from the University of Nairobi. He has vast knowledge in economics having worked in several ministries as an economist for over 14 years. He also worked as a classroom teacher and in banking sector. He is heavily trained, both locally and internationally on various areas including Project & contract Management; Feasibility Studies & Value for Money Analysis; Investments & Risk Analysis; Public Private Partnerships; Monitoring & Evaluation among others. He Currently works as a senior economist at the National Treasury. In the council he is a member of finance and operation committee and Audit committee



Stella Moraa Oimbo – Alternate member PS – SDTVET

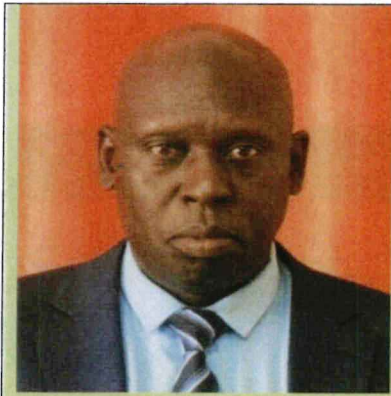
Stella Oimbo was born on 23rd February 1976 in Kisii County. She is a holder of a Master Degree in Urban and Regional Planning from the University of Nairobi and a Diploma in Advanced Public Administration from the Kenya School of Government. She has vast experience as an administrator having worked for close to 21 years in the public service. Currently, she is an Under Secretary in the Ministry of Education State Department for TVET and she represents the Principal Secretary for SDTVET in the SNP Council.



Dr. Geoffrey K. Kimutai - Independent Council Member

Dr. Geoffrey Kimutai was born on 21/6/1982. He is a hands-on professional with over 16 years of experience in the Human Resource field including experience in organizational development, training and development, benefits, employee communication, employee relations, policy writing, human resource department foundational design and support for small to mid-size companies. His specialization in Human Resource Management up to doctorate level in teaching and research is evidence of his mastery of human resource management ideals required in advising organizations at board level. Dr. Kimutai is a full member of the Institute of Human Resource Management and Associate member of the Kenya Institute of Management.

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025



Mr. Evans O. Bosire - Council Secretary.




Mr Bosire was born in the year 1967. He is the Principal and serves as the Accounting Officer for the Institution and Secretary to the council. He holds Med. – Educational Planning and Bed. - Electrical and Electronics from Moi University Eldoret. He is a well-trained Electrical Engineer with vast management skills that have enabled him to transform various TVET institutions. He has over 18 years' experience as principal in TVET Institutions. His vision is to effectively and efficiently manage the Polytechnic both in terms of Competence Based Education and Training (CBET) as defined by TVET Act 2013 as well as The Sigalagala National Polytechnic Strategic plan.

THE SIGALAGALA NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

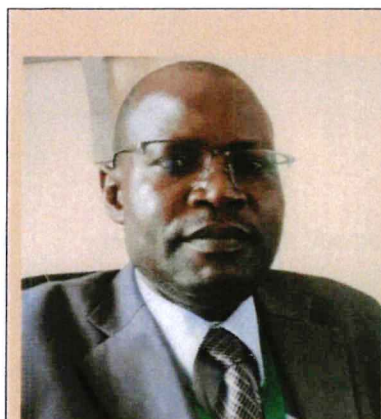
4. KEY MANAGEMENT TEAM

Name, Key Profession and Academic Qualifications	The Main Area of Responsibility
 <p>Mr. Evans Bosire Med. – Educational Planning Bsc.– Electrical and Electronics</p>	<ul style="list-style-type: none"> He is the principal and the accounting officer of the Polytechnic. Head of the institution. Oversee day to day running of the polytechnic
 <p>Mrs. Anne Mutsami MSc. – Microbiology B. Ed – Sciences</p>	<ul style="list-style-type: none"> Deputy Principal Administration and Finance. In charge of administrative, Finance and planning programmes.
 <p>Mr. George Luvaha Mwochi MSc. – Chemistry B. Ed – Sciences</p>	<ul style="list-style-type: none"> Deputy Principal Academic. Head of all academic programmes in the Polytechnic. He is also in-charge trainee and trainers affairs.

THE SIGALAGALA NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025



CPA. Christopher Oselu.
MBA. (Finance)
B. Com. (Finance)
CPA(K)

- He is the Finance Manager
- Head of Finance and Accounts
- He is in charge of budgetary formulation and execution
- Advisor to the principal on matters of finance operations and required regulations on financial management.
- He is a member of the Institute of Certified Public Accountants of Kenya (ICPAK) in good standing.



Mr. Benard Jumba
Msc. Applied Parasitology
B. Ed – Sciences

- He is the Polytechnic's Registrar
- He is in-charge of academic matters in the polytechnic
- In charge of admission and career guidance
- Oversee the management of examinations



CPA Annah Martha Mwanza
Msc - Finance
Bcom – Finance
CPAK

- She is the internal auditor of the polytechnic
- She evaluates operations and risks
- She reports to the council committee on risk and audit

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025



Mr. Geoffrey Ondele
B. Education

- He is the dean of students
- In charge of students' affairs
- Oversee functions at co-curricular and sports activities
- Oversee operations at the polytechnic kitchen



Mr. Solomon Assava
MBA - HRM
BA - in Government
HN Dip. – HRM

- He is the Human Resource Manager
- In charge of human resource management and staff development



Mr. Theophilus Laboso
Msc- Procurement & Logistics
Msc. Project Management
B.com-Management Science

- He is the Supply Chain Manager
- He is in charge procurement and supplies
- He is the polytechnic advisor on all matters pertaining procurement

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025



Mrs. Esther Wanjiru Mudy
Msc - Education
Bed - Education

- She is the Performance coordinator.
- She oversees the implementation of all PC targets
- She is a member of performance management team

THE SIGALAGALA NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

5. COUNCIL CHAIRPERSON'S STATEMENT

The Sigalagala National Polytechnic (SNP) is one of the leading National TVET Institutions in Kenya under the State Department of Technical and Vocational Training (TVET) in the Ministry of Education. The Sigalagala National Polytechnic Governing Council (the Council) was established pursuant to Section 28 (1) (c) of the TVET Act 2013, and was appointed on 23/3/2023 by the Cabinet Secretary of Education. The Council is mandated with, among others, the responsibility of steering the Polytechnic and overseeing its role in the conduct of education and training in accordance with the provisions of the TVET Act. The Council is also expected to conduct fundraising, and oversee the accountability of the institutional use of the resources raised. The Council has a statutory duty to prepare annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institution while taking care to ensure the prudent use of the institutional resources among others.

During the Financial Year 2024/2025, the Council had put in place measures that ensured the enrolment of students increased from 15,811 students to 17,453 students. This was achieved due to concerted marketing of the polytechnic and implementation of CBET courses aligned to the government policies that made it easy for students to be admitted at the polytechnic. During the year 2024/2025, the Council finalized, approved and launched the new strategic plan to guide the polytechnic for the five years, 2023-2028. The Council is grateful for the recent allocation by the State Department of TVET of 30 new PSC trainers who reported to work early in the 2024/2025 fiscal year. They are a welcome addition to the institution.

As envisaged by Article 10 of the Constitution of Kenya, the Council has also established more key policies bringing the total to 32, to create a culture of good governance for the institution including the entrenchment of the principles of transparency and accountability. As at the end of this financial year, the policies, guidelines and manuals approved by the Council include:

1. *Academic Policy*
2. *Admissions Policy*
3. *Assessment, Evaluation & amp certification Policy*
4. *Budget Policy*
5. *Career Progression Guidelines*
6. *Communications Policy*
7. *Disability Mainstreaming Policy*
8. *Employment Policy*
9. *Enterprise Management Policy*

THE SIGALAGALA NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

10. *Evaluation Policy*
11. *Examinations Policy*
12. *Finance Policy*
13. *Gender-Based Violence Policy*
14. *Gender Mainstreaming Policy*
15. *Human Resource Policy and Manual*
16. *Income Generating Activities/Enterprise Policy*
17. *Information & Communication Technology (ICT) Policy*
18. *Integrity Policy*
19. *Intellectual Property Policy*
20. *Internal Audit Policy*
21. *ILO Policy*
22. *ODEL Policy*
23. *Procurement and Asset Disposal Policy*
24. *Quality Assurance Policy*
25. *Recognition of Prior Learning (RPL) Policy*
26. *Research and Innovation Policy*
27. *Reward and Recognition Policy*
28. *Risk Management Policy*
29. *Student Hand book*
30. *Transport Policy*
31. *Women in Technical Education Development Policy*
32. *Workplace and Road Safety Policy*

The Polytechnic continues to experience challenges of inadequate training facilities including classrooms, lecture halls, workshops and laboratories. The Polytechnic also continues to face the challenge of lack of students' accommodation. Leaving trainees exposed to living standards that may not be appropriate within surrounding communities. In a bid to mitigate these challenges, the Governing Council has developed a master plan to guide infrastructure development and currently constructing multi-storey Tuition Complex Block that will accommodate 72 lecture halls and departmental offices to enable the Polytechnic provide a conducive environment for optimal teaching and learning. The council also purchased computers and other learning equipment to aid in students training. The Council hopes to later focus on mitigating other challenges, including the need for administration block, lack of enough equipment in the workshops and laboratories as well as enough public service commission (PSC) trainers to relieve the extra cost on the contractual Council's employment of part-time trainers.

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

The Sigalagala National Polytechnic has also been entrusted with three mentorship projects on behalf of the government; Luanda TVC, Ebungwe TVC and Matungu TVC. This mentorship involves oversight of the construction of these new institutions after which SNP will hand over to the State Department of TVET for posting of principals to run them. At the end of the year these institutions were ongoing with completion levels as shown in appendix II.

Prof. Mabel K. Minishi-Majanja
Chairperson, Sigalagala National Polytechnic Governing Council

Signature.....

THE SIGALAGALA NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

6. REPORT OF THE CHIEF PRINCIPAL

The Sigalagala National Polytechnic uses government of Kenya's Fiscal Year as their Reporting Financial Year. The period under review was between 1st July 2024 to 30th June 2025. The presentation of the Financial Statement was done in accordance with the provisions of the International Public Sector Accounting Standards (IPSAS) 1 and requirements in the Revised Reporting Template issued by the Public Sector Accounting Standards Board of Kenya (PSASBK) dated 30th June 2024 as provided in Section 194(d) of the Public Finance Management (PFM) Act, 2012.

Operational Results

The Polytechnic financial reporting is using IPSAS Accruals basis of accounting where total turnover includes arrears not yet recovered and all expenses include debts of suppliers which were not cleared by year end. The Polytechnic operated with a net surplus of Kshs. 7,014,712. During the year, the government capitation increased from Kshs. 151,337,000 to Kshs. 226,377,575. These capitations were for the continuing students only while September 2023 intake, January 2024 intake May 2024, September 2024 and May 2025 intake were to be funded by New Government Scholarship Funding Model of which a total of Kshs. 67,488,705 was received for the September 2024 intake as part of the scholarship apportioned into various categories of need. The Polytechnic did not receive any scholarship funding for the January 2025 and May 2025 intake making the polytechnic to close the year with huge arrears as these students were admitted on strength of this funding. During the year under review, the polytechnic did not receive re-current grant out of the approved budgeted figure of Kshs. 31,000,000 as was approved by the National Treasury. The Sigalagala National Polytechnic total accrued re-current revenues increased from Kshs. 695,145,048 in the year 2023/2024 to Kshs. 701,386,600 in the year 2024/2025 due to increase in student population. Revenues from exchange transactions also decreased from Kshs. 440,767,159 in the year 2023/2024 to Kshs. 405,477,320 in the year 2024/2025, due to increase in government allocation on fees. The Sigalagala National Polytechnic expenses also decreased from Kshs. 694,761,712 in the year 2023/2024 to Kshs. 694,371,888 in the year 2024/2025.

Changes in Net Asset

The polytechnic equity grew from Kshs. 1,767,127,151 in the year 2023/2024 to Kshs. 1,833,163,743 in the year 2024/2025. This was a sign that the Going-concern of the Sigalagala National Polytechnic was guaranteed and the polytechnic has a bright future in its operations.

THE SIGALAGALA NATIONAL POLYTECHNIC

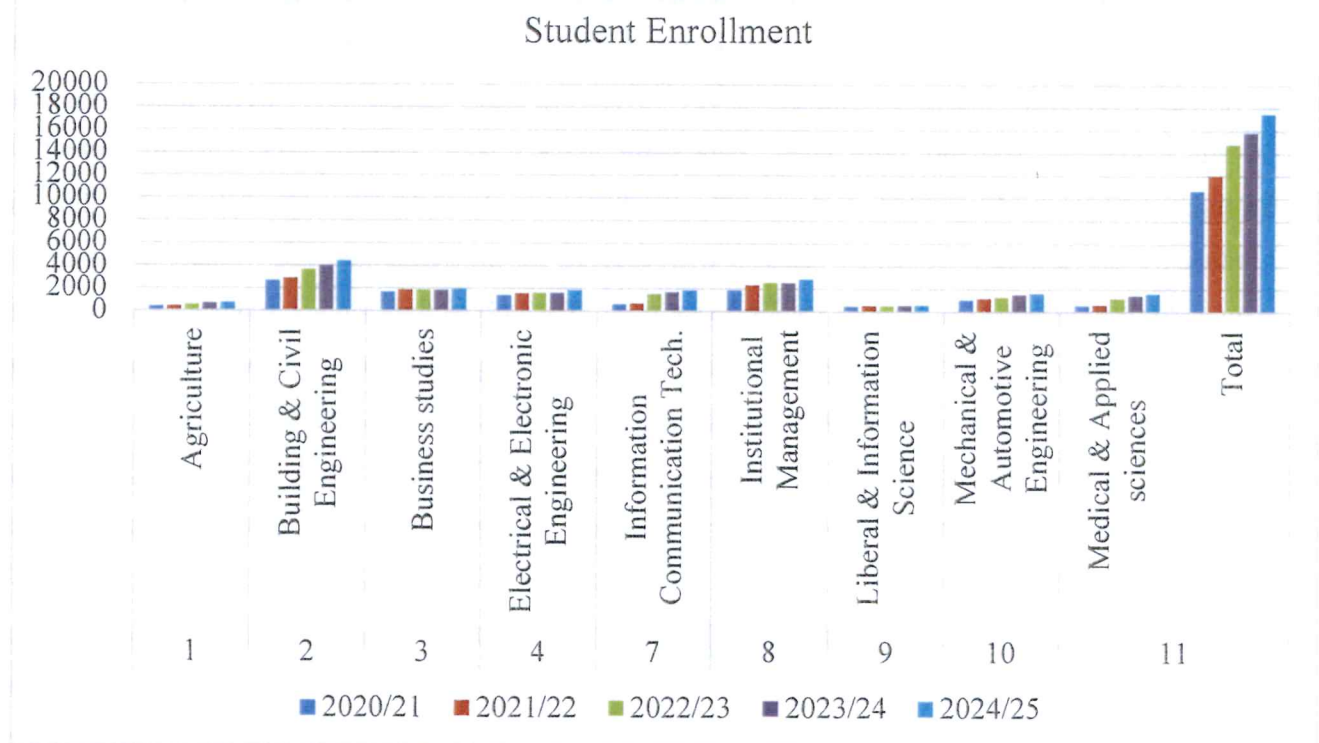
ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Student enrolment

The student population has been growing upwardly for the last five years as indicated below;

No	Departments	2020/21	2021/22	2022/23	2023/24	2024/25
1.	Agriculture	371	400	549	683	729
2.	Building & Civil Engineering	2,686	2,865	3,663	3,989	4,379
3.	Business studies	1,687	1,866	1,861	1,825	1,955
4.	Electrical & Electronic Engineering	1,383	1,562	1,608	1,618	1,827
7.	Information Communication Tech.	613	700	1,520	1,707	1,843
8.	Institutional Management	1,864	2,331	2,552	2,513	2,871
9.	Liberal & Information Science	450	500	516	534	588
10.	Mechanical & Automotive Engineering	1,059	1,200	1,305	1,502	1,650
11	Medical & Applied sciences	535	620	1,193	1,440	1,611
	Total	10,648	12,044	14,767	15,811	17,453



THE SIGALAGALA NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Debtors

As at the end of the financial year 2024/2025, the Sigalagala National Polytechnic had accrued debtors amounting to Kshs. 575,383,432 which comprised of fees debtors and other institutional debtors.

The increase in debtors was due to various factors below:

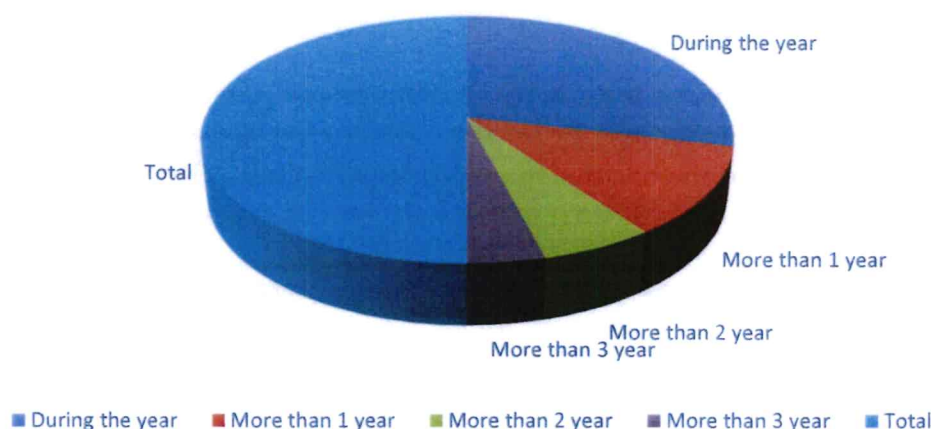
- a) Government directives that no student should be denied learning on account of non-payment of fees and promised to expedite the new funding model and capitations.
- b) The students who joined the polytechnic in January 2025 intake and May 2025 intake did not get any government scholarship which was their main source of fees.
- c) The students who joined the polytechnic in September 2024, January 2025 intake and May 2025 intake did not get any HELB funding which was to subsidize the scholarship as their fees. The allocation list was sent but funds were not disbursed by June 2025
- d) The continuing students got reduced capitations and that left them to pay the difference which was not paid by the year end

The analysis of the Polytechnic debtors was as below;

	During the year	More than 1 year	More than 2 year	More than 3 year	Total
Category	Kshs.	Kshs	Kshs	Kshs	Kshs.
Fees Debtors	328,047,255	131,018,550	66,791,868	45,417,754	571,275,426
Other Institution Debtors	643,000	1,525,590	603,587	1,335,828	4,108,005
Total	328,690,255	132,544,140	67,395,455	46,753,581	575,383,431

Debtors Aging

Fees Debtors



THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

Projects.

During the year under review, the Polytechnic undertook various projects like Buildings, purchase of Plant & Machinery, Motor Vehicle, Furniture & Fittings as well as computers as summarized in the table below:

Status of Projects completion

	Project	Total project Cost	Total Expended to date	Completion % to date	Budget Expended 2023/2024	Actual Expenditure 2023/2024	Source of funds
1	Ebunangwe Campus	29,500,000	29,168,744	100%	6,500,000	6,519,213	Gok
2	Luanda TVC	69,500,000	44,480,828	64%	7,500,000	7,423,250	Gok
3	Tuition Complex (72 classes)	209,568,729	141,809,573	68%	75,000,000	73,198,110	A-in-A
5	Computers & Printers	10,000,000	8,788,800	88%	10,000,000	8,788,800	A-in-A
6	Machinery & Equipment	4,000,000	3,937,285	98%	4,000,000	3,937,285	A-in-A
7	Furniture and Fittings	200,000	199,000	100%	200,000	199,000	A-in-A
8	Buildings	1,500,000	1,229,000	82%	1,500,000	1,229,000	A-in-A

DONATIONS

The Sigalagala National Polytechnic received various donations in form of equipment's and software for industrial controls to be used by the students worth Kshs. 2,043,000 as stated below:

i) Centurion systems

The donation from Centurion systems was in form of equipment's and software for Industrial controls level 6 course to be used in electrical department as part of the partnership between Sigalagala National Polytechnic and Centurion systems valued at Kshs. 2,043,000.

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

No.	Item Description	Quantity	Unit Cost (KES)	Total Cost (KES)
1	Industrial PLC (Siemens) S7 1200 - Input Voltage: 240V - Operating Voltage: 24V DC - Power Adapter - Communication- USB Programming, Ethernet	6	95,000.00	570,000.00
2	Mitsubishi PLC Automation Controller Model: FX3U-16MR	6	75,000.00	450,000.00
3	Human Machine Interface (HMI) - SIMATIC HMI, KTP1200 Basic, Basic Panel - Key/touch operation, 12" TFT display - Product Code: 6AV2123-2MB03-0AX0 (SIEMENS)	4	75,000.00	300,000.00
4	ALLEN-BRADLEY PLC Model No. 2080-LC30-24QWB ALLEN-BRADLEY	4	75,000.00	300,000.00
5	1 Phase input to 3 Phase output VFD 5.5KW Variable frequency drive/Low frequency converter	2	70,000.00	140,000.00
6	Multi-Function Power Analyzer	2	25,000.00	50,000.00
7	Fluke 9040 Phase Rotation Indicator	2	62,500.00	125,000.00
8	Unibit Kit	2	13,000.00	26,000.00
9	Punch Kit	2	15,000.00	30,000.00
10	PID (Temperature, Pressure, Level, Flow, Force) -PID 350	4	13,000.00	52,000.00
	GRAND TOTAL			2,043,000

Mentorship programme to other new colleges

The Sigalagala National Polytechnic was appointed by the Ministry of Education to mentor three new institutions;

- Luanda Tvc - Luanda Constituency
- Eburnangwe Tvc - Emuhaya Constituency
- Matungu Tvc - Matungu Constituency

The mentorship includes building of these three colleges as per the ministry architectural plan structural drawings and bills of quantity.

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

i). Luanda Tvc - Luanda constituency

the construction of the LuandaTVC at a contract sum of Kshs.69,500,000 and at the end of the FY 2024/2025 the completion rate was 64% and a total of Kshs. 44,480,828 was already paid to the contractor and it is expected to be complete before the end of the FY 2025/2026

ii). Ebungangwe Tvc - Emuhaya constituency

For the case of Ebungangwe Tvc, the Ministry of Education was to take the cost of construction of the tuition block at a contract cost of Kshs. 29,500,000, while the Emuhaya CDF and the County Government of Vihiga were to share the cost of other infrastructural requirements like fencing, gate, electricity among others while the Sigalagala National Polytechnic was to provide all the technical support for the project. By the end of the FY 2024/2025, the contractor had handed over the first phase of the project to the polytechnic at a cost of Kshs. 29,168,744


iii). Matungu Tvc - Matungu constituency

For the case of Matungu Tvc, the government did the procurement of the contractor and the name of the winning contractor – Wilkori Construction Company forwarded to the polytechnic to hand over site and supervise the work. The contract was awarded by the ministry at Kshs.62,000,000.

The polytechnic conducted handing over of site to Wilkori Construction Company on 4/7/2024.

Governance

The Sigalagala National Polytechnic through Governing Council executed their duties well during the year. Various policies were put in place to facilitate good governance. The meeting attendances were averagely good during council meetings. There were no conflicts of interest reported during the year under review. The Polytechnic had day to day management under management board which comprise of all top management staff and the heads of departments. During the year under review, the Management board also executed their roles well and there was no conflict of interest reported.


Evans Bosire
CHIEF PRINCIPAL

Date: 1.6.10/2025

THE SIGALAGALA NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the National Government Performance against predetermined objectives.

The Sigalagala National Polytechnic has strategic pillars /issues/ themes and objectives within current Strategic Plan for the FY 2024 to FY 2029. These strategic pillars are as follows:

Strategic Issue 1: Quality and Relevance

Strategic Issue 2: Access and Inclusivity

Strategic Issue 3: Governance and Accountability

The Sigalagala National Polytechnic achieved its performance targets set for the FY 2024/2025 period for its FY 2024 - FY 2029 strategic pillars, as indicated in the table below

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

S/NO.	PILLAR	OBJECTIVES	ACTIVITIES	OUTCOME	EVIDENCE
Strategic Issue 1: Quality and Relevance					
1.	KRA 1: Curriculum and Assessment	To align curriculum, assessment, evaluation and certification with the industry needs.	Conduct LMI survey	LMI survey conducted	LMI surveys conducted - 1
			Develop CBET programs in collaboration with industry	CBET programs developed	CBET programs developed - 15
			Implement CBET Programs	CBET programs Implemented	CBET programs implement - 15
			Acquire relevant learning and training materials	Learning and training materials acquired	% learning and training materials – 100%
			Subscribe to online journals	Online journals subscribed	subscriptions - 2
			Review of Industrial Training policy	Industrial Training policy reviewed	Industrial Training policy
			Conduct mapping of Training providers	Industrial Training providers mapped	A report
			Place trainees on Industrial Training	Trainees placed on industrial Training	% of trainees placed on industrial training – 100%
			Conduct assessment of trainees on Industrial Training	Trainees on Industrial Training assessed	Trainees on Industrial Training assessed - 1500
			Sensitize staff on dual training	Staff sensitized on dual training	Staff sensitized - 50

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

			Implement dual training programs	Dual training programs implemented	Dual training Programs implemented - 15
			Review quality assurance tools	Quality assurance tools reviewed	% of quality assurance tools Reviewed – 100%
			Train quality assurance officers	Quality assurance officers trained	Quality assurance officers trained - 25
			Conduct staff Sensitization on quality assurance	Staff sensitization schedules conducted	Sensitization schedules - 3
			Conduct internal quality audits	Internal quality audits conducted	Internal quality audits Conducted - 3
2.	KRA 2: Human Resource	To strengthen human resource functions Employee	Develop employees training plans	Employee training plan developed	Employee training plan
			Implement mentorship programs	Mentorship programs implemented	Mentorship programs implemented - 3
			Conduct staff training	Staff trainings conducted	Staff Trained - 70
			Subscribe to professional bodies	Professional bodies subscribed to	Subscriptions - 30
			Implement needs assessment report	Needs assessment report implemented	% of Needs implemented
			Develop OSH Policy	OSH Policy Developed	OSH Policy Developed
			Implement OSH Policy	OSH Policy Implemented	% of OSH Implemented -100%
			Induct new employees	New employees inducted	% of new employees inducted - 100%

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

			Sensitize staff proceeding on retirement	Staff sensitized	% of staff sensitized - 100%
			Acquire performance management System	Performance management system acquired	Performance management system
			Tracking performance metrics	Tracking performance metrics implemented	% of tracking performance metrics
			Benchmarking against industry	Benchmarking visits implemented	Benchmarking visits - 1
			Continuous improvement of database management	Continuous improvement of database management implemented	% of improvement in database management Implemented – 80%
3	KRA 3: Research and Innovation	To develop Institutional Research and Innovation Capacity	Establish research & innovation committees	Research & innovation committees established	Research & innovation committees established
			Train research & innovation committees	Research & innovation committees trained	Research & innovation committees trained
			Operationalize research & innovation committee	Sensitization on research & innovation conducted	Report on research & innovation
			Conduct sensitization on research & innovation	TNA on R&I conducted	Reports for R&I TNA
			Conduct benchmarking visits on R&I	Benchmarking visits on R&I conducted	Benchmarking visits on R&I

THE SIGALAGALA NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

		Enhance Technology & Innovation Support (TIS)	TIS services enhanced	% of TIS services enhanced
	To develop research and innovation outputs	Call for research and innovation proposals	Research proposals and innovation called for	Research papers and innovation proposals calls -2
		Review and recommend R&I proposals for funding	R&I proposals reviewed and recommended	R&I Proposals reviewed and Recommended for Funding
		Process patent applications for innovations	Patent application for innovations processed	Patent applications for innovations processed
	To expand dissemination of research and innovation outputs	Host International Multi-disciplinary research Conference	International multi- disciplinary research Conference hosted	Research conferences hosted - 1
		Hold National Skills Contests	National Skills Contests held	National Skills Contests held
		Hold Technology and Innovation Week (TIW)	TIW held	TIWs held
		Participate in local, regional and international research conferences	Local, regional and international conferences participated in	Local, regional and international conferences participated in
		Participate in local, regional and international exhibitions, workshops and trade fairs	Local, regional and international exhibitions, workshops and	Local, regional and international exhibitions, workshops and trade fairs

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

			trade fairs participate in	
		Publish R&I outputs in SNP Journal	R&I outputs published in SNP Journal	Publication editions in SNP Journal
		Publish research papers in international peer reviewed Journals	Research papers published in international peer reviewed Journals	Research papers published in international peer reviewed Journals
	To enhance commercialization of innovations	Develop an incubation guideline	Incubation guideline developed	Approved incubation guideline
		Recruit and incubate innovations	Incubations recruited and incubated	Innovations incubated - 6
		Undertake further development and market testing	Further product development and market testing undertaken	Products further developed, and market tested - 6
		Conduct market research	Market research conducted	Market research conducted
		Source for strategic investors/ partners	Strategic investors/ partners sourced	Investors/partners sourced
		Obtain relevant certifications and licenses	Certification and licenses obtained	Certifications and licenses obtained
		Brand the products	Products branded	Products branded
		Launch and distribute products	Products launched and distributed	Products launched and distributed

THE SIGALAGALA NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Strategic Issue 2: Access and Inclusivity					
4	KRA 4: Infrastructure Development	To Provide Adequate Infrastructure	Conduct physical infrastructure needs assessment	Needs assessment conducted	Needs assessment Report
			Complete 72 tuition complex	% of tuition block constructed	% of tuition block – 50%
			Purchase of utility van	Utility van procured	A Van
			Procure a bus	A bus procured	A bus
			Maintain drainage & walkways	Drainage, & walkways maintained	% of drainage & walkways maintained – 20%
			Renovation of tuition rooms and workshops	Tuition rooms and workshops renovated	% of tuition rooms and workshops – 20%
5	KRA 5: Blended Learning	To enhance blended learning	Digitize course content for E- learning	Content digitized for Courses	% of course, content digitalized – 20%
			Mount and operationalize eLearning programs	e-learning programs Mounted & operationalized	% of e-learning programs – 20%
			Training of trainers and trainees on use of LMS platform	ODEL Training programs established	% of trainer and trainees trained on use of LMS – 20%
			Maintain the ODeL Centre Equipment	Equipment in ODeL centre maintained	% Improved maintenance and working condition of ODeL centre equipment – 20%

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

			Operationalize the ODeL policy	ODeL policy operationalized	% of staff & trainees sensitized on ODeL policy – 20%
			Assess RPL Candidates	RPL Candidates assessed	RPL candidates assessed - 50
			Procure assistive technology tools for PWD	Assistive tools for blended learning installed	% of PWDs using the assistive tools for learning – 20%
			Train Trainers and trainees on use of assistive technology devices	Trainers and trainees trained in the use of assistive devices	% of trainers and trainees using assistive devices for blended learning - 20%
			Train RPL practitioners	RPL Practitioners trained	% of RPL Practitioners trained – 20%
			Develop RPL assessment tools	RPL assessment tools developed	% of RPL assessment tools developed – 100%
			Recruit RPL candidates	RPL candidates recruited	RPL candidates recruited – 100
			Assess RPL Candidates	RPL Candidates assessed	RPL candidates assessed - 100
			Certify RPL Candidates	RPL candidates Certified	RPL candidates certified - 100
			Update SNP Social media sites	SNP Social media sites updated	Frequency of updates - 3
			Promote SNP in the electronic and print media	SNP promoted in electronic and print	Frequency of media appearance - 3

THE SIGALAGALA NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Strategic Issue 3: Governance and Accountability					
6	KRA 6: Performance and Accountability	To generate diverse revenue streams for growth	Develop debt collection policy	Debt collection policy developed	Develop debt collection policy
			Operationalize IGU activities to commercial entities	IGU activities operationalized	% of IGU activities Operationalized – 20%
		Improve Financial Resource Management	Implement financial management accounting system	Financial management accounting system implemented	Quarterly reports
			Conduct budget reviews to fund strategic initiatives	Budget reviews conducted	Approved reviewed budget
			Develop annual work plans	Annual work plans developed	Approved annual work plan
			Develop annual budget	Annual budget developed	Approved annual budget
			Develop annual procurement plan	Annual procurement plan developed	Approved annual procurement plan
			Prepare and submit quarterly, and annual reports	Quarterly, annual reports prepared and submitted	Monthly, Quarterly and annual financial reports
			Prepare and submit annual financial report	Annual financial reports prepared and submitted	Approved Annual financial reports
7	KRA 7: Governing Council Performance		Audit legal compliance	Legal compliance audited	Audit reports

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

		To improve annual council performance	Submit quarterly and annual reports	Quarterly and annual reports submitted	Submitted reports
			Approve annual budgets	Annual budgets approved	Approved annual budget
			Approve annual procurement plan aligned to the annual budget	Annual procurement plan approved	Approved annual procurement plan
			Address audit queries, qualifications and recommendations promptly	Audit queries, qualifications and recommendations addressed	OAG opinion
			Develop and implement M&E frameworks	M&E framework developed	Approved M&E framework
			Appoint and train risk management committee members	Risk management committee members appointed and trained	Risk assessment committee members
			Implement the annual risk management plan	Annual risk management plan implemented	% implementation
8	KRA 8: Corporate Image and visibility	Improve the corporate image	Implement CSR policy	CSR Policy implemented	% of CSR Policy implemented – 100%
			Community engagement and outreach	Community engaged	Community engagement activities - 15
			Review of ISO QMS	ISO QMS reviewed	Reviews - 1

THE SIGALAGALA NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

			Train ISO QMS Auditors	ISO QMS auditors trained	Trained auditors - 35
			Internal ISO QMS audits	Audits	Audits - 4
			Implement ISO 2100:2018	ISO 2100:2018 implemented	% of ISO 2100:2018 Implemented– 100%
			Update SNP website	SNP website updated	Frequency of updates - 8
			Develop and implement a communication plan	Communication plan Implemented	% of Communication plan Implementation – 20%
9	KRA 9: Trainees Welfare Services	To strengthen trainees' welfare services	Capacity build trainee leaders	Trainees' leaders' capacity built	Trainees leaders capacity built – 40
			Review SNPSU constitution	SNPSU constitution reviewed	Approved SNPSU constitution
			Develop termly SPSU work plan	Termly SNPSU work plan developed	Approved termly SNPSU work plan
			Hold open fora with management	Open for a with management held	Open fora held with management - 3
			Prepare Guidance and Counselling plans	Guidance and Counselling plans prepared	Guidance and Counselling plans prepared
			Implement Guidance and Counselling plans	Guidance plans implemented	% of the plan implemented -100%
			Organize co - curricular activities	Co - curricular activities organized	% of co - curricular activities organized – 100%

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

			Implement Alcohol and Drug Abuse (ADA) surveillance	ADA surveillance implemented	% implementation of ADA surveillance – 100%
			Hold health talk events	Health talk events held	Health talk events held - 3
			Conduct HIV AND STI counselling and testing	HIV and STI counselling and testing conducted	Counselling and testing sessions - 2
			Comply with health regulations	Health regulations complied with	% of compliance – 100%
			Recruit health professionals	Health professionals recruited	Health professions recruited - 2
			Conduct first aid training	First aid training conducted	Training sessions - 2
10	KRA 10: Environmental Management	To mainstream environmental management	Sensitize trainees and staff on environmental management practices	Trainees and staff sensitized on environmental management practices	Sensitization sessions held - 3
			Develop SNP environment management policy	Environment Management Policy document developed	Documents developed
			Comply with the requirements of EMCA, 1999 amended 2015 and with the environment sector lead agencies as NEMA, WASREB, KFS, KEFRI, WRA, KWS and the CGK by-laws	Community environmental, Social and Health outreach fora held	Community environmental, Social and Health fora held - 3

THE SIGALAGALA NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

		Capacity build environmental club members	Environmental club members capacity built	% of environmental club members capacity built – 100%
		Subject SNP Major projects to Environmental Impact Assessment, Annual Environmental Audit and Apply for Environmental Effluent discharge licenses	Environmental Impact Assessment and audit conducted, EDL applied for	EIA, EA reports conducted & EDLs applied for
		Subject SNP major projects to Environmental impact assessment, Annual Environmental Audit and apply for Environmental effluent discharge licenses.	Environmental impact assessment and audit conducted; EDL applied for	EIA, EA reports conducted and EDLs applied for
		Hold sensitization of trainees and staff on TVET Greening and Beautification	Trainees and staff sensitization held on TVET Greening and Beautification	Sensitization schedules held - 3
		Install solar infrastructure	Solar infrastructure installed	% of solar infrastructure installed – 10%
		Install water harvesting infrastructure	Water harvesting infrastructure installed	Water harvesting infrastructure installed - 10
		Greening and Beautification	Trees planted and beautified	Trees planted – 24,000
		Conduct water quality analysis	Water quality analysis undertaken	Audit report
		Implement the 7R's of waste management practices	Principles of 7R on waste management implemented	Sensitization schedules held

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

			regarding e-waste, clinical waste and hazardous waste		
			Install waste bins at the source	Waste bins installed	Waste bins installed - 20
11	KRA 11: Management and Governance	To improve Management and Governance	Training of key staff	Trained key staff	Trained key staff - 5
			Outsourcing key services	Outsourced services	Outsourced services
			Facilitate hospitality services	Facilitated hospitality services	Hospitality services - 10
			Facilitate utility services	Facilitated utility services	Facilitated utility - 10

THE SIGALAGALA NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

8. CORPORATE GOVERNANCE STATEMENT

i) Appointment and Removal of Board/Council Members

During the year, there were no new members who joined the Council. The members details and dates of appointment are as below:

Incoming Council Members

Names	Category	Appointment Date
1. Prof. Mabel K. Minishi	Chair person	23/3/2023
2. Mrs. Lynette A. Odondi	Leadership & Management	23/3/2023
3. Mr. Vitalis Sikuku	Financial Management	23/3/2023
4. CPA. Phoebe M. Musau	Financial Management	23/3/2023
5. Dr. Geoffrey K. Kimutai	Law/ICT	23/3/2023
6. Mr. Charles Ndambuki	PS Representative - Nation Treasury	23/3/2023
7. Mrs. Stella Oimbo	PS Representative - MOE	23/3/2023
8. Eng. John Ombengi	Engineering	23/3/2023

Appointment Process:

The Cabinet Secretary initiates the appointment process, which may involve consultations with relevant stakeholders or a selection panel.

Gazettement:

Appointments are formally announced through a notice in the Kenya Gazette.

Terms of Office:

Members typically serve a term of three years, with the possibility of reappointment for one further term.

Balanced Representation:

The Cabinet Secretary is mandated to ensure balanced competencies, gender equity, and inclusion of persons with disabilities in the appointments.

Removal Process:

Members can be removed for reasons such as non-performance, contravention of Chapters Six or Thirteen of the Constitution (relating to leadership and integrity), or other specified grounds.

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

Suspension:

The Cabinet Secretary can suspend a member to pave the way for investigations related to potential misconduct.

Vacancy:

When a vacancy occurs, the Cabinet Secretary appoints a replacement for the remaining term of the vacant position.

The Size Diversity and Demographics of the Board/Council Size

The Board of Governors/Governing Council of a public institution shall consist of not less than seven and not more than nine members appointed by the Cabinet Secretary.

Diversity

The membership of the Board of Governors/Governing Council shall comprise:

- (a) a chairperson;
- (b) a representative of the Principal Secretary in the Ministry responsible for technical and vocational training;
- (c) a representative of the county Governor of the county within which the institution is located; and
- (d) six other persons appointed on the basis of their knowledge and experience in;
 - (i) leadership and management;
 - (ii) financial management;
 - (iii) technology;
 - (iv) industry;
 - (v) engineering;
 - (vi) information communication technology.
- (e) The Principal of the institution shall be the Secretary to the Board of Governors/ Governing Council.

Demographics

The appointment of Governing Council members shall consider ethnic and gender balance, and promote inclusion of persons with disabilities, minorities and the marginalized, and ensure balanced competencies among the members.

THE SIGALAGALA NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

ii) Roles and Functions of the Governing Council

- a) It provides overall direction and governance for the institution, ensuring it operates in accordance with the TVET Act and other relevant laws.
- b) It is responsible for developing and implementing the institution's strategic plan, outlining its goals, objectives, and strategies for achieving them.
- c) Ensure that the institution maintains high standards of education and training, and that programs are relevant to the needs of the labour market.
- d) Responsible for managing the institution's finances, including budgeting, fundraising, and ensuring efficient use of resources.
- e) Fosters partnerships with industries and other organizations to enhance training opportunities, promote work-based learning, and facilitate the transfer of technology.
- f) Responsible for ensuring the well-being of students and staff, including creating a conducive learning and working environment.
- g) Ensure that the institution complies with all relevant laws, regulations, and policies.
- h) Represent the institution in interactions with government agencies, industry partners, and other stakeholders.
- i) Prepare and submits annual reports on the institution's performance to the relevant authorities.
- j) Recruiting and appointing qualified trainers and support staff, and determining their terms and conditions of service.
- k) Approval of new training programs and reviews existing ones to ensure they meet the needs of the industry and the learners.
- l) Oversee the development and maintenance of the institution's infrastructure, including classrooms, workshops, and other facilities.
- m) Make regulations governing the conduct of students and staff, and handles cases of indiscipline.

iii) Induction Training and Development

The Polytechnic Governing Council underwent induction training in Naivasha organized by Young Africa works under Master Card Foundation on leadership and management

Board and Members Performance

The Council members always undertake semi-annual and annual performance evaluation and appraisal by State Corporation Advisory Council (SCAC).

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

iv) Number of Council Meetings Held and Attendance of Governing Council Meetings by Members

SNP Governing Council meets at least once every four months. Every meeting is convened by giving at least fourteen days' notice in writing to every member unless three quarters of the total members of members otherwise agree. Notwithstanding the chairperson of a Governing Council may, on his/her own motion or upon requisition in writing by at least five members of the Board, convene a special meeting of the Board of Governors at any time for the transaction of specific business.

Attendance of Governing Council Meetings by Members:

The quorum for the conduct of business at a meeting of a Governing Council shall be two-thirds of the total number of members of the Governing Council. No proceedings of a Governing Council shall be invalid by reason only of a vacancy among the members thereof.

FULL COUNCIL MEETINGS

NO.	NAME	1 st Quarter Date	2 nd Quarter Date	3 rd Quarter Date	4 th Quarter Date
		26/09/2024	10/01/2025	11/04/2025	13/06/2025
1	Prof Mabel Majanja-Chairperson	✓	✓	✓	✓
2	Mrs. Lynette A.Odoni	✓	✓	✓	✓
3	CPA. Phoebe Musau	✓	✓	✓	✓
4	Mrs. Stella Oimbo	✓	✓	✓	✓
5	Mr. Vitalis Sikuku	✓	✓	✓	✓
6	Dr. Geoffrey K. Kimutai	✓	✓	✓	✓
7	Mr. Evans Bosire-Secretary	✓	✓	✓	✓
8	Eng. John Ombeng'i	✓	✓	✓	✓
9	Mr. Charles W. Ndambuki	✓	✓	✓	✓

(i) Audit and Risk committee Activities

NO.	NAME	1 st Quarter Date	2 nd Quarter Date	3 rd Quarter Date	4 th Quarter Date
		12/09/2024	10/12/2024	25/02/2025	10/06/2025
1	CPA. Phoebe Musau - Chair	✓	✓	✓	✓
2	Mr. Charles Ndambuki - Member	✓	✓	✓	✓
3	CPA Annah Mwanza	✓	✓	✓	✓
4	Mrs. Lynette A. Odoni-Member	✓	✓	-	-
5	Eng. John Ombengi - Member	✓	✓	-	-
6	Dr. Geoffrey Kimutai - Member	-	-	✓	✓
7	Mrs. Stella Oimbo- Member	-	-	✓	✓

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

(ii) Finance and Operations Committee Activities

NO	NAME	1 st Quarter	2 nd Quarter	3rd Quarter	4 th Quarter
		Date	Date	Date	Date
		20/09/2024	09/01/2025	10/04/2025	12/06/2025
7.	Mr. Vitalis Sikuku - Chairperson	✓	✓	✓	✓
8.	Dr. Geoffrey K. Kimutai -Member	✓	✓	✓	✓
9.	Mr. Charles Ndambuki - Member	✓	✓	✓	✓
10	Mrs. Stella Oimbo -Member	✓	✓	✓	✓
11	Mr. Evans Bosire - Secretary	✓	✓	✓	✓
12	Mrs. Lynette Odondi	-	-	✓	✓

(iii) Academic and Research Committee Activities

NO.	NAME	1 st Quarter	2 nd Quarter	3rd Quarter	4 th Quarter
		Date	Date	Date	Date
		11/09/2024	09/12/2024	24/02/2025	09/06/2025
1	Dr. Geoffrey K. Kimutai -Chairperson	✓	✓	✓	✓
2	Mrs. Stella Oimbo-Member	✓	✓	✓	✓
3	Eng. John Ombengi-Member	✓	✓	✓	✓
4	Mr. Vitalis Sikuku-Member	✓	✓	✓	✓
5	Mr Evans Bosire	✓	✓	✓	✓
6	Mrs. Lynette Odondi	-	-	✓	✓

(iv) Enterprise Committee Activities

NO.	NAME	1 st Quarter	2 nd Quarter	3rd Quarter	4 th Quarter
		Date	Date	Date	Date
		11/09/2024	09/12/2024	24/02/2025	09/06/2025
1	Dr. Geoffrey K. Kimutai -Chairperson	✓	✓	✓	✓
2	Mrs. Stella Oimbo-Member	✓	✓	✓	✓
3	Eng. John Ombengi-Member	✓	✓	✓	✓
4	Mr. Vitalis Sikuku-Member	✓	✓	✓	✓
5	Mr Evans Bosire	✓	✓	✓	✓
6	Mrs. Lynette Odondi	-	-	✓	✓

v) Succession Plan

There is an elaborate succession plan in place at SNP.

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

vi) Policy to Manage Conflict of Interest

The governing council is in the process to develop conflict of interest policy but currently they are using the provisions under Leadership and Integrity Act Of 2012

vii) Board Remuneration

Members of the Governing Council shall be paid in respect of their services such remuneration or allowances as the Board of Governors shall, with the approval of the Cabinet Secretary.

viii) Ethics and Conduct

The code of conduct and ethics for state corporation focuses on ethical conduct and integrity at the work place. It defines state corporation commitment to the highest standards of behaviours so as to contribute to the achievement of the nation development goals. The code sets out expectations for individuals' behaviour necessary to meet these standard's and includes requirements and guidance to help you to carry out your role with integrity and in compliance with the law,

ix) Governance Audit

The polytechnic governing council observes its governance audit by establishing internal audit department and audit and risk committee whose roles include:

- (a) Assessing the level of compliance with all legal requirements and practices within the polytechnic.
- (b) Assisting in the investigation of suspected fraudulent activities as and when requested.
- (c) Reviewing the means of safeguarding assets and, as appropriate, verifying the existence of assets
- (d) Reviewing the implementation of the SNP corporate strategic plan and operational plans periodically
- (e) Reviewing the efficiency and effectiveness of management processes;
- (f) Preparing the internal audit strategic plan and budget for the Committee;
- (g) Developing a flexible annual risk-based audit plan reference that includes any risks or control concerns identified by management;
- (h) Implementing the annual audit plan, including any special tasks or projects requested by management, the Audit and Risk management Committee and the Council;
- (i) Regularly reporting on the status of the Internal Audit activity, including progress against the plan, to the Council Audit and Risk Committee.

THE SIGALAGALA NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

x) Communication policy

Sigalagala National Polytechnic Communication Policy serves as a comprehensive framework to guide and govern communication practices within the institution. Recognizing the critical role communication plays in fostering a conducive learning and working environment, the policy outlines key principles, strategies, and guidelines to ensure effective, transparent, timely, and consistent communication among trainees, faculty, staff, administrators, and stakeholders. The policy emphasizes the importance of clear, accurate, respectful, inclusive, and accessible communication that promotes transparency, accountability, collaboration, participation, engagement, understanding, trust, and unity within the institution. It underscores the need for proactive communication that anticipates and addresses the diverse needs, preferences, styles, backgrounds, experiences, and abilities of the polytechnic's diverse community. The policy outlines the roles, responsibilities, and expectations of all members of the polytechnic community in fostering a culture of open communication, mutual respect, active listening, empathy, compassion, patience, tolerance, appreciation, recognition, validation, encouragement, support, and feedback. The policy promotes the implementation of continuous improvement, monitoring, evaluation, and review mechanisms to assess and enhance the quality, relevance, accessibility, affordability, equity, inclusiveness, diversity, engagement, participation, collaboration, communication, innovation, creativity, critical thinking, problem-solving, decision-making, resilience, perseverance, adaptability, flexibility, curiosity, openness, growth mindset, self-efficacy, self-regulation, reflection, self-awareness, self-management, self-development, motivation, well-being, satisfaction, retention, completion, and success of communication practices, policies, procedures, systems, and cultures within the institution.

xi) Terms of Reference for Committees

The governance council established four committees

- Audit and risk committee
- Finance and operations committee
- Education and research committee
- Enterprise committee

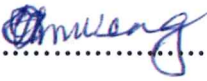
THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

The Code of Governance or State Corporations Governance Parameter and Governance Practice Provide Terms of Reference for each committee which should be set out, as a minimum, objectives, delegated authority, operations and reporting mechanism to the full council, which council periodically review the mandate of the committees to determine the frequency of committee meetings, appoint the chairperson of each committee and conduct annually review and the effectiveness and performance of its committees

xii) Policy on Related party transactions.

The Sigalagala National Polytechnic Governing Council does not have specific policy on related party transactions but are guided by provision of **IPSAS 20** – that provides that; any reporting institution should disclose the related parties and their nature of shareholding and nature of related parties' transactions at the end of any financial year. The Sigalagala National Polytechnic is wholly owned by the Government of Kenya. Related party transactions, if any is between the Polytechnic and state department for TVET.


.....
Prof. Mabel K. Majanja
Chairperson Council


.....
Mr. Evans Bosire
Principal

THE SIGALAGALA NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

9. MANAGEMENT DISCUSSION AND ANALYSIS

a). The Polytechnic Operational and Financial Performance

The Sigalagala National Polytechnic uses Government of Kenya's Fiscal Year as their Reporting Financial Year. The period under review was between 1st July 2024 to 30th June 2025. The presentation of the Financial Statement was done in accordance with the provisions of the International Public Sector Accounting Standards (IPSAS) 1 and requirements in the Revised Reporting Template issued by the Public Sector Accounting Standards Board of Kenya (PSASBK) dated 30th June 2024 as provided in section 194(d) of the Public Finance Management (PFM) Act, 2012.

b). Operational Results

The Polytechnic financial reporting is using IPSAS Accruals basis of accounting where total turnover includes arrears not yet recovered and all expenses include debts of suppliers which were not cleared by year end. The Polytechnic operated with a net surplus of Kshs. 7,014,712. During the year, the government capitation increased from Kshs. 151,337,000 to Kshs. 226,377,575 which was received in three quarters, while quarter four capitation was not disbursed. These capitations were for the continuing students only while September 2023 intake, January 2024 intake May 2024, September 2024 and May 2025 intake were to be funded by New Government Scholarship Funding Model of which a total of Kshs. 67,488,705 was received for the September 2024 intake as part of the scholarship apportioned into various categories of need. The Polytechnic did not receive any scholarship funding for the January 2025 and May 2025 intake making the polytechnic to close the year with huge arrears as these students were admitted on strength of this funding. During the year under review, the polytechnic did not receive re-current grant out of the approved budgeted figure of Kshs. 31,000,000 as was approved by the National Treasury. The Sigalagala National Polytechnic total accrued re-current revenues increased from Kshs. 695,145,048 in the year 2023/2024 to Kshs. 701,386,600 in the year 2024/2025 due to increase in student population. Revenues from exchange transactions also decreased from Kshs. 440,767,159 in the year 2023/2024 to Kshs. 405,477,320 in the year 2024/2025, due to increase in government allocation on fees. The Polytechnic total expenses for the year decreased from Kshs. 694,761,712 in the year 2023/2024 to Kshs.694,371,888 in the year 2024/2025.

THE SIGALAGALA NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS

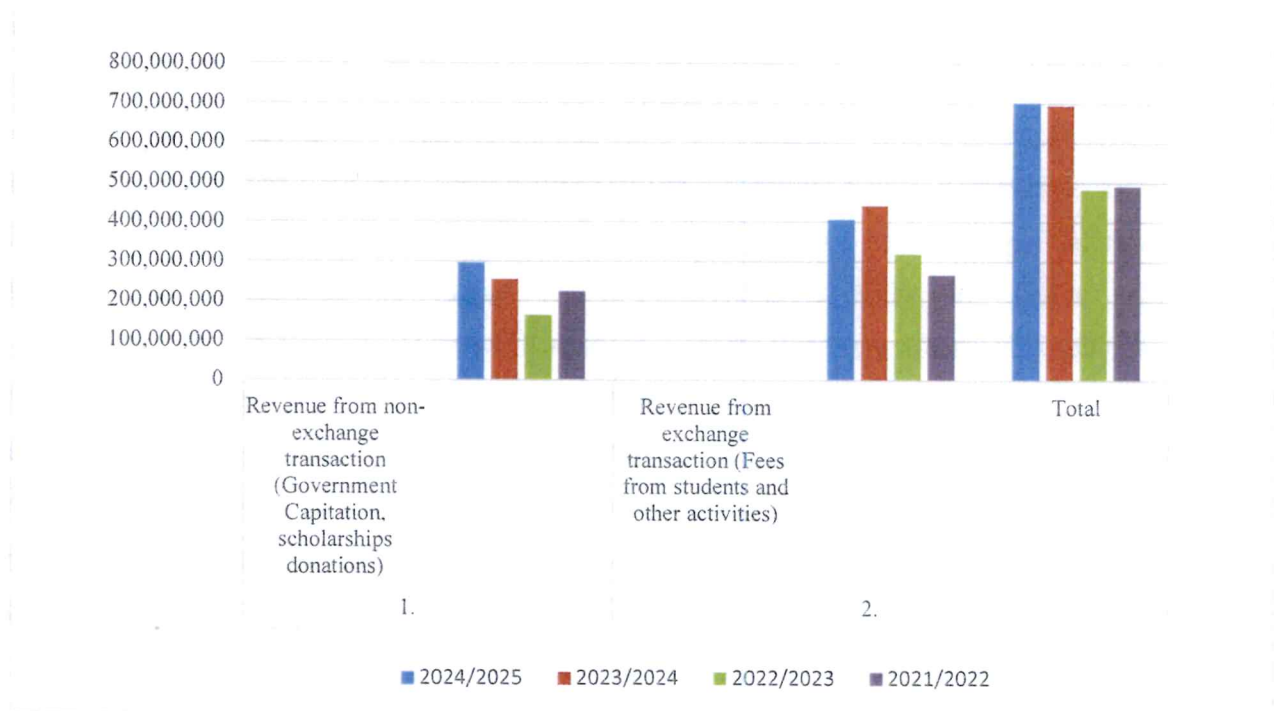
FOR THE YEAR ENDED 30 JUNE 2025

Revenue Movement

S/n	Sources of Revenue	2024/2025	2023/2024	2022/2023	2021/2022
1.	Revenue from non-exchange transaction (Government Capitation, scholarships donations)	295,909,280	254,377,889	164,116,000	223,829,800
2.	Revenue from exchange transaction (Fees from students and other activities)	405,477,320	440,767,159	318,956,380	266,267,367
	Total	701,386,600	695,145,048	483,072,380	490,097,167

The bar graphs below explain the movement

Revenue Movement



THE SIGALAGALA NATIONAL POLYTECHNIC

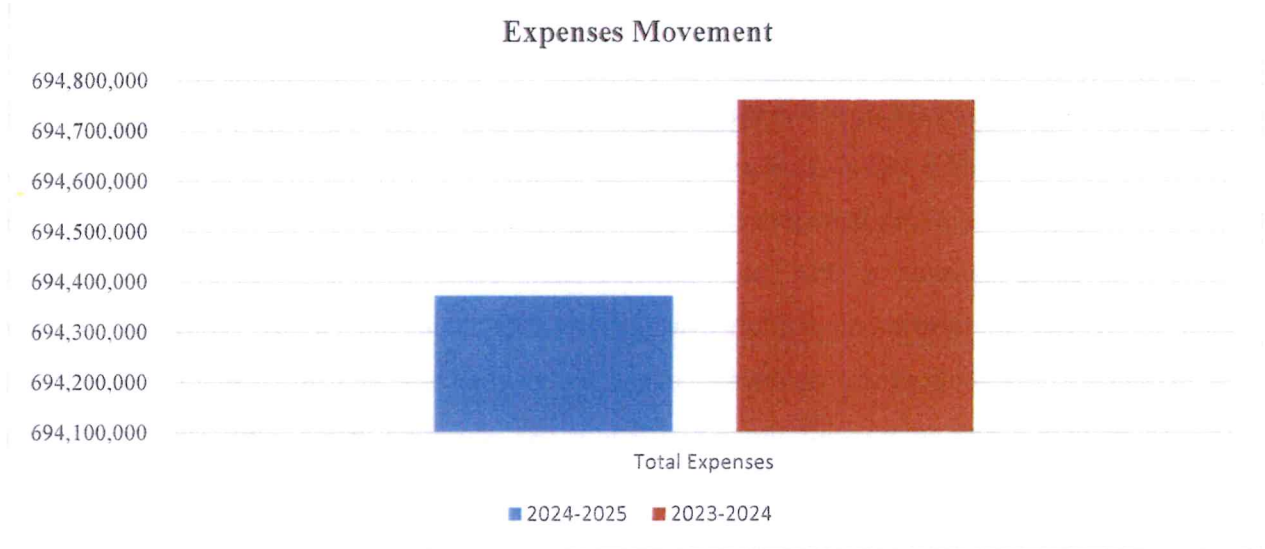
ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Expenses movement

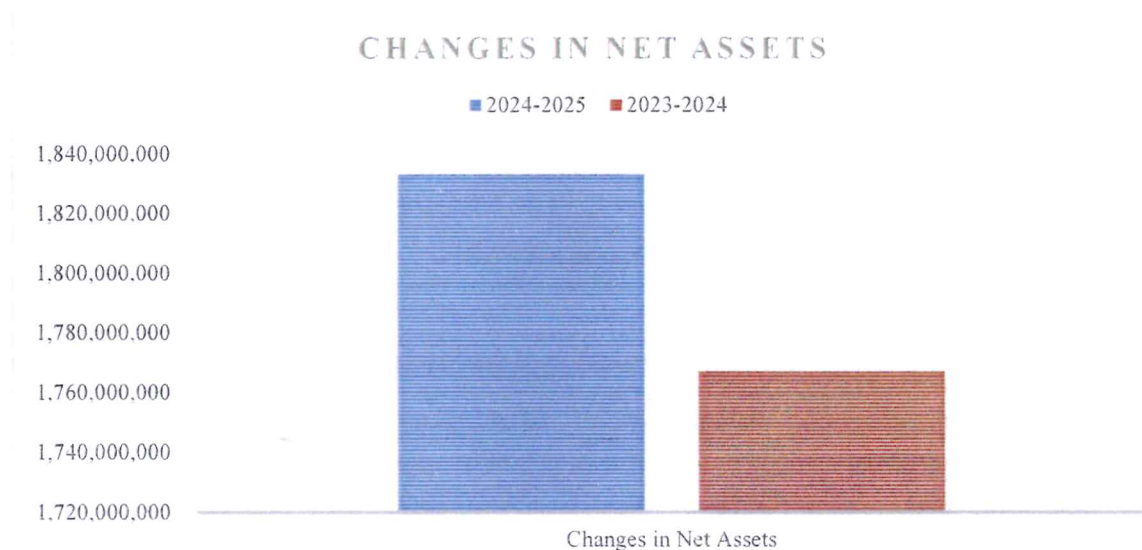
The Polytechnic expense decreased from Kshs. 694,761,712 to Kshs. 694,371,888

The graph below represents the expenses movement within the last three years;



Changes in Net Assets

The net assets base of the Polytechnic also grew over the last two years. This is an indication that the Polytechnic is growing well and the going concern is guaranteed. The net worth of the polytechnic grew from Kshs. 1,767,127,151 to Kshs.1,833,163,743 as represented in the bar graph below;



THE SIGALAGALA NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

c). Compliance with Statutory Requirements

By the end of the year, the Sigalagala National Polytechnic had paid all its statutory requirements in terms of NSSF, NHIF, PAYE, Helb withholding and all withholding taxes from contractors and suppliers it was mandated to pay to KRA. The Polytechnic has been withholding 3% taxes on all payment made to contractors and remitting them to KRA when due. The Polytechnic was also registered as VAT withholding agent as at 1st July 2019 and has been withholding VAT on all its services and payments which were rendered to KRA on or before stipulated time. During the year the VAT withholding remained at 2%. The function of the polytechnic is anchored on various law and statutes and other government regulations which the polytechnic operated under. By the end of the year the Polytechnic did not have any issues with non-compliance to any legal and statutory requirements. The Polytechnic is operating within the legal frame works necessary under public sector requirement such as:

- The Constitution of Kenya, 2010
- The Sigalagala National Polytechnic Order No. 90 of 2016
- TVET Act, 2013
- PFM Act, 2012 and its Regulations of 2016
- Public Procurement and Assets Disposal Act, 2015 and its Regulations of 2020
- IPSAS Accruals standards as issued by the PSASBK
- Other relevant regulations and circulars released by the government from time to time.

All other relevant laws in its operation (Regular Circulars from Treasury and Ministry of Education) The Polytechnic has Internal Policies in her operation. These policies are in line with all the relevant laws stated above and only direct the specific operations on how tasks are handled.

These policies are;

1. *Academic Policy*
2. *Admissions Policy*
3. *Assessment, Evaluation & amp certification Policy*
4. *Budget Policy*
5. *Career Progression Guidelines*
6. *Communications Policy*
7. *Disability Mainstreaming Policy*
8. *Employment Policy*
9. *Enterprise Management Policy*
10. *Evaluation Policy*
11. *Examinations Policy*

THE SIGALAGALA NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

12. Finance Policy
13. Gender-Based Violence Policy
14. Gender Mainstreaming Policy
15. Human Resource Policy and Manual
16. Income Generating Activities/Enterprise Policy
17. Information & Communication Technology (ICT) Policy
18. Integrity Policy
19. Intellectual Property Policy
20. Internal Audit Policy
21. ILO Policy
22. ODEL Policy
23. Procurement and Asset Disposal Policy
24. Quality Assurance Policy
25. Recognition of Prior Learning (RPL) Policy
26. Research and Innovation Policy
27. Reward and Recognition Policy
28. Risk Management Policy
29. Student Hand book
30. Transport Policy
31. Women in Technical Education Development Policy
32. Workplace and Road Safety Policy

d). Key Projects the Polytechnic is Implementing

The projects undertaken during the year and their levels of completion are as stated below;

i) Tuition Complex (72 classes)

The Polytechnic is constructing a Tuition Complex comprising 72 lecture halls, when completed will ease the congestion in the polytechnic and solve the issue of learning under tents. This was a multi-r project funded by Internally Generated Funds from polytechnic (A-in-A funds), at cost of Kshs.209,568,729. As at the end of the year, the work was at 68% completed.

ii) Luanda Tvc - Luanda constituency

The construction of the Luanda TVC at a contract sum of Kshs.69,500,000 and at the end of the FY 2024/2025 the completion rate was 64% and a total of Kshs. 44,480,828 was already paid to the contractor and it is expected to be complete before the end of the FY 2025/2026

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

iii) Ebungwe Tvc - Emuhaya constituency

For the case of Ebungwe Tvc, the Ministry of Education was to take the cost of construction of the tuition block at a contract cost of Kshs. 29,500,000, while the Emuhaya CDF and the County Government of Vihiga were to share the cost of other infrastructural requirements like fencing, gate, electricity among others while the Sigalagala National Polytechnic was to provide all the technical support for the project. By the end of the FY 2024/2025, the contractor had handed over the project to the polytechnic at a cost of Kshs. 29,168,744

iv) Matungu Tvc - Matungu constituency

For the case of Matungu Tvc, the government did the procurement of the contractor and the name of the winning contractor – Wilkori Construction Company forwarded to the polytechnic to hand over site and supervise the work. The contract was awarded by the ministry at Kshs.62,000,000. The polytechnic conducted handing over of site to Wilkori Construction Company on 4/7/2024.

Machinery and equipment

The polytechnic purchased machinery for the workshop worth Kshs. 3,937,285 to assist the students acquire enough skills by using modern technology.

Furniture and fittings

The polytechnic purchased furniture during the year worth Kshs. 199,000 to assist the students and staff in performing their duties.

Computers and accessories

The polytechnic purchased computers for use in computer laboratories and office operations at a cost of Kshs. 8,788,800 during the year

Building

During the year, the polytechnic constructed an ablution block at a cost of Kshs. 1,229,000 to assist trainers and trainees

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

Status of Projects completion

	Project	Total project Cost	Total Expended to date	Completion % to date	Budget Expended 2023/2024	Actual Expenditure 2023/2024	Source of funds
1	Ebunangwe Campus	29,500,000	29,168,744	100%	6,500,000	6,519,213	Gok
2	Luanda TVC	69,500,000	44,480,828	64%	7,500,000	7,423,250	Gok
3	Tuition Complex (72 classes)	209,568,729	141,809,573	68%	75,000,000	73,198,110	A-in-A
5	Computers & Printers	10,000,000	8,788,800	88%	10,000,000	8,788,800	A-in-A
6	Machinery & Equipment	4,000,000	3,937,285	98%	4,000,000	3,937,285	A-in-A
7	Furniture and Fittings	200,000	199,000	100%	200,000	199,000	A-in-A
8	Buildings	1,500,000	1,229,000	82%	1,500,000	1,229,000	A-in-A

d). Major risks the Polytechnic is facing;

Operational Risk

The Polytechnic faces competition for resources including; students, staff and financial resources.

The Polytechnic financial assets are trade receivables as well as cash and short-term deposits which arise directly from its operations. The Polytechnic has financial liabilities comprising trade and other payables. The Polytechnic has exposure to the following risks:

- i) Market risks
- ii) Liquidity risks
- iii) Credit risks

The Council has overall responsibility for the establishment and oversight of the Polytechnic's risk management framework. The Polytechnic's risk management policy is established to identify and analyse the risks faced by the Polytechnic, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policy and systems are reviewed regularly to reflect changes in economic conditions and the organization's activities. The Principal oversees how management monitors compliance with the Polytechnic's risk management policy and procedures and reviews the adequacy of the risk management framework in relation to the risks faced.

THE SIGALAGALA NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Market Risk Management

- **Interest Rate Risk** - The Polytechnic did not have loan from any financial institutions
- **Foreign Currency Risk**- The Polytechnic did not undertake transactions denominated in foreign currencies during the year 2024/2025 hence did not face any Foreign Currency Risk.

Liquidity Risk

Liquidity risk is the risk that the Polytechnic will not be able to meet its financial obligations as they fall due. The Polytechnic's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Polytechnic's reputation. Typically, the Polytechnic ensures that it has sufficient cash on demand to meet her expected operational expenses for a period of 30 days. All liquidity policies and procedures are subject to review and approval by the Council. All capital developments are funded by the Government and internally generated funds.

Credit Risk

Credit risk is the risk of financial loss to the Polytechnic if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the organization's receivables from customers. The Polytechnic receives fees from students and government capitation which minimizes the credit risk exposure. During the year, the polytechnic fees was heavily affected by low disbursement of Helb loans and bursaries and lack of fourth quarter GOK capitation

e). Material Arrears and Financial Obligations

As at the end of the financial year 2024/2025, the Sigalagala National Polytechnic had debtors amounting to Kshs. **575,383,432** which comprised of fees debtors and other institutional debtors as shown below:

	During the year	More than 1 year	More than 2 year	More than 3 year	Total
Category	Kshs.	Kshs	Kshs	Kshs	Kshs.
Fees Debtors	328,047,255	131,018,550	66,791,868	45,417,754	571,275,427
Other Institution Debtors	643,000	1,525,590	603,587	1,335,828	4,108,005
Total	328,690,255	132,544,140	67,395,455	46,753,581	575,383,432

THE SIGALAGALA NATIONAL POLYTECHNIC

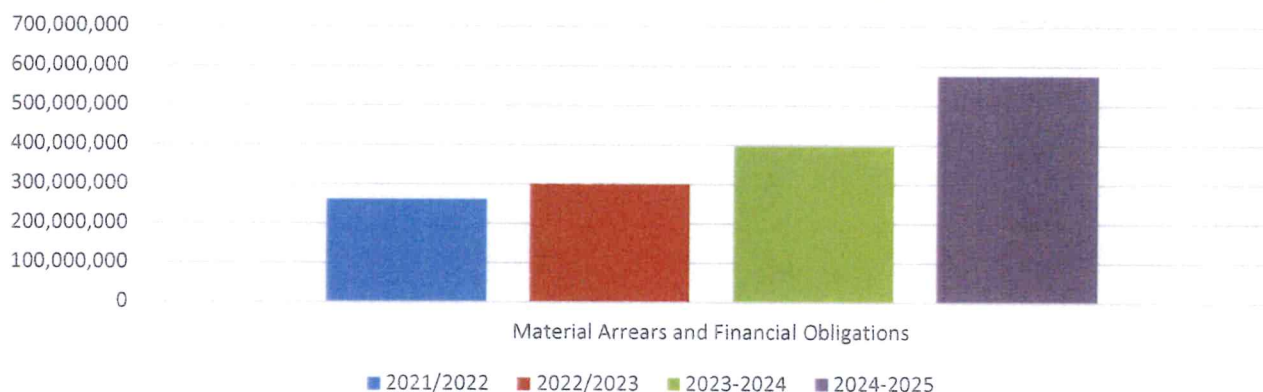
ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

The Polytechnic had accumulated fees arrears totalling to Kshs. 396,126,994 which had not been received by the year end. The Polytechnic has put up various measures to ensure that the arrears are reduced in the coming years by sensitizing all students to apply for Helb loan and CDF bursaries. The distribution of accumulated fees arrears for the last four years is as shown on the graph below;

- 2021/2022 - 261,183,876
- 2022/2023 - 300,576,347
- 2023/2024 - 396,126,994
- 2024/2025 - 575,383,432

Material Arrears and Financial Obligation



f). The Polytechnic Financial Probity and Governance Issues


The Polytechnic is governed by a Council appointed by the Cabinet Secretary for education, who are independent overseers of the running of the Polytechnic. They hold quarterly meetings to discuss management affairs of the Polytechnic. The full Council has sub-committees who also meet quarterly to oversee operations in their respective areas. The governing Council oversees the financial operations of the Sigalagala National Polytechnic through its Sub - Committee on Finance and Operation, which discussed the report for the year 2024/2025 on 26th August, 2025. The committee noted that the financial report under review was the seventh to be presented under the new International Public Sector Accounting Standards Accruals basis. (IPSAS Accruals) using the most current template dated 30 June 2025 released by the National Treasury to all public tertiary institutions. The committee then forwarded their report to the full council meeting on 27th August 2015 for adoption.

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

g). Un-paid Creditors.

By the end of the year 2024/2025, the Polytechnic had unpaid creditors worth Kshs 73,437,698. Due to shortage of cash arising from delay in disbursement of funds from the Capitation funds, Scholarship funds and HELB funds.

By order of the council



Mr. Evans Bosire

Principal/Secretary to the Council

THE SIGALAGALA NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING STATEMENT

Sustainability Strategy and Profile

The Sigalagala National Polytechnic is guided by the SNP Environmental Sustainability Policy in her environmental activities. The main objective of this policy is: 'Better Quality of Life for Present and Future Generations through Sustainable Management of Sigalagala National Polytechnic's Environmental and National Resources'. The Polytechnic is also guided by other policy objectives as follows:

- Provide a framework for an integrated approach to planning and sustainable management of Sigalagala National Polytechnic's environment and natural resources.
- Strengthen the legal and institutional framework for good governance, effective coordination and management of the environment and natural resources.
- Ensure sustainable management of the environment and natural resources such as unique terrestrial and aquatic ecosystems for national economic growth and improved livelihoods.
- Promote and support research and capacity development as well as use of innovative environmental management tools such as incentives, disincentives, total economic valuation, indicators of sustainable development, Strategic Environmental Audits (SEAs), Environmental Impact Assessments (EIA), Environmental Audits (EA), and Payment for Environmental Services (PES).
- Promote and enhance cooperation, collaboration, synergy, partnerships and participation in the protection, conservation, sustainable management of the environment and natural resources.
- Ensure inclusion of cross-cutting and emerging issues.

The polytechnic as an ISO certified institution, is committed to quality through Technical Training, Research and Innovation works fostering scientific and technological, culture that bridges theory and practice, producing holistic graduates prepare for the purpose, service and leadership. The polytechnic is involved in various activities to enhance environmental sustainability:

- i. Management of Ecosystems and Sustainable use of Natural resources.
- ii. Environmental stewardship
- iii. Environmental quality and Health
- iv. Integration of Environmental concern in all policy, planning and Development process.
- v. Implementation framework
- vi. Research monitoring and evaluation.

THE SIGALAGALA NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Environmental Performance

The Polytechnic has developed an environmental policy to guide on environmental performance and sustainability to ensure that the environment is well protected for lives. As for efforts to manage biodiversity, wastes management are concerns, the Sigalagala National Polytechnic has put in place adequate systems of collecting solid, plastic and organic wastes by hiring a qualified and capable cleaning enterprise - Kenma Homecare Services Ltd, that does general cleanliness and disposes the wastes at proper dumping sites. The polytechnic undertook several activities for environmental sustainability.

i) Tree planting

The polytechnic conducted several tree planting exercises during the year in line with Presidential directives on tree planting as well as donation of tree seedlings to various schools and community.

ii) Removal of asbestos

During the year 2024/2025, the polytechnic removed all asbestos within her premise and replaced them with acceptable iron sheets to safe guard the environment

Employee Welfare

The polytechnic is committed to ensuring employee welfare is given priority since Human Resource is the most critical and important resource in any organization. In this regard, we have the following welfare activities in place:

Sigalagala Board of Governors Employee welfare (SIBOGE)

The polytechnic has established a staff welfare group for both teaching and non-teaching staff and committees have been appointed to manage the welfare groups. Members subscribe to the welfare through monthly contributions and payments are made from these contributions towards welfare activities. The objective of the welfare groups is to assist in defraying funeral expenses for members who are bereaved, assist with loans to staff for emergencies, payment of school fees and development. Recovery of such loans is through the payroll and a check off system..

Staff Medical Scheme

The Sigalagala Polytechnic management has started a Medical Insurance Scheme for all her workers. under the year under review, the scheme was awarded to AAR Insurance Group

THE SIGALAGALA NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

OSHA

The polytechnic observes the relevant regulations governing Occupational Health and Safety Act (OSHA) and has put in place the following; the relevant health certificates/licences for those who work in the kitchen and school cafeteria and staff who handle food and beverages, protective gears for doing their work, Establishment of safety committee and ensuring we have fire extinguishers and fire assembly points

WIBA

The polytechnic complies with the relevant provisions concerning Workman Injury and Benefits Act (WIBA) and has insured the staff under this Act with UAP insurance for the following benefits; Death, Personal injury at the work place, funeral and medical expenses among others.

Market place practices

a) Responsible competition practice

Sigalagala National Polytechnic has put in place several strategies to ensure responsible competition practice as outlined below:

- Appointment and training of Integrity Assurance Officers (IAOs) to sensitize its staff on integrity issues as well as setting up a corruption prevention committee (CPC).
- Internal control system through coming up with Human resource, Finance and procurement manuals.
- Compliance with the public procurement and asset disposal act 2015 when it comes to its procurement activities. Giving preference to the marginalized by setting up aside 30% of the procurement opportunities for the women, youth and PWD.
- Set up a customer feedback mechanism by coming up with suggestion boxes and complain boxes where customer rates their satisfaction with the services offered.
- Placing supply advertisement in local newspaper and polytechnic website to ensure it reaches as many suppliers as possible

b) Responsible supply chain and supplier relations

Sigalagala National Polytechnic has maintained good business practices with its suppliers by:

- Promoting clear and consistent communication on the basis of equal partnerships. Tenders are advertised on public forums where suppliers are able and can easily access information for instance on newspapers, websites etc.

THE SIGALAGALA NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

- Use of technology for mutual benefit. The Polytechnic has embraced the use of modern technology which has made it easy to come up with procurement documents and also promoted faster communication through the use of emails. It's easier to update contracts information, submit invoices and respond to quotations, which helps in creating an audit trail.
- Understanding and honouring contractual obligation. Clear contracts/orders spelling the terms and conditions, coming up with an effective inspection and acceptance team has boosted confidence in contracts relationship with supplier.
- Timely/prompt payment. Suppliers are paid on time to enable them stay afloat and stable.
- Supplier appraisal regularly reviewing reviews performance of suppliers promoting vendor accountability, reducing loss and improving customer satisfaction.
- Giving feedback/ notification to all bidders/ suppliers anytime there is any tendering process.
- Conducting suppliers' satisfaction survey by independent group to ascertain their level of satisfaction

c) Responsible marketing and advertisement.

The following are efforts being undertaken to maintain ethical marketing practices:

- Being transparent by sharing the information on public platforms such as our websites.
- Protecting supplier data and privacy
- Responding meaningfully to our customer for instance through our able customer care staff.
- Carrying out corporate social responsibility with an intention to have a positive image and help force a stronger bond with immediate surrounding environment.
- Committing to sustainability and human rights.
- Being honest about our products and supply chain.

During the year 2024/2025, the polytechnic conducted marketing in the entire western region, Nyanza region and parts of the Rift valley region being main catchment for the institution.

a) Product stewardship

Sigalagala National Polytechnic has outlined efforts to safeguard consumer rights and interest by:

- Setting up a Quality Assurance Officer to check on the standards of quality of products/services.
- Setting an Inspection and Acceptance Committee to verify on the goods/services being delivered.

THE SIGALAGALA NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

- Having a Safety Policy to ensure that their staffs are protected against risks such as accidents and hazardous substances.
- Providing quality services to its clients so as to be competitive on the job market

Promotion of Sports

The Sigalagala National Polytechnic participated in all co-curricular activities from the zonal level to the national level. During the year under review the polytechnic participated in activities as listed below:

- Football – the team participated in the national league
- Rugby – the team participated in the national league and won champions league
- Music – the team won over 13 trophies during national competitions in Moi Girls Eldoret
- Drama – the team reached national level

Corporate Social Responsibility/Community Engagements

i) Tree planting in various schools and community

In line with the Presidential directive to grow 1.2 billion trees and in compliance with guidance from the Principal Secretary of SDTVET, Sigalagala National Polytechnic did a major tree planting activity during the current financial year. 2024/2025.

The institution's Greening and Beautification Committee collaborated with the Kenya Forest Service (KFS), Kenya Forestry Research Institute (KEFRI), National Environment Management Authority (NEMA), and other TVET institutions within Kakamega and beyond. The goal was to plant trees during the National Tree Growing Days and rehabilitate a section of the Kakamega Forest in Kakamega East Sub-county. Sigalagala National Polytechnic also undertook tree planting activities in collaboration with Absa Kenya in several neighbouring primary schools. About 5,000 tree species were planted by pupils and teachers in those primary and secondary schools.

Youth training on AGPO

During the year 2024/2025, the Polytechnic trained various youths, women and persons living with disabilities from the local community on how to do business with Government Agencies using Access to Government Procurement Opportunity (AGPO) certificate. The polytechnic took them through the following procedures:

- How to register a company / enterprise.
- How to get KRA pin for the business

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

- How to open bank account
- How to apply for AGPO certificate
- How to fill tender document
- How to document goods and services once work is completely done
- How to file VAT and other taxes returns.

ii) Training Local farmers on poultry farming

The Sigalagala National Polytechnic as part of its Corporate Social Responsibility mandate, collaborated with local community farmers to deliver a training programme focused on modern poultry farming techniques. The goal of this initiative was to empower local farmers with the knowledge and skills necessary for sustainable and profitable poultry production to improve livelihoods and enhanced food security in the region

The training was conducted through workshops, Demonstration and hands on sessions, with participation from agricultural experts, lectures from the polytechnic and experienced local poultry keepers.

Objectives of the CSR Project

- To empower local farmer with up-to-date knowledge in poultry farming
- To enhance productivity and sustainability in small scale poultry operations
- To promote bio-security and disease control practices among rural poultry farmers
- To strengthen the relationship between Sigalagala National Polytechnic and surrounding communities

iii) Training Neighbouring Schools pupils on Road use/safety

The Sigalagala Polytechnic is a registered school centre by National Road Safety Authority (NTSA) to train public in driving in all classes, road safety, defensive driving and all other safety requirement on the road use as stipulated by NTSA. During the year, the polytechnic offered free training to local pupils on the road safety and road use to reduce the road accidents that always occurred around their schools. The Polytechnic also conducted road safety campaign to sensitize the public on road safety in order to reduce accidents

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

iv) Sensitizing the community on Gender Based Violence (GBV)

The sixteen days of Activism against gender-based violence is a global campaign aimed at raising awareness about gender-based violence and promoting efforts to end it. In line with this, a road show was organized by The Sigalagala National Polytechnic with various stops all over the County.

The road show aimed to mobilize communities, sensitize them on the dangers of GBV, and empower individuals to act when necessary.

Objectives

The primary goal of the roadshow was to raise awareness on the Gender based violence, promote equality, and encourage individuals to speak out and take action against GBV in their communities. The event engaged people from all walks of life including trainees, community leaders and residences in an open dialogue on how to combat GBV.

THE SIGALAGALA NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

11. REPORT OF THE GOVERNING COUNCIL.

The Council members submitted their report together with the audited financial statements for the year ended 30 June 2025 which show the state of the Sigalagala National Polytechnic affairs.

Principal activities

The Principal activities of the Sigalagala National Polytechnic is to offer Training and Research in technical fields.

Results

The results of the Polytechnic for the year ended 30 June 2025 are set out on page 1-10

Governing Council

The members of the Council who served the polytechnic up to the end of the year are shown on page xiii – xvi. During the year, there were no new members who joined the council. The members details and dates of appointment are as below:

Incoming Council Members

Names	Category	Appointment Date
1. Prof. Mabel K. Minishi	Chair person	23/3/2023
2. Mrs. Lynette A. Odondi	Leadership & Management	23/3/2023
3. Mr. Vitalis Sikuku	Financial Management	23/3/2023
4. CPA. Phoebe M. Musau	Financial Management	23/3/2023
5. Dr. Geoffrey K. Kimutai	Law/ICT	23/3/2023
6. Mr. Charles Ndambuki	PS Representative - Nation Treasury	23/3/2023
7. Mrs. Stella Oimbo	PS Representative - MOE	23/3/2023
8. Eng. John Ombengi	Engineering	23/3/2023

Auditors

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

By Order of the Council


Secretary

THE SIGALAGALA NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

12. STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES

According Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act 2013, the Sigalagala National Polytechnic has prepared Financial Statements that gives true view of the Polytechnic state of affairs as at the end of the financial year June 30 2025.

These responsibilities include:

- (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 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) Safe guarding the assets of the polytechnic;
- (v) Selecting and applying appropriate accounting policies;
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Council members accept responsibility for the polytechnic's financial statements, which are prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS) accruals basis, and in the manner required by the PFM Act, 2012 and (the State Corporations Act, and the TVET Act).

The Council members are of the opinion that the polytechnic's financial statements give a true and fair view of the state of polytechnic's transactions during the financial year ended 30 June, 2025 and of the polytechnic's financial position as at that date.

The Council members further confirm the completeness of the accounting records maintained for the polytechnic, which have been relied upon in the preparation of the 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 members to indicate that the polytechnic will not remain a Going Concern for at least the next twelve months from the date of this statement.

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

Approval of the Financial Statements

The Polytechnic's financial statements were approved by the full council on 27th August 2025 and signed on its behalf by:


.....
Council Chairperson


.....
Council Secretary


.....
Council Member

REPUBLIC OF KENYA



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

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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Sigalagala National Polytechnic set out on pages 1 to 53, which comprise of the statement of financial position as at

Report of the Auditor-General on Sigalagala National Polytechnic for the year ended 30 June, 2025

30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

Long Outstanding Receivables from Exchange Transactions

The statement of financial position and Note 22(b) to the financial statements reflect long-term receivables from exchange transactions balance of Kshs.246,693,176 representing an increase of Kshs.49,224,869 from previous year's balance of Kshs.197,468,308.

Review of debtors aging analysis revealed that student debtors amounting to Kshs.243,228,172 and other exchange debtors totalling Kshs.3,464,004 have been outstanding for more than twelve months. However, the Polytechnic's finance policy does not address the providing of provision for bad and doubtful debts, allowable limits and ceilings for the categories of debtors, debt management and write-off procedures by Management and Board. Further, the Management did not provide evidence of efforts made to collect the outstanding debts.

In the circumstances, the accuracy and full recoverability of long-term receivables from exchange transactions balance of Kshs.246,693,176 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.810,000,000 and Kshs.701,386,600 respectively, resulting to under-funding of Kshs.108,613,400 or 13% of the budget.

Similarly, the Polytechnic expended a total of Kshs.694,371,888 against an approved budget of Kshs.680,697,862 resulting to an over-expenditure of Kshs.13,674,026 or 2% of the budget. Additionally, the Polytechnic expended Kshs.136,876,822 against approved budget of Kshs.172,500,000 on development resulting to under-expenditure of Kshs.35,623,178 or 21% of the budget.

In the circumstances, Management did not observe fiscal discipline.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the report for the previous year, issues were raised under Report on the Financial Statements, Emphasis of Matter, Report on Lawfulness and Effectiveness in the Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance, as detailed in **Appendix I**. However, although Management has indicated that some of the issues have been resolved under implementation status of Auditor-General's recommendations section of the financial statements, no evidence was provided for audit review indicating whether or not the issues had been resolved. Further, no justification has been provided for the delay in resolving the other issues.

In the circumstances, the issues remain unresolved.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Delayed Completion of Projects

1.1. Proposed Erection and Completion of Workshop, Classrooms, Office Block and Associated Works at Luanda Technical and Vocational College

Note 39 to the financial statements on capital commitment reflects a balance of Kshs.123,888,864, which includes Kshs.25,019,172 in respect for authorized and contracted for construction of Luanda Technical and Vocational College. A contract agreement was made on 23 January, 2023 between Sigalagala National Polytechnic and a construction company for the proposed erection and completion of workshops, classrooms, office block and associated works at Luanda Technical and Vocational College at a contract sum of Kshs.69,991,330. The contract period was fifty-two (52) weeks, the commencement date of the project was 27 February, 2023 and expected completion date of 01 March, 2024. As at the time of the audit exercise in the month of September, 2025, a total of Kshs.44,480,829 or 64% of the total contract sum had been paid to the contractor.

It was observed that in September, 2025, over two years after signing of the contract agreement approximately 65% of the works had been done and the contract period had lapsed and there was no evidence of the extension of contract period.

1.2 Proposed Erection and Completion of Tuition Complex and Associated Works at Main Campus

Note 39 to the financial statements on capital commitment reflects a balance of Kshs.123,888,864, which includes Kshs.67,759,156 in respect for authorized and contracted for construction of seventy-two (72) classrooms tuition complex block at Sigalagala National Polytechnic Main campus. A contract agreement dated 02 August, 2023 was entered into between Sigalagala National Polytechnic and a construction company for the proposed erection and completion of tuition complex and associated works at a contract sum of Kshs.195,902,010. The contract period was eighty (80) weeks, commencing on 19 September, 2023 and expected completion date being 21 March, 2024.

As at the time of the audit exercise in the month of September, 2025, a total of Kshs.141,809,574 had been paid to the contractor. However, a physical verification of the project carried out in September, 2025, revealed that approximately 70% of the works had been done and the contractor the contractor was still on site over seventeen (17) months after the expected completion date of 21 March, 2024. As a result, the project was behind schedule thereby resulting to undue delay in delivery of intended services.

In the circumstances, the objectives and value for money have not been realized in respect of these projects.

2. Non-Compliance with Law on Ethnic Diversity

Review of payroll records revealed that out of the two hundred and sixty- three (263) employees and eight (8) board members, two hundred and nine (209) or 77% were from the dominant community. The senior management comprised six (6) out of ten (10) or 60%, teaching staff one hundred (100) out of one hundred and twenty-nine (129) or 78%, and non-teaching staff one hundred and one (101) out of one hundred and sixteen (116) or 87% were from the dominant community. This was contrary to Section 7(2) of the National Cohesion and Integration Act, 2008, which stipulates that no public establishment should employ more than one-third of its staff from the same ethnic community.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of the Management and Governing Council

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

In preparing the financial statements, Management is responsible for assessing the Polytechnic's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using applicable basis of accounting unless Management is aware of the intention to terminate the Institution or to cease its operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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



FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

03 November, 2025

Appendix I

Unresolved Prior Matters

Reference No. on the Auditor-General's Report	Observation
	Report on the Financial Statements
	Unregulated Receivables from Exchange Transactions
	Emphasis of Matter
	Budgetary Control and Performance
	Report on Lawfulness and Effectiveness in the Use of Public Resources
1.1	Delayed Completion of Projects-Proposed Erection and Completion of Tuition Complex and Associated Works at Main Campus
1.2	Delayed Completion of Projects-Proposed Erection and Completion of Workshop, Classrooms, Office Block and Associated Works at Luanda Technical and Vocational College
2	Non-Compliance with Law on Ethnic Diversity
	Report on Effectiveness of Internal Controls, Risk Management and Governance
	Information Communication Technology (ICT) Internal Control Weaknesses

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

Description	Notes	2024-2025	2023-2024
Revenue from Non-Exchange Transactions		Kshs.	Kshs.
Transfers from other National Government entities	6	293,866,280	240,362,233
Public Contributions and Donations	7	2,043,000	14,015,656
Total Revenue from Non-Exchange Transactions		295,909,280	254,377,889
Revenue from Exchange Transactions			
Rendering of services- Fees from students	8	361,012,067	397,181,446
Sale of goods	9	43,004,040	42,247,271
Rental Revenue from Facilities and Equipment	10	1,452,480	831,100
Finance Income	11	8,733	7,342
Other income	12	-	500,000
Total Revenue from Exchange Transactions		405,477,320	440,767,159
Total Revenue		701,386,600	695,145,048
Expenses			
Use of goods and Services	13	422,178,589	424,759,472
Employee Costs	14	97,529,748	98,406,109
Board /Council Expenses	15	19,501,561	17,007,436
Depreciation and Amortization Expense	16	69,794,430	75,507,651
Repairs and Maintenance	17	61,384,729	44,204,024
Contracted Services	18	23,982,831	30,019,998
Monitoring & Evaluations	19	-	4,856,400
Total Expenses		694,371,888	694,761,712
Net surplus for the year		7,014,712	383,336

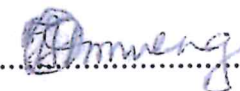
(The notes set out on pages 10 to 49 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 1 to 9 were signed by:



 Prof. Mabel K. Majanja
 Chairperson of Council

Date 1/10/2025



 Mr. Evans Bosire
 Chief Principal

Date 1/10/2025



 CPA. Christopher Oselu
 Finance Manager


ICPAK No 15907
 Date 1/10/2025

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025


15. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

Description	Notes	2024-2025	2023-2024
Assets		Kshs	Kshs
Current Assets			
Cash and Cash Equivalents	21	82,542,740	170,995,653
Current Portion of Receivables from Exch. Transactions	22(a)	328,690,255	203,251,690
Inventories	24	52,087,845	40,337,199
		463,320,840	414,584,542
Non-Current Assets			
Long term Receivables from Exchange Transactions	22(b)	246,693,177	197,468,308
Property, Plant, and Equipment	26(a)	1,218,547,339	1,169,502,937
Intangible Assets	27	8,968,532	9,965,036
Biological Assets	28	805,000	1,110,000
		1,475,014,048	1,378,046,281
Total Assets		1,938,334,888	1,792,630,823
Liabilities			
Current Liabilities			
Trade Payables from Exchange Transactions	29	94,676,181	13,806,250
Refundable Deposits from Customers	30	9,411,484	10,613,941
		104,087,665	24,420,191
Non-Current Liabilities			
Non-Current Provisions	33	1,083,480	1,083,480
Total Liabilities		1,083,480	1,083,480
Net Assets			
Capital Reserves		745,388,649	745,328,649
Revaluation Reserve		314,560,523	269,024,899
Accumulated Surplus		147,057,683	140,042,971
Mentorship funds		70,831,256	90,000,000
Capital Fund		555,325,632	522,730,632
Total Net Assets		1,833,163,743	1,767,127,151
Total Net Assets and Liabilities		1,938,334,888	1,792,630,823

The Financial Statements set out on pages 1 to 9 were signed by:

.....

 Prof. Mabel K. Majanja
 Chairperson of Council

Date 1/10/2025

.....

 Mr. Evans Bosire
 Chief Principal

Date 1/10/2025

.....

 CPA. Christopher Oselu
 Finance Manager

ICPAK No 15907
 Date 1/10/2025

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

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

Description	Capital Reserve	Mentorship funds	Revaluation Reserve	Retained Earnings	Development Grants/Fund	Total
As at July 1, 2023	745,328,649	47,500,000	268,644,899	139,659,635	482,247,632	1,683,380,815
Revaluation gain	-	-	380,000	-	-	380,000
Disposal	-	-	-	-	-	-
Fair value adjustment on quoted invest.	-	-	-	-	-	-
Total comprehensive income	-	-	-	383,336	-	383,336
Capital grants received during the year	-	42,500,000	-	-	40,483,000	82,983,000
As at June 30, 2024	745,328,649	90,000,000	269,024,899	140,042,971	522,730,632	1,767,127,151
As at July 1, 2024						
Revaluation gain	-	-	-	-	-	-
Transfer to other institutions	-	(29,168,744)	-	-	-	(29,168,744)
Disposal	-	-	-	-	-	-
Revaluation gain/loss on Biological Assets	60,000	-	(180,790)	-	-	(120,790)
Revaluation gain on motor vehicles & computers	-	-	45,716,414	-	-	45,716,414
Fair value adjustment on quoted invest.	-	-	-	-	-	-
Total comprehensive income	-	-	-	7,014,712	-	7,014,712
Capital grants received during the year	-	10,000,000	-	-	32,595,000	42,595,000
As at June 30, 2025	745,388,649	70,831,256	314,560,523	147,057,684	555,325,632	1,833,163,744

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

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

Description	Note	2024-2025	2023-2024
Cash Flows from Operating Activities		Kshs.	Kshs.
Receipts			
Revenue from Non-Exchange Transactions			
Transfers from other National Government entities	6	293,866,280	240,362,233
Total Revenue from Non-Exchange Transactions		293,866,280	240,362,233
Revenue from Exchange Transactions			
Rendering of services- Fees from students	8	361,012,067	397,181,446
Sale of goods	9	43,004,040	42,247,271
Rental Revenue from Facilities and Equipment	10	1,452,480	831,100
Finance Income	11	8,733	7,342
Other income	12	-	500,000
Total Revenue from Exchange Transactions		405,477,320	440,767,159
Total Receipts		699,343,600	681,129,392
Expenses			
Use of goods and Services	13	422,178,589	424,759,472
Employee Costs	14	97,529,748	98,406,109
Board /Council Expenses	15	19,501,561	17,007,436
Repairs and Maintenance	17	61,384,729	44,204,024
Contracted Services	18	23,982,831	30,019,998
M&E	19	-	4,856,400
Total payments		624,577,458	619,254,061
Net Cash Flows from Operating Activities		74,766,142	61,875,331
Net cash flows used in Investing Activities			
Acquisition of PPE	26(a)	(101,294,659)	(122,455,166)
Acquisition of intangible assets	27	-	(400,000)
Disposal of animals	28	184,210	-
Net cash flows used in Investing Activities		(101,110,449)	(122,855,166)
Cash flows from Financing Activities			
Development Fees	20	32,595,000	40,483,000
Funds for Mentorship projects	20	10,000,000	42,500,000
Net cash flows used in Financing Activities		42,595,000	82,983,000

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

Changes in Current Assets/ liabilities			
Increase in Receivables from Exchange Transactions	22	(174,663,436)	(91,731,337)
Increase in Inventories	24	(9,707,646)	(13,937,784)
Decrease in Trade payables from Exchange Transactions	29	80,869,931	(430,329)
Decrease in Refundable Deposits from customers	30	(1,202,457)	(2,510,950)
Net changes in Working Capital		(104,703,606)	(108,610,400)
Net Increase/(Decrease) in Cash and Cash Equivalents		(88,452,913)	(86,607,235)
Cash and Cash Equivalent as at 1 July 2024	21	170,995,653	257,602,888
Cash and Cash Equivalent as at 30 June 2025	21	82,542,740	170,995,653

The Financial Statements set out on pages 1 to 9 were signed by:



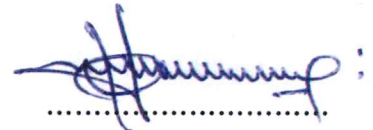
Prof. Mabel K. Majanja
Chairperson of Council

Date 1/10/2025



Mr. Evans Bosire
Chief Principal

Date 1/10/2025



CPA. Christopher Oselu
Finance Manager
ICPAK No 15907

Date 1/10/2025

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

18. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2025

	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Performance Difference	Utilization Difference
Tuition Fees Revenue (A-in-A)	410,000,000	-	410,000,000	407,520,320	-	-1%
Tuition Fees Revenue (Capitations & Scholarships)	400,000,000	-	400,000,000	295,909,280	-	-26%
TOTAL	810,000,000	-	810,000,000	701,386,600	99,613,400	13%
Operating Expenses						
Personnel Emoluments						
Basic Salary	120,000,000	-	120,000,000	97,529,748	22,470,252	19%
Sub - Total	120,000,000	-	120,000,000	97,529,748	22,470,252	19%
Councils Expenses						
Honoraria	960,000	-	960,000	-	960,000	100%
Siting Allowance	19,040,000	-	19,040,000	19,501,561	- 461,561	-2%
Sub - Total	20,000,000	-	20,000,000	19,501,561	498,439	2%
Contracted Services						
Outsourced Services - Legal	1,000,000	-500,000	500,000	254,800	245,200	49%
Outsourced Services -Security	7,000,000	-	7,000,000	10,635,500	- 3,635,500	-52%
Outsourced Services -Cleaning	6,000,000	-	6,000,000	6,315,000	- 315,000	-5%
Contracted Services - Health insurance	10,000,000	-	10,000,000	4,572,614	5,427,386	54%
Sub -Total	24,000,000	-500,000	23,500,000	21,777,914	1,722,086	7%
Use of Goods and Services						
Teaching Expenses	60,000,000	52,000,000	112,000,000	122,001,396	- 10,001,396	-9%
Practical & Laboratory Materials	15,000,000	9,000,000	24,000,000	26,208,588	- 2,208,588	-9%
Field Attachment & Assessment Expenses	3,000,000	8,000,000	11,000,000	11,765,410	- 765,410	-7%
Research Expenses & development	10,000,000	3,000,000	13,000,000	13,570,099	- 570,099	-4%
Curriculum Development/Materials	5,000,000	1,500,000	6,500,000	6,632,005	- 132,005	-2%
Performance contracting	10,000,000	6,000,000	16,000,000	17,119,049	- 1,119,049	-7%
Marketing & Publicity	3,000,000	4,500,000	7,500,000	7,761,374	- 261,374	-3%
Graduation expense	8,000,000	2,000,000	10,000,000	10,769,768	- 769,768	-8%

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

Telephone & postage	1,000,000	-	1,000,000	694,520	305,480	31%
O'del & RPL programmes	1,000,000	-500,000	500,000	522,400	22,400	-4%
Automation	10,000,000	500,000	10,500,000	11,436,284	936,284	-9%
Lactation	1,000,000	-500,000	500,000	335,065	164,935	33%
	127,000,000	85,500,000	212,500,000	228,815,958	-16,315,958	-8%
Administrative Expenses						
Monitoring & Evaluation					-	
Traveling & Accommodation: - Local Travel	7,000,000	-500,000	6,500,000	7,180,908	680,908	-10%
Utility Costs: - Water and Sewerage	18,000,000	-500,000	17,500,000	18,929,782	1,429,782	-8%
Office Stationery, Printing Etc.	5,000,000	6,000,000	11,000,000	11,968,181	968,181	-9%
General Office Supplies	15,000,000	24,500,000	39,500,000	43,166,103	3,666,103	-9%
Sports	18,000,000	4,000,000	22,000,000	23,408,231	1,408,231	-6%
ISO Certification	5,000,000	-2,800,000	2,200,000	2,361,900	161,900	-7%
Software Licenses, Renewals and Connectivity	12,000,000	2,000,000	14,000,000	14,994,015	994,015	-7%
Seminars, Conference, Workshops	5,000,000	2,000,000	7,000,000	7,633,500	633,500	-9%
Library Books & subscriptions	5,000,000	-4,000,000	1,000,000	609,810	390,190	39%
Students Medical	5,000,000	-200,000	4,800,000	4,949,542	149,542	-3%
Asset insurance	4,000,000	-2,000,000	2,000,000	2,204,917	204,917	-10%
Production units	35,000,000	9,000,000	44,000,000	47,410,221	3,410,221	-8%
Examination Expenses	-	-	10,000,000	10,750,438	750,438	-8%
Sub -Total	134,000,000	47,500,000	181,500,000	195,567,548	-9,552,430	-5%
Repairs and Maintenance						
Motor Vehicles & Automobiles	18,000,000	1,000,000	19,000,000	20,327,762	1,327,762	-7%
Plant and Equipment	7,000,000	-2,600,000	4,400,000	4,777,700	377,700	-9%
Furniture and Fittings	5,000,000	-	5,000,000	5,358,000	358,000	-7%
Maintenance of Buildings	10,000,000	13,000,000	23,000,000	24,737,993	1,737,993	-8%
Computers and Other Office Equipment	5,000,000	600,000	5,600,000	6,183,274	583,274	-10%
Sub Total	45,000,000	12,000,000	57,000,000	61,384,729	-4,384,729	-8%

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

Depreciation						
Depreciation and Amortization	72,000,000	-5,802,138	66,197,862	69,794,430	- 3,596,568	-5%
Sub Total	72,000,000	-5,802,138	66,197,862	69,794,430	- 3,596,568	-5%
Total Expenditure	542,000,000	138,697,862	680,697,862	694,371,888	-9,158,908	1.3%
Development Expenditure	182,000,000	-9,500,000	172,500,000	136,876,822	35,623,178	21%
Sub Total	182,000,000	-9,500,000	172,500,000	136,876,822	35,623,178	21%

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

BUDGET VARIANCE ANALYSIS NOTES

1. Explanatory notes on budget analysis

i) Capitation and scholarship

Capitation and scholarship from the government which subsidize fees was budgeted at Kshs. 400,000, 000. but the Polytechnic only received a total of Kshs 293,866,280 leaving a deficit of Kshs. 106,133,720. which was not disbursed.

ii) Personnel emoluments

The institution suspended the CBA implementation and employment of key staff who were to be hired during the period for fear of cash crunch hence the shortfall in expenditure by 19%

iii) Staff medical insurance scheme

In the approved budget for the year 2024/2025, there was approved budget line of Kshs10,000,000 towards the scheme but by 30th June 2025, AAR company which was awarded the contract at Kshs17 million had not been paid due to cash crunch over delayed GOK disbursement and Helb disbursements.

iv) Contracted services

Under this category, the approved budget on security was below the contract awarded earlier and other required securities due to the volatility of the polytechnic location and disturbance from the surrounding.

v) Changes Between Original and Final Budget

The original budget of the institution was approved at Kshs. 542,000,000. The polytechnic later sent a request for a supplementary which was approved by the National Treasury and adjusted to Kshs. 680,697,862

vi) Expenses reconciliation statement with statement of performance

<u>Details</u>	<u>Kshs.</u>
Total actual as per budget analysis above	- 694,371,888
Total actual as per statement of performance	- 694,371,888

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

19. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Sigalagala National Polytechnic is established by and derives its authority and accountability from The Sigalagala National Polytechnic Order No. 90 of 2016 and the TVET Act of 2013. The Polytechnic is wholly owned by the Government of Kenya and is domiciled in Kenya within Kakamega County. The Polytechnic principal activity is to offer training and skills In Science and Technology

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Sigalagala National Polytechnic accounting policies.

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

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, The Sigalagala National Polytechnic Order No. 90 of 2016 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

3. ADOPTION OF NEW AND REVISED STANDARDS

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

The SNP adopted some of the new standards whose effective date was 1st January 2025 as indicated below

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

Standard	Effective date and impact:
IPSAS 43: Leases	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>The Sigalagala National Polytechnic was not affected by this standard since they did not have any transaction dealing with Leases during the year ended 30 June 2025.</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>The Sigalagala National Polytechnic was not affected by this standard since they did not have any transaction dealing with Non- Current Assets Held for Sale and Discontinued Operations during the year ended 30 June 2025.</i></p>

**THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

IPSAS 45: Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>During the year ended 30 June 2025, the Sigalagala National Polytechnic applied IPSAS 45 which falls in the financial year 2025 (Applicable date: 1st January 2025)</i></p>
IPSAS 46: Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. iv. The standard also introduces a public sector specific measurement bases called the current operational value. <p><i>During the year ended 30 June 2025, the Sigalagala National Polytechnic did all their measurements as provided in IPSAS 46</i></p>

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

IPSAS 47: Revenue	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>During the year ended 30 June 2025, the Sigalagala National Polytechnic did not use the new standard but will use it during the next financial year 2025/2026 which falls within the year of adoption of the new standard IPSAS 47 (Applicable date: 1st January 2026)</i></p>
IPSAS 48: Transfer Expenses	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>During the year ended 30 June 2025, the Sigalagala National Polytechnic did not use the new standard but will use it during the next financial year 2025/2026 which falls within the year of adoption of the new standard IPSAS 48 (Applicable date: 1st January 2026)</i></p>
IPSAS 49: Retirement Benefit Plans	<p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>During the year ended 30 June 2025, the Sigalagala National Polytechnic did not use the new standard but will use it during the next financial year 2025/2026 which falls within the year of adoption of the new standard IPSAS 49 (Applicable date: 1st January 2026)</i></p>

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

iii. Early adoption of standards

The Sigalagala National Polytechnic adopted both new and amended standards which affected the way the institution operated during the year under review.

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue Recognition

The Sigalagala National Polytechnic recognizes revenues into two forms:

- Revenue from Non-Exchange Transactions
- Revenue from exchange transactions

i) Revenue from Non-Exchange Transactions

Transfers from other government entities

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

During the year capitation and scholarship received from the ministry of education for students' fees subsidy amounted to **Kshs. 293,866,280**

The polytechnic did not receive any development funds from the government during the year.

ii) Revenue from Exchange Transactions

Rendering of services

The Polytechnic recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. During the year under review, the Sigalagala National Polytechnic received fees from students for exchange of tuition services rendered to them amounting to Kshs. 361,012,067

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 Polytechnic.

During the year, Sigalagala National Polytechnic received revenue from sale of goods on production unit programmes it runs amounting to **Kshs. 43,004,040**

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

Interest on Saving Account

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. During the year Sigalagala National Polytechnic received interest income from the savings account it holds at Absa Bank account of **Kshs. 8,733**

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. During the year Sigalagala National Polytechnic received rental income from the staff houses and hire of free assets amounting to **Kshs. 1,452,480**

b) Budget Information – IPSAS 24

Presentation of the budget information in the Financial Statements was done in accordance to IPSAS 24. The original budgets for year 2024/2025 was approved by the Council. The Polytechnic's budget was prepared on the same basis to the statement of comprehensive income, disclosed in the financial statements. The financial statements were prepared on accrual basis using a classification based on the nature of expenses in the Statement of Financial Performance. A comparison of Budget and Actual Amounts prepared on a comparable basis to the approved budget is then presented in the Statement of Comparison of Budget and Actual Amounts.

c) Taxes

Current Income Tax

The Polytechnic is exempted from paying corporation taxes as per income tax Act. But it assists KRA in revenue collections by withholding taxes such as PAYE, VAT, housing levy, Withholding taxes on contractors, professional and consultancies as per KRA regulations in place.

Value Added Tax

Sigalagala National Polytechnic is registered as VAT withholding agent, such that anytime they are paying suppliers who deal with vatable goods and services, a certain percentage agreeable with KRA is retained and surrendered to Kenya Revenue Authority. During the year 2024/2025, the VAT withholding was 2%.

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

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

e) Property, Plant and Equipment – IPSAS 45

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 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. The Sigalagala National Polytechnic uses **Straight Line Depreciation Method** on its Non-current assets. The depreciation rates as per the Finance Policy on non-current Assets are as below:

Description	Rate	Amount
Buildings	2%	13,535,519
Machinery & Equipment	12.5%	17,929,078
Furniture & Fittings	12.5%	7,775,290
Motor vehicle	25%	9,138,750
Computers	33.3%	20,419,289
Intangible asset	10%	996,504
Total		69,794,430

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

(f) Leases – IPSAS 43

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Polytechnic. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Polytechnic also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. **IPSAS 43** provides the procedure for the treatment and disclosure of the leases when an institution has but for the year 2024/2025, the polytechnic did not have any.

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

h) Research and Development Costs

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

- The technical feasibility of completing the asset so that it is 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.

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

i) Financial instruments – IPSAS 41

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The Sigalagala National Polytechnic does not have any hedge relationships and therefore the new hedge accounting rules have no impact on its financial statements. At initial recognition, the Sigalagala National Polytechnic may measure a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

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 Polytechnic does not deal with this category of assets

Subsequent measurement

Based on the business model and the cash flow characteristics, the Sigalagala National Polytechnic classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met. During the year 2024/2025, the Sigalagala National Polytechnic re-valued its computers which had net book values of zero.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method. During the year 2024/2025, the Sigalagala National Polytechnic did not engage in such financial assets.

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis.

j) 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. By the end of the year the Sigalagala National Polytechnic had inventories as below:

Description	2024/2025	2023/2024	2022/2023	2021/2022
	Kshs	Kshs	Kshs	Kshs
Central stores (Consumable)	6,838,456	4,759,331	2,040,686	3,155,169
Maintenance stores	4,492,665	346,240	1,555,114	1,759,328
Health Unit stores	1,527,978	398,869	199,217	643,057
Electrical stores	2,075,721	1,377,446	1,683,030	2,416,901
Catering stores	298,528	4,465,956	180,495	1,880,580
Bakery stores	146,508	197,143	199,726	36,460
Food & Beverage stores	383,658	9,355,039	682,739	327,423
Academic stores	12,999,115	16,003,251	3,676,157	2,918,966
Library	16,062,201	717,582	16,182,251	-
Loose Tools	3,044,249	2,588,494	-	-
Electrical ict gadgets	2,043,000	-	-	-
Administrative offices	2,175,766	-	-	-
	52,087,845	40,337,199	26,399,415	13,137,884

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

j) Provisions – IPSAS 19

Provisions are recognized when the 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 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.

During the year 2024/2025, the Sigalagala National Polytechnic had a provision of Kshs. 1,083,480 to take care of litigation case in court where former employee is seeking injury compensation.

k) Nature and purpose of Reserves

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

The Sigalagala National Polytechnic does not have a reserve created for specific function but the reserves it has, represent the value of its assets as shown in the statement of changes in net assets as below:

Capital Reserve	Retained Earnings	Capital/Dev. Grants	Mentorship Reserve	Revaluation Reserve
Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
745,388,649	147,057,683	555,325,632	70,831,256	314,560,523
This represents the value of all assets that the polytechnic had before accruals accounting was adopted	This represents accumulated surplus over the years	This represents funds received for the purpose of development and growth	This represents funds received from the government for the purpose of construction of other new institutions in other constituencies	This represents gain on revaluation of assets done as at 30 June,2025.

l) Changes in Accounting Policies and Estimates – IPSAS 3

The Sigalagala 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. During the financial year 2024/2025 there were no changes in accounting policies within the Polytechnic to affect the status of accounts as provided in IPSAS 3.

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

m) Employee Benefits – IPSAS 39

Retirement Benefit Plans

The Sigalagala National Polytechnic does not have retirement benefits plan currently but operates NSSF as the sole retirement plan for her workers besides service gratuity it offers at the end of the contract for her staff. The polytechnic is in the process of complying with the treasury guideline on running a contributory pension scheme in future.

n) Foreign Currency Transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise. During the financial year 2024/2025, the polytechnic did not have any foreign dealing that would result in foreign currency

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. During the financial year 2024/2025, the polytechnic did not have any borrowing that would result in borrowing cost as provided under IPSAS 5.

p) Related Parties – IPSAS 20

IPSAS 20 provides that an entity should disclose the related parties and the transactions the entity had with them during the period under review. The Polytechnic regards a related party as a person with the ability to exert control individually or jointly, or to exercise significant influence over the Polytechnic, or vice versa. The polytechnic is wholly owned by the government of Kenya hence has no related party transaction except for the government entities providing utility services.

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

q) Service Concession Arrangements – IPSAS 32

The 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 Polytechnic recognizes that asset when, and only when, it controls or regulates the services. During the year, the polytechnic did not have any Service Concession Arrangement with any party to report as provided under IPSAS 32.

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. The Sigalagala National Polytechnic closed the year with cash and cash equivalent figure amounting to **Kshs. 82,542,740**

s) Comparative Figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in new presentation dated 30 June 2025.

t) 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, 2025.

THE SIGALAGALA NATIONAL POLYTECHNIC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The 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 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 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 40

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

6. Transfers from other National Government entities

Description	2024-2025	2023-2024
	Kshs	Kshs
Unconditional Grants		
1 st Capitation Grants	85,939,150	45,017,000
2 nd Capitation Grants	140,438,425	49,616,000
3 rd Capitation Grants	-	56,704,000
4 th Capitation Grants	-	-
1 st Scholarship	67,488,705	48,879,998
2 nd Scholarship	-	4,091,810
Recurrent grants	-	30,500,000
	293,866,280	234,808,808
Conditional Grants		
Library Grant	-	-
Hostels Grant	-	-
Administration Block Grant	-	-
Laboratory Grant	-	-
Monitoring & Evaluation grant	-	5,553,425
Other Organizational Grants	-	-
Total Government Grants and Subsidies	293,866,280	240,362,233

(a) Transfers from other Government entities (Categorized)

Name of the Sigalagala National Polytechnic Sending the Grant	Amount recognized to Statement of Comprehensive Income Kshs.	Amount deferred under deferred income Kshs.	Amount recognised in capital fund. Kshs.	Total grant income during the year Kshs.
State Department of TVET	44,197,725	-	-	44,197,725
State Department of TVET	41,741,425	-	-	41,741,425
State Department of TVET	140,438,425	-	-	140,438,425
State Department of TVET	67,488,705	-	-	67,488,705
Matugu NGCDF	-	-	10,000,000	10,000,000
Total	<u>293,866,280</u>	-	-	<u>303,866,280</u>

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

7. Public Contributions and Donations in kind

Description	2024-2025	2023-2024
	Kshs	Kshs
Donation in kind	2,043,000	-
Donations from ICT Authority – Konza City	-	12,000,000
Donations from CiCan	-	1,515,656
Donations from Young African works	-	500,000
Total Donations and Contributions	2,043,000	14,015,656

- The donation from Centurion systems was inform of equipment's and software for Industrial controls level 6 course to be used in electrical department as part of the partnership between Sigalagala National Polytechnic and Centurion systems valued at **Kshs. 2,043,000**.

8. Rendering of Service

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Activity Fees	22,109,200	22,421,500
Tuition Fees	157,502,179	149,392,183
Administrative fees	29,326,095	33,636,105
ICT Levy	5,492,750	4,440,250
RMI	22,143,750	22,435,890
EWC	24,662,330	28,157,498
L.T&T	26,573,880	29,294,400
Library	2,049,850	4,529,250
Medical	2,564,800	2,221,500
Personal Emolument	54,774,543	72,815,000
Practicals	4,797,690	13,070,190
Attachment	6,079,500	12,164,680
TVETA Fees	2,935,500	2,603,000
Total Revenue from The Rendering of Services	361,012,067	397,181,446

The revenue under this category is mainly fees from students for the exchange of tuition services offered to them as per the fees structure and Government guidelines on TVET fees.

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

9. Sale of Goods

Description	2024-2025	2023-2024
	Kshs	Kshs
Driving School	2,117,950	2,106,000
P.U training	8,447,000	553,500
P.U food & Beverage	10,799,285	13,612,800
PU-Others	-	54,900
Farm Revenues	664,020	437,940
Guest House Revenue	153,500	436,500
PU Medical Examination	1,091,800	
Graduation Fees	8,059,000	4,563,000
Pay As you Eat Services	11,505,035	17,946,600
Hostel Services	-	773,971
Lactation Services	166,450	106,860
PU – Medical Examination	-	1,655,200
Total Revenue from Sale of Goods	43,004,040	42,247,271

This category of revenue is due to non-academic activities the polytechnic is engaged into, to raise its revenue base other than fees from students and capitation from the government.

10. Rental Revenue from Facilities and Equipment

Description	2024-2025	2023-2024
	Kshs	Kshs
Staff houses rent income	405,000	416,000
Bus hire	791,115	415,100
Hire of Hall	256,365	-
Total	1,452,480	831,100

This includes hire of buses and rent from staff who stay in polytechnic houses.

11. Finance Income

Description		2023-2024
		Kshs
Savings Deposit interest	8,733	7,342
Total finance income	8,733	7,342

This are revenues from interest earned from the polytechnic saving account at ABSA bank

12. Other Income

Description	2023-2024	2023-2024
	Kshs	Kshs
Research Funds	-	500,000
Total finance income	-	500,000

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

13. Use of Goods and Services

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Tuition expenses	122,001,396	109,485,976
Activity	23,408,231	20,827,540
Administration expenses	41,967,115	42,118,796
Ict expenses	14,994,015	8,859,155
LT&T	7,180,908	9,202,973
Library	609,810	2,273,090
Electricity & water	18,929,782	13,770,294
Medical	4,949,542	5,544,790
Covid 19 protocols	-	1,031,225
Advertising & marketing	7,761,374	4,691,000
Driving school expenses	978,484	664,021
PU training	6,360,000	1,258,400
Hostel	108,900	1,987,142
Pay as You Eat	16,672,751	17,641,532
PU others	-	2,009,204
Farm Expenditure	1,756,073	1,798,060
Practicals	26,208,588	41,071,222
Seminars and Workshops	7,633,500	9,179,024
Performance Contract	17,119,049	19,610,115
Food & Beverage PU expenses	18,198,490	16,438,339
Curriculum Development	6,632,005	10,222,950
Graduation	10,769,768	7,246,466
Attachment	11,765,410	19,907,295
Research and innovations	13,570,099	12,378,506
PU-Baking	3,183,023	3,610,503
Bank charge on current accounts.	235,588	191,494
Postage	694,520	795,326
ISO management	2,361,900	3,668,840
Stationery and General office expense	11,968,181	18,457,997
Guest House	152,500	-
Odel	522,400	509,900
Automation	11,436,284	6,450,368
Subscription	963,400	223,250
Examination Expenses	10,750,438	11,172,180
Lactation Expenses	335,065	462,499
Total good and services	422,178,589	424,759,472

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

14. Employee Costs

Description	2023-2024	2023-2024
	Kshs	Kshs
Salaries to Non-academic staff	88,639,181	61,910,612
Salaries to academic staff	23,875	32,744,255
NITA	18,150	-
Casual wages	-	150,000
Pension and service gratuity	3,133,089	199,792
Staff welfare	5,715,453	3,401,450
Employee Costs	97,529,748	98,406,109

15. Council Expenses

Description	2024-2025	2023-2024
	Kshs	Kshs
Chairman's Honoraria	860,000	960,000
Other Council Expenses	18,641,561	16,047,436
Total	19,501,561	17,007,436

16. Depreciation and Amortization expense

Description	2024-2025	2023-2024
	Kshs	Kshs
Buildings	13,535,519	13,510,939
Machinery & Equipment	17,929,078	17,436,917
Furniture & fittings	7,775,290	7,750,415
Motor-Vehicle	9,138,750	11,386,268
Computers	20,419,289	24,315,886
Intangible Assets	996,504	1,107,226
Total depreciation and amortization	69,794,430	75,507,651

17. Repairs and Maintenance

Description	2024-2025	2023-2024
	Kshs	Kshs
Buildings	24,737,993	21,999,364
Furniture and fittings	5,358,000	262,550
Computers and accessories	6,183,274	3,838,009
Motor vehicles	20,327,762	17,592,301
Plant & Machinery	4,777,700	511,800
Total Repairs and Maintenance	61,384,729	44,204,024

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

18. Contracted Services

Description	2024-2025	2023-2024
	Kshs	Kshs
Security services	10,635,500	8,096,064
Cleaning services	6,315,000	5,560,209
Insurances of assets	2,204,917	2,394,739
Consultancy services/valuation	-	-
Legal services	254,800	582,057
Staff Medical Insurance	4,572,614	13,386,929
Total contracted services	23,982,831	30,019,998

19. Monitoring and Evaluation

Description	2024-2025	2023-2024
	Kshs	Kshs
Community Development	-	-
Education Initiatives and Programs	-	-
Social Development	-	-
Monitoring and Evaluation	-	4,856,400
Sporting Bodies	-	-
Total Grants and Subsidies	-	4,856,400

20. Development funds

Description	2023-2024	2023-2024
	Kshs	Kshs
Internally Generated funds for development	32,595,000	40,483,000
Gok Development funds	-	-
Mentorship funds	10,000,000	42,500,000
Total Development funds	42,595,000	82,983,000

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

21. Cash and Cash Equivalents

Description	2023-2024	2023-2024
	Kshs	Kshs
Current Account	81,802,740	170,263,127
Savings account	736,637	729,213
Fixed Deposits Account	-	-
Staff Car Loan/ Mortgage	-	-
Cash at hand	3,363	3,313
Total Cash and Cash Equivalents	82,542,740	170,995,653

21 (a) Detailed Analysis of Cash and Cash Equivalent

Description	2024-2025	2023-2024
a) Current Account	Kshs	Kshs
Absa Bank A/c No.8043551	268,439	908,321
Absa Bank A/c No.8042543	447,057	11,601,914
Absa Bank A/c No.8256911	736,637	729,213
Co-operative Bank A/c No. 01139098473702	183,767	7,320,927
Co-operative Bank A/c No. 01139098473700	1,190,191	5,833,397
Co-operative Bank A/c No. 01120098473700	1,102,293	2,752,833
National Bank A/c No. 01037017738900	31,995,194	36,013,011
National Bank A/c No. 01021071653900	12,721,422	3,304,106
Kenya Commercial Bank A/c No. 1234829517	32,192,314	63,837,483
Equity Bank A/c No. 0500277394606	1,702,063	38,691,135
Sub-Total	82,539,377	170,992,340
b) On-Call Deposits	-	-
c) Fixed Deposits Account	-	-
d) Staff Car Loan/Mortgage	-	-
e) Others (specify)	-	-
Cash in transit	-	-
Cash in hand	3,363	3,313
Sub-Total	3,363	3,313
Grand Total	82,542,740	170,995,653

(The amount stated have been reconciled with the bank statement figures.)

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

22. Receivables from Exchange transactions

22 (a) Current Receivables from Exchange transactions

Description	2023-2024	2023-2024
	Kshs	Kshs
Current Receivables		
Student Debtors	328,047,255	201,567,000
Other Exchange Debtors	643,000	1,684,690
Less: Impairment Allowance	-	-
Total Current Receivables	328,690,255	203,251,690

22 (b) Long- term Receivables from Exchange transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Non-Current Receivables		
Student Debtors	243,228,172	194,559,994
Sabatia. TVC	-	-
Alumni Association	163,280	163,280
Teaching staff association b/f	35,870	35,870
Advance Payments	1,603,587	1,109,587
Other customers	1,662,267	1,599,577
Less: Impairment Allowance	-	-
Total	246,693,176	197,468,308
Current Portion Transferred to Current Receivables		-
Total Non-Current Receivables	246,693,177	197,468,308
Total Receivables	575,383,431	400,719,998

22 (c) Ageing Analysis of Receivables from Exchange transactions

Description	2023/2024		2023/2024	
	Kshs		Kshs	
	2024/2025	% of the total	2023/2024	% of the total
Less than 1 year	328,690,255	57%	203,251,690	51%
Between 1- 2 years	132,544,140	23%	124,151,102	31%
Between 2-3 years	67,395,455	12%	50,735,637	13%
Over 3 years	46,753,582	8%	22,581,569	5%
Total	575,383,432	100%	400,719,998	100%

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

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

Description	2024-2025	2023-2024
	Kshs	Kshs
At the beginning of the year	400,716,998	303,751,409
Provisions during the year	328,690,255	203,251,690
Recovered during the year	(154,023,821)	(106,283,101)
Write offs during the year	-	-
At the end of the year	575,383,432	400,719,998

23. Receivables from Non-Exchange Transactions

23 (a) Receivables from Non-Exchange Transactions

Description	2024-2025	2022-2023
	Kshs	Kshs
Current Receivables		
Capitation Grants	-	-
Transfers from Other Govt. entities	-	-
Undisbursed Donor Funds	-	-
Other Debtors (Non-Exchange Transactions)	-	-
Less: Impairment Allowance	-	-
Total Current Receivables	-	-

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

Description	2024-2025	2023-2024
	Kshs	Kshs
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	-	-
Written off during the year	-	-
At the end of the year	-	-

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

24. Inventories

Description	2024-2025	2023-2024
	Kshs	Kshs
Consumable stores	6,838,456	4,759,331
Maintenance stores	4,492,665	346,240
Health Unit stores	1,527,978	398,869
Electrical stores	2,075,721	1,377,446
Catering stores	298,528	4,465,956
Bakery stores	146,508	197,143
Food & Beverage stores	383,658	127,848
Academic stores	12,999,115	9,355,039
Library	16,062,201	16,003,251
Administrative offices	2,175,766	717,582
Loose tools	3,044,249	2,588,494
Electrical ict gadgets	2,043,000	-
Inventories at lower of Cost & Net Realizable Value	52,087,845	40,337,199

Electrical Ict gadgets represent donation from Centurion systems as detailed in note No. 7

25. Investments.

Description	2024-2025	2023-2024
	Kshs	Kshs
a) Investment in Treasury Bills and Bonds		
Financial Institution		
CBK	-	-
CBK	-	-
Sub- Total	-	-
b) Investment with Financial Institutions/ Banks		
Any Bank	-	-
Any Bank	-	-
Sub- Total	-	-
c) Equity Investments (Specify)		
Equity/ Shares in any Polytechnic	-	-
Sub- Total	-	-
Grand Total	-	-

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

Shareholding in other entities

The polytechnic did not own any share or holding in any of the above institutions as indicated below;

Name of the institution Investment is Held	No of Shares			Nominal Value of Shares	Fair Value of Shares	Fair Value of Shares
	Direct Shareholding	Indirect Shareholding	Effective Shareholding			
	Current Year	Prior Year	Prior Year			
	%	%	%	Kshs	Kshs	Kshs
Sigalagala National Polytechnic A	-	-	-	-	-	-
Sigalagala National Polytechnic B	-	-	-	-	-	-

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

26. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture & Fittings	Computers	Plant & Machinery	W.I.P	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As at 1 July 2023	235,000,000	660,682,158	29,120,000	57,402,823	53,564,292	129,094,670	51,836,239	1,222,459,099
Additions	-	14,864,780	16,425,070	4,600,500	19,456,386	10,400,668	70,723,418	136,470,822
Disposals	-	-	-	-	-	-	-	-
Prior year adjustments	-	-	-	-	-	-	-	-
Transfer to other assets	-	-	-	-	-	-	-	-
As at 1 June 2024	235,000,000	675,546,938	45,545,070	62,003,323	73,020,678	139,495,338	128,318,574	1,358,929,921
Additions	-	1,229,000	-	199,000	8,788,800	3,937,285	87,140,573	101,294,658
Revaluation	-	-	16,956,197	-	28,760,217	-	-	45,716,414
Dep w/o on Revaluation	-	-	(25,946,268)	-	(49,250,508)	-	-	(75,196,776)
Prior year adjustments	-	-	-	-	-	-	-	-
Transfer to other assets	-	-	-	-	-	-	(29,168,744)	(29,168,744)
At 30 June 2025	235,000,000	676,775,938	36,555,000	62,202,323	61,319,187	143,432,623	186,290,403	1,401,575,473
Depreciation & Impairment		0.020	0.250	0.125	0.333	0.125		
As at 1 July 2023	-	24,232,249	14,560,000	14,350,706	31,413,599	30,470,005	-	115,026,559
Depreciation	-	13,510,939	11,386,268	7,750,415	24,315,886	17,436,917	-	74,400,425
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-	-
As at 30 June 2024	-	37,743,188	25,946,268	22,101,121	55,729,485	47,906,922	-	189,426,984
Depreciation	-	13,535,519	9,138,750	7,775,290	20,419,289	17,929,078	-	68,797,926
Disposals	-	-	-	-	-	-	-	-
Dep w/o on Revaluation	-	-	(25,946,268)	-	(49,250,508)	-	-	(75,196,776)
impairment	-	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-	-
As at 30 June 2025	-	51,278,707	9,138,750	29,876,412	26,898,266	65,836,000	-	183,028,134
NBV								

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

	Land	Buildings	Motor vehicles	Furniture & Fittings	Computers	Plant & Machinery	W.I.P	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As At 30 June 2024	235,000,000	637,803,750	19,598,803	39,902,202	17,291,193	91,588,416	128,318,574	1,169,502,937
As At 30 June 2025	235,000,000	625,497,231	27,416,250	32,325,911	34,420,929	77,596,623	186,290,403	1,218,547,340

Notes

- Presentation on PPE has been done in line with IPSAS 45
- Land is 33-acre free hold fully owned by the Sigalagala National polytechnic
- Moto vehicles are fully owned by the Sigalagala National polytechnic and were revalued during the year
- Computers which were acquired in the year 2023 and back were revalued during the year
- WIP includes two projects with different levels of completion

	Project name	% completion
1.	72 storey tuition block	68%
2.	Luanda TVC	64%

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

26 (b) Revaluation

During the year 2024/2025 the Sigalagala National Polytechnic did undertake revaluation exercise. On her motor-vehicles and computers which had zero net book values

	2024/2025			2023/2024		
	Additions during the year	Revaluati on costs	Gain/loss on Revaluation	Additions during the year	Revalu ation costs	Gain/loss on Revaluation
Land	-		-		-	-
Building	1,229,000		-	14,864,780	-	-
Plant & Machinery	3,937,285		-	10,400,668	-	-
Motor Vehicles	-		16,956,197	16,425,070	-	-
Computers	8,788,800		28,760,217	19,456,386	-	-
Furniture & Fittings	199,000		-	4,600,500	-	-
WIP	87,140,573		-	70,723,418	-	-
Totals	101,294,658		45,716,414	136,470,822	-	-

27. Intangible Assets

Description	2024-2025	2023-2024
Cost	Kshs	Kshs
At beginning of the year	9,965,036	10,672,262
Additions	-	400,000
At end of the year	9,965,036	11,072,262
Additions-internal development	-	-
At end of the year	9,965,036	11,072,262
Amortization and impairment	(996,504)	(1,107,226)
NBV	8,968,532	9,965,036

28. Biological Assets

Description	2024-2025	2023-2024
	Kshs	Kshs
At beginning of the year	1,110,000	730,000
Additions	60,000	-
Disposal during the year	(184,210)	-
Loss on disposal	(210,790)	-
Revaluation(gain)	30,000	380,000
Impairment	-	-
At end of the year	805,000	1,110,000

The new figure of Biological assets was as a result of new calves that were sired during the year and other cattle that were calves during last financial year but, have grown up and their values have increased as per the valuation report.

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

29. Trade and Other Payables from Exchange transactions

Description	2023-2024	2023-2024
	Kshs	Kshs
Trade payables	73,437,698	248,500
Retention Fees	20,087,177	12,831,857
KRA (June Paye & VAT withholdings)	1,151,306	725,893
Total Trade and Other Payables	94,676,181	13,806,250

Analysis of Trade and Other Payables from Exchange transactions

Ageing analysis:	2024-2025	% of the Total	2023-2024	% of the Total
Under one year	83,303,061	88%	8,046,734	58%
1-2 years	11,373,120	12%	5,759,516	42%
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (to tie to totals above)	94,676,181	100%	13,806,250	100%

30. Refundable Deposits from Customers/Students

Description	2024-2025	2023-2024
	Kshs	Kshs
Caution Money	8,823,851	8,823,851
Bursaries	-	429,811
HELB Loan	-	-
Student Council	-	706,038
Examination	-	66,608
Mentorship Account	587,633	587,633
Total Deposits	9,411,484	10,613,941

Analysis of Refundable Deposits from Customers/Students

Ageing Analysis:	2024-2025	% of the Total	2023-2024	% of the Total
Under one year	-	-	1,202,457	11%
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	9,411,484	100%	9,411,484	89%
Total (to tie to totals deposits above)	9,411,484	100%	10,613,941	100%

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

31. Employee Benefit Obligations

Description	Defined benefit plan	Post-Employment medical benefits	Other Provisions	2022-2023	2021-2022
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total Employee Benefits Obligation	-	-	-	-	-

Retirement benefit Asset/ Liability

The Sigalagala National Polytechnic did not operate a defined benefit scheme for all full-time employees for the year ended 30th June 2025.

An actuarial valuation to fulfil the financial reporting disclosure requirements of IPSAS 39 was not carried out as at 30th June 2024 since the polytechnic does not operate any retirement benefit scheme other than NSSF.

The Sigalagala National Polytechnic contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Fund Act. The Sigalagala National Polytechnic's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs.2,160 per employee per month. Other than NSSF the Polytechnic does not have a defined contribution scheme.

32. Payments Received in advance.

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Fees received in advance	-	-	1,582,472	-
Others (Specify)	-	-	-	-
Total	-	-	1,582,472	-
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	-	-	1,582,472	100%
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total	-	-	1,582,472	100%

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

33. Non-Current Provisions

Description	Long service leave	Bonus Provision	Gratuity	Other Provisions	Total
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Balance at the beginning of the year	-	-	-	1,083,480	1,083,480
Additional Provisions	-	-	-	-	-
Provision utilised	-	-	-	-	-
Change due to discount and time value for money	-	-	-	-	-
Less: Current portion	-	-	-	-	-
Total deferred income	-	-	-	1,083,480	1,083,480

34. Cash Generated from Operations

	2024-2025	2023-2024
	Kshs	Kshs
Surplus for the year before tax	7,014,712	383,336
Adjusted for:		
Depreciation	69,794,430	75,507,651
Non-Cash grants received	(2,043,000)	(14,015,656)
Contributed assets	-	-
Impairment	-	-
Gains and Losses on Disposal of Assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Finance Income	-	-
Finance Cost	-	-
Working Capital Adjustments		
Increase in Inventory	(9,707,646)	(13,937,784)
Increase in Receivables	(174,663,434)	(91,731,337)
Decrease in Refundable Deposits from Customers	(1,202,457)	(2,510,950)
Decrease in Payables	80,869,931	(430,329)
Increase in Payments received in advance	-	-
Net Cash Flow from Operating Activities	(29,937,465)	(46,735,069)

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

35. Financial Risk Management

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

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

(i) Credit risk

The Polytechnic's has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit worthiness of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Polytechnic's management based on prior experience and their assessment of the current economic environment. The carrying amount of financial assets recorded in the financial statements representing the Sigalagala National Polytechnic's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total Amount Kshs.	Fully Performing Kshs.	Past due Kshs.	Impaired Kshs.
At 30 June 2024				-
Receivables from exchange transactions	400,719,998	203,251,690	197,468,308	-
Receivables from non-exch. transactions	-	-	-	-
Bank balances	170,995,653	170,995,653	-	-
Total	571,715,651	374,247,343	197,648,668	
At 30 June 2025				
Receivables from exchange transactions	575,383,432	328,690,255	246,693,177	-
Receivables from non-exch. transactions	-	-	-	-
Bank balances	82,542,740	82,542,740	-	-
Total	657,926,172	411,232,995	-	-

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

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

The Governing Council sets the Polytechnic's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Trade Payables	-	695,464	962,474	1,657,938
Current Portion of Borrowings	-	-		
Provisions	-	-	1,083,480	1,083,480
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total as at 30 June 2022	-	695,464	2,045,954	2,741,418
Trade Payables		974,393	12,831,857	13,806,250
Current Portion of Borrowings	-	-	-	-
Provisions	-	-	1,083,480	1,083,480
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total as at 30 June 2023	-	974,393	13,915,337	14,889,730
Trade Payables		74,589,004	20,087,177	
Current Portion of Borrowings	-	-	-	-
Provisions	-		1,083,480	1,083,480
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total as at 30 June 2025	-	74,589,004	21,170,657	1,083,480

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

(iii) Market risk

The polytechnic has put in place an internal audit function to assist it in assessing the risk faced by the institution on daily basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Sigalagala National Polytechnic's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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

a) Foreign currency risk

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

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

The polytechnic's manages foreign exchange risk form future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

a) Foreign currency sensitivity analysis

The following table demonstrates the effect on the polytechnic's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

	Change in currency rate	Effect on Profit before tax	Effect on equity
2024	Kshs	Kshs	Kshs
Euro	-	-	-
Ussd	-	-	-
2024			
Euro	-	-	-
Usd	-	-	-

b) Interest rate risk

Interest rate risk is the risk that the polytechnic's financial condition may be adversely affected as a result of changes in interest rate levels. The polytechnic's interest rate risk arises from bank deposits. This exposes the polytechnics to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the polytechnic's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Sensitivity analysis

The polytechnic analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. By the end of the year, the sensitivity analysis did not indicate any impact on the statement of comprehensive income.

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

iv) Capital Risk Management

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

Description	2024-2025	2023-2024
	Kshs	Kshs
Capital Reserve	745,388,649	745,328,649
Retained Earnings	147,057,683	140,042,971
Development Reserve	555,325,632	522,730,632
Mentorship funds	70,831,256	90,000,000
Revaluation reserve	314,560,523	269,024,899
Total Funds	1,833,163,743	1,767,127,151
Total Borrowings		-
Less: Cash and Bank Balances	82,542,740	170,995,653
Net Debt/(Excess Cash and Cash Equivalents)	82,542,740	170,995,653
Gearing	-	-

36. Related Party Balances – IPSAS 20

Nature of related party relationships

IPSAS 20 – provides that any reporting institution should disclose the related parties and their nature of shareholding and nature of related parties' transactions at the end of any financial year. The Sigalagala National Polytechnic is wholly owned by the Government of Kenya. Related party transactions, if any is between the Polytechnic and state department for TVET.

Government of Kenya

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

Other related parties include:

- i) The National Government;
- ii) The Parent Ministry;
- iii) The Governing Council
- iv) Other Government utility providers
- v) Key management staff

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

The transactions and balances with related parties during the year are as:

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Transactions with Related Parties		
a) Sales to related parties		
Sales of electricity to govt agencies	-	-
Rent income from govt. agencies	-	-
Water sales to govt. agencies	-	-
Others (<i>specify</i>)	-	-
Total	-	-
B) Purchases from related parties		
Purchases of electricity from Kplc	9,464,891	6,773,859
Purchase of water from govt service providers	9,464,891	6,996,435
Rent expenses paid to govt agencies	-	0
Training and conference fees paid to govt. agencies	7,633,500	9,179,024
Others (<i>specify</i>)	-	-
Total	26,563,282	22,949,318
b) Grants /Transfers from the Government		
Grants from National Govt (capitation)	226,377,575	151,337,000
Grants from National Govt (operational grant)	-	30,500,000
Grants from National Govt (scholarship)	67,488,705	52,971,808
Donation in kind from young African works	2,043,000	14,015,656
Monitoring & Evaluation	-	5,553,425
Total	295,909,280	254,377,889
c) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for Employees	-	-
Payments for Monitoring & Evaluation on behalf of the State Department TVET	-	4,856,400
Total	-	4,856,400
d) Key Management Compensation		
Payment for Council Allowances	19,501,561	17,007,436
Compensation to Key Management	-	-
Total	19,501,561	17,007,436

37. Segment Information – IPSAS 18

The Sigalagala National Polytechnic does not operate in different geographical regions or in departments hence do not maintain segmental Reporting under IPSAS 18

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

38. Contingent Assets and Contingent Liabilities – IPSAS 19

IPSAS 19 prescribes the procedures for disclosure and provisions for contingent liabilities and assets. during the year, the Polytechnic did not have any contingent assets and liabilities to disclose as indicated below:

Contingent Assets

Description	2024-2025	2023-2024
	Kshs	Kshs
Contingent Assets	-	-
Insurance Reimbursements	-	-
Assets arising from determination of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

Contingent Liabilities

Description	2024-2025	2023-2024
	Kshs	Kshs
Contingent Liabilities		
Court Case no. 07 of 2020 against (the Sigalagala National Polytechnic Vs M/s Ramagon Construction Polytechnic ltd	-	25,218,825
Bank guarantees in favour of subsidiary	-	-
Contingent liabilities arising from Contracts including PPPs	-	-
Others (<i>Specify</i>)	-	-
Total	-	25,218,825

39. Capital Commitments

	2024-2025	2023-2024
	Kshs.	Kshs.
Authorised & contracted for Construction of Luanda TVC.	25,019,172	32,442,421
Authorised & contracted for Construction of 72 Tuition Block	67,759,156	127,290,546
Authorised & contracted for Construction of Matungu Tvc	21,110,536	-
Medical Insurance Cover for staff	10,000,000	4,000,000
Total	123,888,864	258,065,771

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

40. Events After the Reporting Period – IPSAS 14

IPSAS 14 provides the procedures, treatment and reporting for events after the reporting date for any institution.

The polytechnic did not have any material adjusting and non- adjusting events after the reporting period.

41. Ultimate and Holding Sigalagala National Polytechnic

The Sigalagala National Polytechnic is a State Corporation/ or a Semi- Autonomous Government Agency (SAGA) under the Ministry of Education. Its ultimate owner is the Government of Kenya.

42. Currency

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

43. Valuation of Biological Assets

The new figure of Biological assets was as a result of new calves that were sired during the year and other cattle that were calves during last financial year but, have grown up and their values have increased as per the valuation report.

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

20. APPENDICES

APPENDIX 1: IMPLEMENTATION STATUS OF AUDITOR-GENERAL RECOMMENDATIONS

Ref.No.	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
1.0	<p>Unregulated Receivables from Exchange Transactions</p> <p>The statement of financial position and disclosures in Note 22(b) to the financial statements reflects long-term receivables from exchange transactions balance of Kshs.197,486,308 representing an increase of Kshs.39,855,883 from previous year's balance of Kshs.157,616,425. Review of debtors aging analysis revealed student debtors amounting to Kshs.194,550,994 have been outstanding for more than twelve months. However, the Polytechnic's finance policy does not address the providing of provision for bad and doubtful debts, allowable limits and other categories of debt. Further, Management did not provide evidence of efforts made to collect the outstanding debts. In the circumstances, the accuracy and full recoverability of long-term receivables from exchange transactions balance of Kshs.197,486,308 could not be confirmed.</p>	<p>Most of these fees were related to delayed Helb bursaries, NGCDF bursaries and County bursaries that were not disbursed during the year.</p> <p>The management has put up several measures to recover fees arrears as below:</p> <ul style="list-style-type: none"> a) Ensuring that students clear all outstanding fees before release of Exams certificates. b) Ensuring that students proceeding to another module clears fees first. c) Establishing Helb desk, where students are assisted to make Helb applications 	Resolved	30/6/2024

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

Ref.No.	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
	<p>Budgetary Control and Performance</p> <p>The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.779,253,425 and Kshs.695,145,048 respectively, resulting to under-funding of Kshs.84,108,377 or 11% of the budget. Similarly, the Polytechnic expended a total of Kshs.694,761,712 against an approved budget of Kshs.768,253,425 resulting to an under-expenditure of Kshs.73,491,713 or 10% of the budget. Additionally, the polytechnic expended Kshs.136,876,822 against approved budget of Kshs.125,000,000 on development resulting to over-expenditure of Kshs.11,876,822 or 10% of the budget.</p>	<p>The variance on budget implementation is die to shortfall in government disbursement. In the year under review, capitation and scholarship for the fourth quarter was not disbursed</p>	Not Resolved	30/6/2026
2.1	<p>Unresolved Prior Year Matters</p> <p>In the report for the previous year, issues were raised under Report on the Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, although Management has indicated that the issues have been resolved under Appendix 1 to the financial statements on implementation status of Auditor-General recommendations, no evidence was provided for audit review indicating whether or not the issues had been resolved.</p>	<p>The parliamentary investment committee on education and governance had a meeting with the polytechnic management and the office of the auditor general and all the pending issues arising from previous audits were resolved</p>	Resolved	30/6/2025

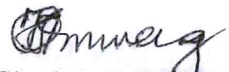
THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

Ref.No.	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
2.2	<p>Delayed Completion of Projects.</p> <p>Proposed Erection and Completion of Tuition Complex and Associated Works at Main Campus</p> <p>Note 39 to the financial statements on capital commitments reflects a balance of Kshs.170,583,436, which includes Kshs.127,290,546 in respect to authorized and contracted construction of seventy-two (72) classrooms tuition block at the Polytechnic’s main campus. A contract agreement dated 2 August, 2023 was entered between Sigalagala National Polytechnic and a construction company for the proposed erection and completion of tuition complex and associated works at a contract sum of Kshs.195,902,010. The contract period was eighty (80) weeks, commencing on 19 September, 2022 to an expected completion date of 21 March, 2024. However, a physical verification of the project carried out in the month of November, 2024 revealed that construction was approximately 48% complete and the contractor was still on site seven (7) months after the expected completion date of 21 March, 2024. As a result, the project was behind schedule thereby resulting to undue delay in delivery of intended services.</p>	<p>The construction of 72 tuition block complex was funded by internal funds which has had slow flows recently and this made the project pace to slow as part of the mutual agreement between the parties. Currently the work is over 80% complete and the remaining works will be concluded by 31st October 2025 as per the extension time allowed.</p>	Resolved	30/6/2026

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

Ref.No.	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
2.3	<p>Information Communication Technology (ICT) Internal Control Weaknesses</p> <p>During the year under review, the Polytechnic had not established an ICT Strategy, Steering Committee, ICT Security Policy, disaster management and recovery policies to ensure data confidentiality, integrity and availability. Further, the Polytechnic had expired anti-virus and firewall programs on all computers. In addition, the Polytechnic did not have a policy on physical access to ICT infrastructure and did not maintain a risk register.</p> <p>In the circumstances, the effectiveness of the ICT internal controls could not be confirmed.</p>	<p>The committee have been formed and new policies governing Ict Management are in place</p>	Resolved	30/6/2025

Accounting Officer



Sigalagala National Polytechnic

Date : 1/10/2025

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

APPENDIX II: PROJECTS IMPLEMENTED BY THE SIGALAGALA NATIONAL POLYTECHNIC

Projects

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

Project title	Project Number	Donor	Period/duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1	-	-	-	-	-	-
2	-	-	-	-	-	-

Status of Projects completion and Funding Source

	Project	Total project Cost	Total Expended to date	Completion % to date	Budget Expended 2023/2024	Actual Expenditure 2023/2024	Sources of funds
1	Ebunangwe Campus	29,500,000	29,168,744	100%	6,500,000	6,519,213	Gok
2	Luanda TVC	69,500,000	44,480,828	64%	7,500,000	7,423,250	Gok
3	Tuition Complex (72 classes)	209,568,729	141,809,573	68%	75,000,000	73,198,110	A-in-A
5	Computers & Printers	10,000,000	8,788,800	88%	10,000,000	8,788,800	A-in-A
6	Machinery & Equipment	4,000,000	3,937,285	98%	4,000,000	3,937,285	A-in-A
7	Furniture and Fittings	200,000	199,000	100%	200,000	199,000	A-in-A
8	Buildings	1,500,000	1,229,000	82%	1,500,000	1,229,000	A-in-A

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

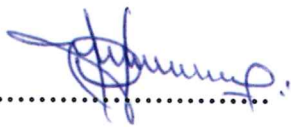
APPENDIX III- INTER-SIGALAGALA NATIONAL POLYTECHNIC CONFIRMATION LETTER

The Sigalagala National Polytechnic wishes to confirm that no amounts were disbursed to any institution through them as at 30th June 2024 as indicated in the table below.

Confirmation of amounts received by Insert name of beneficiary Sigalagala National Polytechnic as at 30 June 2024							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30 June 2024				Amount Received as at 30 th June 2024 (E)	Differences (Kshs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
Total		-	-	-	-	-	-

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

Head of Accountants department of beneficiary Institution.

Name CHRISTOPHER USOKU Sign  Date 1/10/2025

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

APPENDIX IV: REPORTING OF CLIMATE RELEVANT EXPENDITURES

	Project Name	Project Description	Project Objectives	Project Activities	Reporting Quarters				Source of Funds	Implementing Partners
					Q1	Q2	Q3	Q4		
1	Tree Nursery project	A seed bed containing 400 ornamental seedlings	To give proper landscaping and beautification of the new tuition block	Relocation of seed beds and tree nursery from triangle garden to the swampy area around the old building workshop.				✓	Internal funds	•SNP Environmental club
2.	Tree planting	Planting 1000 trees at SNP	To assist the surrounding community to improve the environmental conservation	Using staff and students to plant trees at SNP grounds.	✓	✓	✓	✓	Internal funds	•SNP Environmental club •Staff of the hospital
3.	Tree planting	Planting trees at Khwisero hill and Kakamega forest	To create a conducive environment for the community	Mobilizing community to come out and plant trees				✓	Internal funds	•SNP Environmental club •Humber college-Canada
4.	Removal of Asbestos	Construction of new incinerator at SNP	To dispose harmful waste in hygienic manner	Hiring expert to remove Asbestos				✓		•SNP management

THE SIGALAGALA NATIONAL POLYTECHNIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

APPENDIX V: DISASTER EXPENDITURE REPORTING TEMPLATE

Year: 2024/2025 Financial Year						
Name of Institution: SIGALAGALA NATIONAL POLYTECHNIC						
Name of Reporting Officer: EVANS BOSIRE						
Contact details of the Reporting Officer:					Telephone: 0726294347	
Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme.	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments
Health care	Diseases surveillance.	Natural epidemics	Provision of healthcare and awareness to both staff and students	Performance contract	-	Good progress
	Provision for PPE's for staff and uniforms	Natural epidemics	Provision of personal protective equipment's e.g. gloves, masks, goggle and safety boots.	Medical/ PE	-	Good progress
Environmental	Environmental degradation.	Climatological	Tree planting	Performance contract	324,100	Good progress
			Removal of Asbestos	Procurement expenses	6,867,070	Good progress
Safety	Emergency First Aid supplies.	Geophysical/ Fires.	Provision of fire extinguishers Provision of flash lights and extra batteries	Ewc/ Rmi		Good progress
	Repair of vital services.	Natural	Re-building of infrastructure	Building	1,229,000	Good progress
Policies	Policy formation.	Natural/Man made.	Developing of policies and practices to mitigate similar situations that might occur	Adm. costs	-	On-going
	Stress management.	Natural/Man made.	Evaluate staff for signs of fatigue and stress	Performance contract	-	Good progress

