

REPUBLIC OF KENYA



*Enhancing Accountability*



**REPORT**

**OF**

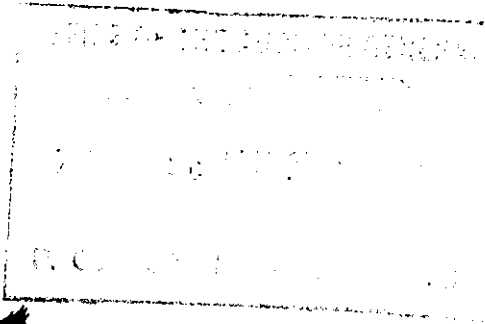
**THE AUDITOR-GENERAL**

**ON**

**KISUMU NATIONAL POLYTECHNIC**

**FOR THE YEAR ENDED  
30 JUNE, 2023**





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**THE KISUMU NATIONAL POLYTECHNIC**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30<sup>TH</sup> JUNE 2023**

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



**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

**Table of Contents**

1. Acronyms & Glossary of Terms .....	ii
2. Key Entity Information and Management.....	iii
3. The Council.....	viii
4. Key Management Team.....	xii
5. Chairman’s Statement.....	xiii
6. Report of the Principal.....	xv
7. Statement of Performance against Predetermined Objectives .....	xviii
8. Corporate Governance Statement.....	xxiii
9. Management Discussion and Analysis.....	xxv
10. Environmental And Sustainability Reporting Statement.....	xxviii
11. Report of the Council.....	xxxii
12. Statement of Council’s Responsibilities.....	xxxiv
13. Report of the Office of The Auditor General.....	xxxvi
14. Statement of Financial Performance For The Year Ended 30 June 2023 .....	1
15. Statement of Financial Position As At 30th June 2023.....	2
16. Statement of Changes in Net Asset For The Year Ended 30 June 2023 .....	3
17. Statement of Cash Flows For The Year Ended 30 June 2023 .....	4
18. Statement of Comparison of Budget &Actual amounts For Year Ended 30 June 2023	5
19. Notes to the Financial Statements.....	7
20. Appendices .....	36
<b>Appendix 1: Implementation Status of Auditor-General Recommendations .....</b>	<b>36</b>
<b>Appendix II: Projects Implemented by TKNP.....</b>	<b>43</b>
<b>Appendix III- Inter-Entity Confirmation Letter.....</b>	<b>44</b>
<b>Appendix IV- Schedule of Council Meetings for The Year Ended 30th June 2023 .....</b>	<b>46</b>

**The Kisumu National Polytechnic**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

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**1. Acronyms & Glossary of Terms**

ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Fiduciary Management	Key management personnel who have financial responsibility in TKNP
TKNP	The Kisumu National Polytechnic
KSG	Kenya School of Government
TVET	Technical Vocational Education and Training
TVETA	Technical Vocational Education and Training Authority

**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

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**2. Key Entity Information and Management**

**(a) Background information**

The Kisumu National Polytechnic is a premier National Polytechnic in Kenya situated within the Lake City of Kisumu, approximately 349 Km from Nairobi, the Capital City of Kenya. The Kisumu National Polytechnic began operations in 1967 as a technical secondary school. The first batch of students were admitted at Sigalagala Technical and Trade School awaiting the completion of Kisumu Technical Secondary School and was officially opened in 1971 by the Education Minister at that moment the late Dr. Taita Towett.

In 1988, the Ministry upgraded the institution to a Technical Training Institute to produce hands-on human resource, competent in technical skills applications. This exercise coincided with the national roll-out of the 8-4-4 education curriculum which mandated such institutions to provide training for the rising industrial demand of technical skills. In 1996, the Ministry upgraded the Technical Training Institute into a Polytechnic to provide for regional demand for technical skills. The late President, H.E. Daniel Toroitich Arap Moi inaugurated it into its new status on June 21, 1997.

On 22<sup>nd</sup> August, 2014 responding to section 26 (2) of the Technical and Vocational Education and Training (TVET) Act No. 29 of 2013, the Cabinet Secretary for Education Science and Technology invoked the Kisumu National Polytechnic Legal Order 2014, and established “The Kisumu National Polytechnic” after repeal of Legal Notice No 85 of May 30<sup>th</sup> 2001 that recognized it as a polytechnic.

The Polytechnic is governed by a Council, which consists of nine persons appointed by the Cabinet Secretary: Chairperson; the Principal Secretary in the Ministry for the time being responsible for the Technical and Vocational Education and Training; the Principal Secretary in the Ministry for the time being responsible for Finance; and five members appointed by the Cabinet Secretary on the basis of their knowledge and experience in either-leadership and management, financial management, industry, engineering, information communication technology or law. The Principal of TKNP is the secretary to the Council.

**(b) Principal Activities**

The Kisumu National Polytechnic derives its mandate from The Kisumu National Polytechnic legal order, 2014 which establishes the National Polytechnic as a body corporate, and sets out its objects and functions. The objects and functions of The Kisumu National Polytechnic therefore shall be to:

- i) provide directly, or in collaboration with other institutions of higher learning, facilities for technical trainers in technological, professional, scientific education;
- ii) participate in technological innovation as well as in the discovery, transmission and enhancement of knowledge and to stimulate the intellectual life in the economic, social cultural, scientific, and technological development;

**The Kisumu National Polytechnic**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

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- iii) contribute to industrial and technological development of Kenya in collaboration with industry and other organisations through transfer of technology;
- iv) examine and make proposals for new diploma courses and subjects of study, institutes, departments, resource and research and innovation;
- v) promote and establish a culture of innovation in engineering and technology, and technology transfer amongst staff and trainees;
- vi) develop an institution with excellence in teaching, training, scholarship, entrepreneurship, research, consultancy, community service, among other educational services and products, with emphasis on technology and its development, impact and application within and outside Kenya;
- vii) provide a multi-level system of post-secondary school education and training programmes relevant to the needs of the community covering a wide range of fields and levels with provision for recognition of prior learning and flexibility of transition between programmes;
- viii) provide high quality educational, research, residential, commercial, cultural, social, recreational, sporting and other facilities;
- ix) advance knowledge and its practical application by research and other means, the dissemination of outcomes of research by various means, and the commercial exploitation of search results;
- x) promote critical enquiry within the polytechnic and in the general community;
- xi) participate in commercial ventures and activities;
- xii) foster the general welfare of all staff and students;
- xiii) provide opportunities for development and further training for staff of the National Polytechnic;
- xiv) develop and provide educational, cultural, professional technical and vocational services to the community and in particular fostering of corporate social responsibility;
- xv) provide programmes, products and services in ways that reflect the principles of equity and social justice;
- xvi) facilitate student mobility between different programmes at different technical training institutions and other National Polytechnics;
- xvii) conduct examinations for and grant such academic awards as provided under this Order; and
- xviii) collaborate with recognized universities for the conduct and award of degree programmes in technology.

The mandate of The Kisumu National Polytechnic captured in its mission and operations cemented with core values to enable the realisation of her vision is lucidly set. Consequently, the vision, mission, core values and motto of the polytechnic are:

**Vision**

A world Class Polytechnic Nurturing Entrepreneurs, Innovators and Industry Leaders

**Mission**



**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

To Produce Globally Competitive Graduates through Quality Training, Research and Innovation  
for Sustainable Development

**Core Values**

Integrity  
Professionalism  
Accountability  
Inclusivity  
Teamwork Efficiency  
Quality  
Innovation  
Environmental Stewardship

**Motto**

Industry Succeeds

**(c) Key Management**

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

- The Council
- The Principal
- The Academic Board
- The Management Board
- Heads of Department

**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

SN.	Designation	Name
1.	Principal	Catherine K. Kelonye
2.	Deputy principal Administration	William Opondo
3.	Deputy principal Academics	Rosemary Osewe
4.	Registrar Administration	Rose Bhoke
5.	Registrar Academics	Fellystas Obiero
6.	Dean of students	Dr. Daniel Aoyi
7.	Director RIOS	Dr. Charles Nyangara Asaka
8.	Finance Manager	CPA Paul Maher
9.	Supply Chain Manager	Milton Omollo
10.	Human Resource Manager	Amos Odhiambo
11.	Internal Auditor	CPA Barrack Oluoch

**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

SN.	Designation	Name
12.	ICT Manager	Vacant
13.	IGU Manager	Vacant

**(e) Fiduciary Oversight Arrangements**

Council Committees	Members	Position
Finance, Infrastructure and Procurement (FIP) Committee	CPA. Alex Kazongo	Committee Chair
	Prof. Eng. Bernadette Waswa Sabuni	Member
	Geoffrey Kibanda	Member
	Joyce Mwanika Mwale	Member
Audit, Risk and Compliance (ARC) Committee	Rajeev Arora	Committee Chair
	Roseline Odede	Member
	Geoffrey Kibanda	Member
	Joyce Mwanika Mwale	Member
Education, Research and Training Committee	Prof. Eng. Bernadette Waswa Sabuni	Committee Chair
	Rajeev Arora	Member
	Lilian Mainye	Member
Human Resource, ICT and Resource Mobilization	Roseline Odede	Committee Chair
	CPA. Alex Kazongo	Member
	Lilian Mainye	Member

**(f) Entity Headquarters**

P. O. Box 143-40100  
Technology Road  
Kisumu, KENYA

**(g) Entity Contacts**

Telephone :(+254) 0723446773  
E-mail: info@kisumupoly.ac.ke  
Website: www.kisumupoly.ac.ke

**(h) Entity Bankers**

**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

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**Co-operative Bank**  
Kampala Street  
P.O. Box 1511-40100  
Kisumu, Kenya

**Absa Bank Kenya PLC**  
Oginga Odinga Street  
P. O. Box 831- 40100  
Kisumu Kenya

**Equity Bank Limited**  
Oginga Odinga Street  
P. O. Box 1763- 40100  
Kisumu Kenya

**KCB Limited**  
P.O. Box 17 Kisumu  
City/Town: Kisumu  
Tel: +254-57-2023307/16, 23307/16  
Email Address: info@kcbgroup.com  
Website: ke.kcbgroup.com

**(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 Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

**3. The Council**

**No. Member Details**

1.  Eng. Meshack Kidenda,  
MBS, HSC, FIEK, RCE –  
CHAIRMAN  
Date of Birth: June, 1956

Engineer Kidenda is a highly experienced registered Consulting Engineer, a Fellow of the Institution of Engineers of Kenya and an Associate Member of the Chartered Institute of Arbitrators. He holds a BSc. degree in Civil Engineering from the University of Nairobi and a MSc. in Traffic Engineering from University of Birmingham. Eng. Kidenda's vast experience in Public Service spans well over 37 years where he has served in various capacities including as Chief Engineer (Roads), Director of Industrial Training and as the first Director General of the Kenya National Highways Authority – KeNHA. Eng. Kidenda also serves as a board member at the National Transport and Safety Authority (NTSA)
2.  Geoffrey Kibanda  
MEMBER  
Date of Birth: 1967

Mr. Geoffrey Kibanda serves at the National Treasury, Pensions Departments and represents the Principal Secretary to the National Treasury. He has vast experience in personnel and HR issues and holds a Master of Business Administration (HR).
3.  Joyce Mwanika Mwale  
MEMBER  
Date of Birth: 1972

Ms. Mwale has an Executive Masters in Business Administration from the Eastern and Southern Africa Management Institute (ESAMI) and Bachelor of Arts degree from Kenyatta University. She joined The Kisumu National Polytechnic as a Council Member in April, 2023 as a representative of the Principal Secretary, State Department for TVET. She is currently the Director of Administration in the State Department. Prior to the appointment, she served in the National Industrial Training Authority's Board and the National Employment Authority (both as a member and

**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

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Session Chair). She has also served in high level committees in both the Public and Private Sectors as a member and chair respectively. Joyce has 27 years of working experience in Government in the field of Administration and leadership where she has risen through the ranks from a District Officer to the current position of Director of Administration. She has served in the Office of the president, Ministry of education twice, the Ministry of Defence and Ministry of Labor and Social Protection. She has vast training in management, leadership, and human resource fields. She is a member of the African Association of Public Administration (AAPAM).

4.



Lilian Mainye,  
MEMBER  
Date of birth: February, 1974

Ms. Lilian Mainye is a seasoned HR professional with a Bachelor of Arts in Geography & Sociology (University of Nairobi), a Higher National Diploma In HRM, a Diploma HRM and she is an active Member of IHRM. She is HR professional with over 15 years' vast experience in the hospitality and telecommunication

sector.

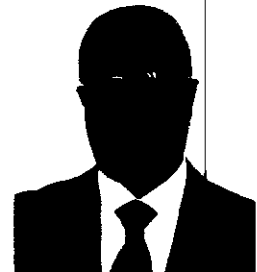
CPA Alex Kazongo,  
MEMBER  
Date of birth: April, 1965

5.

Mr. Alex Kazongo has a wealth of experience in public service, corporate governance and financial management having served as a board member in several high-profile state corporations and listed companies for cumulative 20 years.

Alex holds Bachelor of Commerce (University of Nairobi), MBA (United States International University), CPA (K) and Management Development (University of Cape Town)

Mr. Kazongo is a seasoned member of the Institute of Certified Public Accountants of Kenya (ICPAK) and the Institute of Directors (IOD) Alex also serves as Board Chairman of Mawego Technical Training Institute.



6.



Rajeer Arora,  
MEMBER  
Date of Birth: October, 1951

Mr. Rajeer Arora is a Specialist in Advocacy, Investment, Trade Promotion, Industrial Parks and Development cluster with a Hons in

**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

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Agriculture and Economics. Mr. Arora is The Technical Centre for Agricultural and Rural Cooperation's (CTA) Value Chain Advisor to the Cabinet Secretary and Ministry of Industry, Trade and Cooperative.

He served as the Executive Director African Cotton & Textile Industries Federation (ACTIF). Mr. Arora has over 36 years of experience in managing 100 per cent export-oriented facilities, and overseeing vertically. He has experience consulting for 24 African countries as well as 4 Asian countries, including Bangladesh, Hong-Kong, India, Kenya, Tanzania, USA and Zambia in developing integrated manufacturing in apparels and working with government institutions for conducive policy development for investment and trade.

Roseline Odede  
MCIARB, MIACP, LL.M., LLB.  
MEMBER  
Date of birth: March, 1967



7. Ms. Roseline Odede is an Advocate of the High Court of Kenya with over twenty years' experience in private legal practice and strategic leadership in various professional organizations. She currently practices as a Certified Professional Mediator and an Independent Legal Consultant. Ms. Roseline is a member of the African Union Commission Panel of Experts, has been a Council member of Law Society of Kenya, East Africa Law Society and Commonwealth Lawyers Association. She has also served on the Council of Legal Education, as Vice Chairperson of the Judges and Magistrates Vetting Board Kenya, and is currently a Council Member of FIDA(K). She is also the Honorary Legal Counsel for the Kenya Medical Association Eldoret. Ms Odede holds a Master's degree in Law, from Witwatersrand University, South Africa, and a LLB degree from the University of Nairobi. She is a Member of the Chartered Institute of Arbitrators, and a certified mediator. She is currently the chairperson KNCHR.

Prof. Eng. Bernadette Waswa Sabuni  
MEMBER  
Date of birth: 1964



8. Prof. Eng. Bernadette Waswa Sabuni holds a PhD in Disaster Preparedness and Engineering Management specializing in engineering disaster mitigation in terms of use of alternative and appropriate building materials and technologies, PhD and BSc in Civil Engineering. She is a Civil engineer by profession, Registered by Engineers Board of Kenya and a member of Institution of Engineers of Kenya. She is a member of Association of Disaster Management and Conflict Resolution of Kenya and member of Association of African Women in Science and Engineering (AWSE). She has vast experience of over ten years

**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

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as a lecturer at Masinde Muliro University of Science and Technology (MMUST) and is currently serving as the Dean, School of Engineering and the built environment. Prof. Sabuni has also served as Chairperson of Civil and Structural Engineering Department. Quality Assurance Director Chairperson. Acting Deputy Vice Chancellor; Academic and Student Affairs at MMUST. She is a trained Lead Quality Auditor and continues to do monitoring and evaluation processes at MMUST. She is serving. Our second term as Trustee member of the MMUST Staff Retirement Benefit Scheme.



Catherine Kelonye,  
COUNCIL SECRETARY/ CHIEF PRINCIPAL  
Date of birth: September 1966

9.

Mrs. Catherine K. Kelonye is the Secretary to the Council and the Chief Principal of The Kisumu National Polytechnic. She holds a Masters in Education - Curriculum and Instruction and Bachelor of Education Science (Applied Science & Mathematics). She is an educationist with more than thirty experience as a trainer across basic and tertiary education sectors. She served at Sigalagala National Polytechnic from 2010 to September 2020 when she was deployed to The Kisumu National Polytechnic as the Chief Principal. She is a member of KENET board of trustees.

**4. Key Management Team**



**Catherine K. Kelonye  
Chief Principal**



**Eng. William Opondo  
Deputy Principal  
Administration**



**Rosemary Osewe  
Deputy Principal Academics**



**Dr. Daniel Aoyi  
Dean of Students**



**Rose Bhoke  
Registrar Administration**



**Felystas Ajwang  
Registrar Academics**



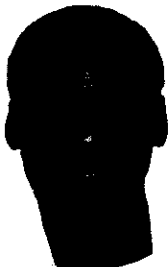
**CPA. Paul Maher  
Finance Manager**



**Milton Obote Omollo  
Supply Chain Manager**



**CPA. Barrack Oluoch  
Internal Auditor**



**Dr. Charles Nyangara Asaka  
Director RIOS**



## **5. Chairman's Statement**



The Kisumu National Polytechnic is diligently pursuing its vision of becoming a globally renowned institution, specializing in the delivery of high-quality technical, vocational, entrepreneurial training, and research. To fulfil its mission, the institution maintains a strong partnership with the National Government, through The State Department of Vocational Training under the Ministry of Education, ensuring the effective execution of its mandate.

The year 2022/2023 presented a mixed year for TKNP. The institution experienced the challenge of low student enrolment, reducing to reduced government capitation and fee collection. In addition, there was slow disbursement of funds from the national government compounded by low capacity by the parents/guardians to pay fees. Several opportunities for the institution included bolts, car bushings, auto clinic station, automated block making, community medical centre, restaurant, hostel facilities and Garment making.

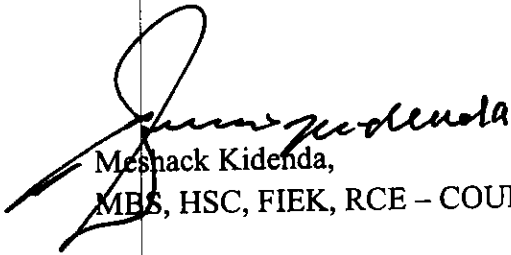
True to our motto "Industry Succeeds", the institution has continuously engaged and earned the trust of stakeholders. Guided by the belief that open and honest dialogue with the stakeholders yield opportunities to increase our corporate values and TKNP's commitment to provision of quality training, the employability prospects of our graduates has greatly improved as evidenced by three tracer studies conducted in 2022. Employers' response showed an average of 60% satisfaction indicating that the institution's curricula was relative to the market driven demand. The improved employability of TKNP graduates can also be attributed to our commitment to Competency Based Curriculum (CBET) implementation.

Whereas the TKNP's total revenue for FY 2022/2023 recorded 2% reduction, the revenue from the income generating unit increased by 93% . The total expenses reduced by 15%. While the total assets of the institution increased by 207%, the total Current Liabilities also reduced by 18%. The Polytechnic also fully digitized and automated its services through of ABNO software solutions further improving on efficiency and service delivery

**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

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On behalf of the governing council and the entire TKNP fraternity we express our gratitude for the goodwill and support from the government and our development partners for their assistance in various development projects such as the JITUME Program, East Africa Skills for Transformation and Regional Integration Project (EASTRIP) and Blue Skills Training for Employment Project (BSTEP)



Meshack Kidenda,

MBS, HSC, FIEK, RCE – COUNCIL CHAIRMAN

**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

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**6. Report of the Principal**

I am pleased to present to you our Annual Report and Financial Statements for the fiscal year 2022/2023. This report reflects our commitment to transparency, accountability, and the principles of good corporate governance even as we remain true to our mission to produce globally competitive graduates through quality training, research and innovation for sustainable development

The past year has been marked by both challenges and opportunities. We have experienced low student enrolment prompting the Polytechnic to introduce e-learning modules and short courses to plug the deficit. Enrolment fell from 11808 in 2022 to 8639 in 2023. The Kisumu National Polytechnic receives most of its income from government subventions and fees from trainees. Low trainee numbers mean lower government capitation and fee collection. In addition, there was slow disbursement of funds from the national government compounded by low capacity by the parents/guardians to pay fees. We are glad to report that, through prudent management of funds, we have been able to pull through. We are also thankful to the government for coming in to assist the vulnerable and the extremely needy trainees through the new funding model. Opportunities abound in each of the ten departments; from bolts and car bushings and auto clinic station in the mechanical and automotive engineering department to the automated block making in the Building and Civil Engineering department, the community medical center in the Health Sciences department to the restaurant and hostel facilities in the Hospitality and Garment making department. We must tighten our belts and make the opportunities bear fruit.

I am happy to report that revenue from the income-generating unit increased by 93% from 23.5M in the FY 2021/2022 to 45.5M in 2022/2023 mainly due to the driving school and the textile production unit. The total revenue for FY 2022/2023 recorded a 2% reduction compared to 2021/2022 from KES.615, 008, 528 to KES.605, 153,904. This was largely attributed to a reduction in in-kind donations from donors. Our commitment to financial discipline and efficiency allowed us to manage costs effectively. Total expenses were reduced by 15% from KES 626 M in 2021/2022 to KES 531M in 2022/2023. Major expenditure areas include the use of goods, employee costs, and general expenses. The total assets of the institution increased by KES.16, 533,547 TKNP's Current Assets increased by 207% in the FY 2021/2023 largely as a result of an increase in student debtors (from KES. 110,443,270 to KES.274, 610,406) due to uncollected student's capitation. Non-current assets were reduced by 2% from

**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

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KES.2,551,137,831 to KES.2,505,349,175 this was as a result of depreciation of Plant, Property, and Equipment (KES.49, 756,642). Total Current Liabilities were also reduced by 18% as a result of a reduction in provisions by KES.18, 427,557, payment of retention monies held in the previous year, and significant allocation of bursaries from HELB and other sponsors to beneficiaries. Revenue from (student fees increased by 77% (177M) majorly due to invoicing of full fees, unlike the previous year where a portion relating to capitation was not charged to students as a consequence of the revenue base. TKNP did not receive a quarter-four capitation equivalent to 70M.

I would like to express my deepest gratitude to our staff and all stakeholders for their unwavering support and trust in our organization. Our accomplishments would not have been possible without your dedication and partnership. Staff medical cover was implemented and paid for in FY 2022/2023. Further, we managed to move our staff from gratuity to pensionable employees. Currently, the Polytechnic services are fully automated courtesy of ABNO software solutions. This has greatly improved service delivery. We thank the Governing Council for making all these achievements possible

Our efforts to build this Polytechnic have received enormous goodwill and support from various quarters. I would like to take this opportunity to thank the government for its overall continued financial support, and our partners for assisting us in various projects. We appreciate the in-kind donations related to computers donated by the Ministry of Education under the JITUME Initiative. The Polytechnic also boasts a Regional Flagship TVET Institute in Textile Technology (RFTITT). The institute is a World Bank-funded project under the East Africa Skills for Transformation and Regional Integration Project (EASTRIP). Through EASTRIP, the Polytechnic will be able to train industry led curricula even as real time learning takes place in the learning factory in the institute. We are also happy to be implementing the Blue Skills Training for Employment Project (BSTEP) which is the Centre of Excellence in blue skills training even as production is taking place in the learning factory embedded in the project. BSTEP is funded by KfW Bank through AUDA-NEPAD. We are proud of the Canadian government through CiCan for assisting us in industry led curricula development and for funding the Youth and Women Employability through Development of Quality and Affordable Fish Feeds for Small and Medium Scale Farmers in Kenya. The list is not exhaustive

**The Kisumu National Polytechnic**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

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Our achievements over the past year extend beyond the financial realm. We continued to invest in research and development, innovation, and employee development. These investments have allowed us to remain at the forefront in pursuit of excellence. I would like to thank the staff for their diligence and hard work and the Polytechnic management for consistently supporting me in building this Polytechnic. I would also like to thank the students for observing the rules and regulations governing their conduct and also for maintaining the very high level discipline that has ensured smooth running of the Polytechnic.

In conclusion, I invite you to delve into the details of our Annual Report and Financial Statements to gain a comprehensive understanding of our performance and accomplishments over the past year. As we move forward, we are committed to creating value and upholding the highest standards of corporate governance.

Thank you.



**Catherine K. Kelonye**

**CHIEF PRINCIPAL/COUNCIL SECRETARY.**

**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

**7. Statement of Performance against Predetermined Objectives**

The Kisumu National Polytechnic has five strategic pillars within the Strategic Plan for the FY 2020 - FY 2024. These strategic pillars are: quality training; financial resources; human and physical resources; research, innovation and outreach; and gender inclusivity and environmental sustainability.

The Kisumu National Polytechnic developed its annual work plan based on the above five strategic pillars. Assessment of the Board's performance against its annual work plan was done on a quarterly basis. The Kisumu National Polytechnic achieved its performance targets set for the FY 2022/23 period for its five strategic pillars as indicated in the matrix below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Quality Training	To enhance access, flexibility, and responsiveness to quality TVET training to meet the changing training needs of the trainees and the community.	1) Availability of operational agricultural practical farm 2) # of building blocks produced 3) # of CBET programs mounted 4) # of units course units digitised 5) Availability of strategic plan 6) Availability of operating M&E department 7) # of reference books bought 8) % increase in enrolment 9) Availability of operational Office of Career Service	1) Enhance Practical Training in Agriculture 2) Enhance Practical Training in Civil and Building Engineering 3) Mount CBET programs 4) Operationalize ODEL 5) Revise strategic plan 6) Operationalize M&E department 7) Enhance Library Resources 8) Increase student Enrolment 9) Establish and operationalize Office of Career Services	1) Practical agricultural farm to support training established 2) 11,500 building blocks produced 3) Six (6) CBET programs mounted 4) ODEL policy developed and four (4) course units digitised 5) TKNP Strategic Plan 2022- 2024 was revised and launched 6) M&E department established and it is operational 7) 512 reference books bought for library 8) 3456 students were enrolled of which 1779 were males and 1677 were females 9) Office of Career Services operationalized. A functional Strategic Plan drawn for the office

**The Kisumu National Polytechnic**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

Financial Resources	Strengthen mobilisation and management of resources for financial sustainability	<ul style="list-style-type: none"> <li>1) % of approved budget utilized</li> <li>2) Amount of revenue collected.</li> <li>3) % of pending bills</li> </ul>	<ul style="list-style-type: none"> <li>1) Prudent use of approved budget</li> <li>2) Strengthen revenue collection.</li> <li>3) Ensure pending bills do not exceed 1% of approved budget</li> </ul>	<ul style="list-style-type: none"> <li>1) 100% of the approved budget prudently utilized</li> <li>2) Revenue collection reduced from 462 million to 370 million</li> <li>3) % pending bills was less than 1%</li> </ul>
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**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

<p>Human and Physical Resources</p>	<p>Provide the necessary human, physical, and technological resources to position TKNP as a Centre of excellence</p>	<ol style="list-style-type: none"> <li>1) Types of infrastructure upgraded</li> <li>2) Length of extension in metres</li> <li>3) Equipment for upgrade</li> <li>4) # of services re-engineered</li> <li>5) Availability of Back-up server</li> <li>6) # of chairs transferred</li> <li>7) Availability of TNA report</li> <li>8) # of teaching staff trained</li> <li>9) # of drivers trained</li> <li>10) # capacity built</li> <li>11) # of staff and students involved</li> <li>12) Availability of staff Performance Appraisal report</li> <li>13) # trained on financial management</li> </ol>	<ol style="list-style-type: none"> <li>1) Upgrade infrastructure</li> <li>2) Extend construction of TKNP Perimeter Wall</li> <li>3) Upgrade TKNP Medical Clinic</li> <li>4) Re-engineer services</li> <li>5) Collocate a backup server at KENET to support Business Continuity at TKNP</li> <li>6) Transfer chairs to Nyakongo campus for agriculture</li> <li>7) Conduct Staff Training Needs Assessment</li> <li>8) Conduct in-service training for teaching staff on CBET Implementation</li> <li>9) Train drivers on defensive driving</li> <li>10) Capacity built staff on Article 10 of the Constitution</li> <li>11) Conduct mental wellness and prevention of mental health illnesses awareness to staff and students</li> <li>12) Undertake Staff Performance Appraisal</li> <li>13) Train all heads of department and heads of section on Finance for Non-Finance Managers and Budgeting/ Budgetary Control Systems</li> </ol>	<ol style="list-style-type: none"> <li>1) Male hostel converted into 12 classrooms, masonry workshop constructed, kitchen and dining hall renovated, and ladies hostel converted into laundry and housekeeping</li> <li>2) TKNP perimeter wall construction extended by an additional 260 metres.</li> <li>3) 15 Hospital Bedside lockers, 2 Automatic Electric Autoclave Sterilizer Machine, 1 Laboratory Water Bath, 2 Examination Coach, 2 Diagnostic Lamp, and 40 Cellular Blanket procured for clinic</li> <li>4) Clearance of students and staff reengineered and students' data uploaded on TVET MIS</li> <li>5) Back-up server from KENET availed to support Business Continuity</li> <li>6) 104 chairs transferred to Nyakongo Campus to support learning</li> <li>7) TNA conducted and the report was delivered.</li> <li>8) 37 teaching staff trained on CBET program implementation</li> <li>9) Two (2) drivers trained on defensive driving</li> <li>10) 58 persons- HoDs and students capacity built on Article 10 of the Constitution</li> <li>11) 1520 persons- staff and students took part in mental health and illnesses awareness sensitization exercise</li> <li>12) Performance appraisal of</li> </ol>
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**The Kisumu National Polytechnic**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

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				staff conducted and report developed. 13) 30 persons- HoDs, heads of sections and senior management trained on Budgeting/ Budgetary Control Systems
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**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

<p>Research, Innovation and Outreach</p>	<p>Foster partnerships with the local and global communities to promote quality in Research, innovations development and strategic partnerships</p>	<p>1) Availability of report on International Conference and Exhibition 2) Availability of report on National Skills Competition 3) Availability of Science Technology and Innovation Mainstreaming work plan</p>	<p>1) Conduct in International Conference and Exhibition 2) Conduct a National Skills Competition 3) Develop annual work plan and operationalized STI mainstreaming</p>	<p>1) 40 papers, 11 from TKNP were presented at the conference. Kenya Journal of Integrated Research, Innovation and Entrepreneurship launched. 27 papers 8 from TKNP published in the Journal 2) The National Skills Competition organised and brought together 8 institutions. TKNP took position one in three of the contested seven skill areas. 3) Annual work plan for STI mainstreaming was developed and implemented. Quarterly and annual reports submitted to NACOSTI</p>
<p>Gender Inclusivity and Environmental Sustainability</p>	<p>Promote an institutional culture that values gender inclusivity and environmental sustainability.</p>	<p>1) Availability of environment and waste management policy 2) # of trees planted 3) Availability of reviewed and operational workplace gender policy 4) Availability of report on operationalization of relevant laws on gender-based violence</p>	<p>1) Develop environment and waste management policy 2) Conduct tree planting 3) Review and operationalize workplace gender policy 4) Operationalize relevant laws on prevention and response to gender-based violence</p>	<p>1) Waste management policy developed and is being implemented. 2) 1200 trees planted in collaboration with Equity and ABSA Banks. 3) Workplace gender policy reviewed and operationalized 4) Relevant laws on prevention and response to gender-based violence are being operationalized.</p>

## **8. Corporate Governance Statement**

### **Roles and functions of the council**

The Kisumu National Polytechnic governing council is responsible for overseeing the effective management and control of the Institution. Transparency and Disclosure is a key focus area of the council as demonstrated in our Financial Statements for the year under review. (As per Mwongozo January 2015 and Legal notice 113 of 2014). The governing council has implemented a risk assessment tool where risks are identified, monitored, and controlled.

In implementing the Corporate Governance tenets, the Council seeks to add value through constructive dialogue and engagement with stakeholders as well as management with a strong focus on the Institutions' strategic agenda (strategic plan) which is in line with the medium-term Goals (MDGs), vision 2030 and the Governments big four Agenda. (Legal notice 113 of 2014 ) The council embraces and recognizes the benefits of diversity in skills and experience in its compositions and the effective discharge of the Councils' strategic oversight function.( TVET Act 2013)

### **Composition of the Council**

The council is made of nine (9) members comprising of Chairman, The principal Secretary Treasury, the Principal Secretary State department of Vocational and Technical Training, The chief Principal as the secretary to the Governing council and five (5) members from various areas of specialization appointed by the cabinet secretary. (As per Mwongozo 2015 and TVET Act 2013) .The year under review saw one new member being brought on board and one member was retired after the expiry of his term.

All council members are subject to reappointment in accordance with the TVET Act 2013 and the Ministry of Education guidelines.

The Governing council has established four standing Committees with specific terms of reference to exercise delegated responsibilities.

The Committees are; Audit Risk and Compliance, Finance Infrastructure and Procurement Human Resource, ICT, and Resource Mobilization, Education Research and Training

### **Council Meetings**

The council meetings are held in accordance with the annual almanac, the Board Charter and guidelines from the legal notice 113 of 2014 for the respective Committees and the full governing council meetings, in exceptions where special meetings are held as per TVET act 2013, when critical business matters arise.

### **Induction and Continuous Professional Development**

During the year under review new council member received induction training as per the legal requirements. Key areas were highlighted during the induction. The induction included specific sessions with the relevant personnel across units especially on finance and infrastructure, procurement procedures, human resource related issues, corporate governance, and regulatory bodies under which the organization operates.

In the year 2021/2022 council members were trained by various professional bodies and government institutions. These are; Institute of Certified Public Accountants Kenya (ICPAK), Institute of Human Resource Management (IHRM), Institute of Engineers, Corporate Governance Training by Centre for Corporate Governance and Government Agencies.

**The Kisumu National Polytechnic**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

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**Notification and Conflict of Interest**

The Council members are required to bring to the attention of the chairman during both the committee meetings and full council meeting any circumstances that might lead to a conflict of interest, whether real or potential. At each council or committee meeting council members declare any conflict of interest and such is appropriately recorded in a register. During the year there was no conflict of interest registered.

**Governance Audit**

During the year under review the Governing council of The Kisumu National Polytechnic was the following governance audit.

Council operations and control

Rights of shareholders

Stakeholder relations

Ethics and social responsibility

Accountability, risk management and internal control

**Remuneration**

The Kisumu National Polytechnic Council is paid sitting allowance, subsistence and transport as per Salaries and Remuneration Commissions rates, which is done through a circular by head of Public Service.

**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

**9. Management Discussion and Analysis**

**1. Statement of Comprehensive Income**

This section provides an overview of the financial position of The Kisumu National Polytechnic for the year ended 30<sup>th</sup> June 2023 and the comparative information for the year ended 30<sup>th</sup> June 2022. This overview has been prepared by management and should be read in conjunction with the financial statements and the footnotes.

The institution had a surplus of KES.75million in the FY 2022/2023 as compared to a deficit of KES.11 million in the previous year.

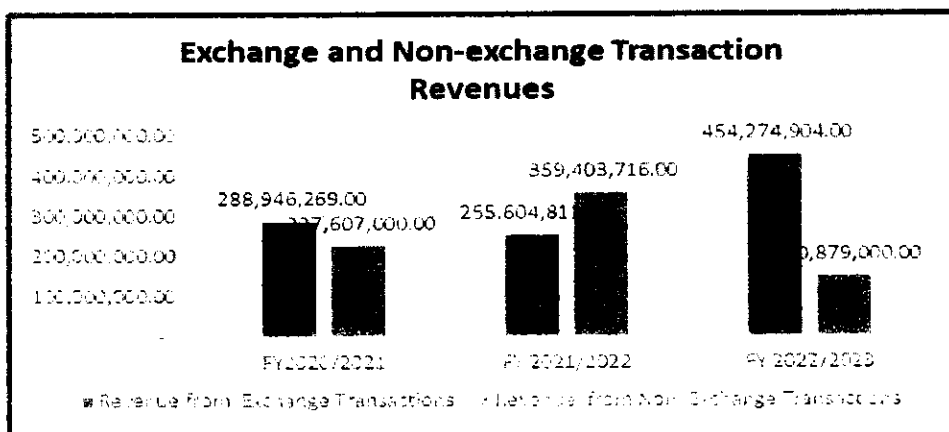
**1.1. Revenue**

The institution recorded a total revenue of KES.605million for FY 2022/2023 down from KES.615million for FY2021/2022, representing a 2% reduction. This was largely attributed to a 58% (209M) drop in revenue from Non exchange transactions as a result of reduction in grants and donations (in kind contribution) from development partners in the form of building equipment, computers and furniture from the Ministry of Education.

Revenue from (student’s fees) increased by KES 177M representing a 77% gain, this was majorly due invoicing of the students full fees unlike the previous year where capitation was not invoiced. TKNP did not receive quarter four capitation equivalent to 70M.

**1.2. Other Income**

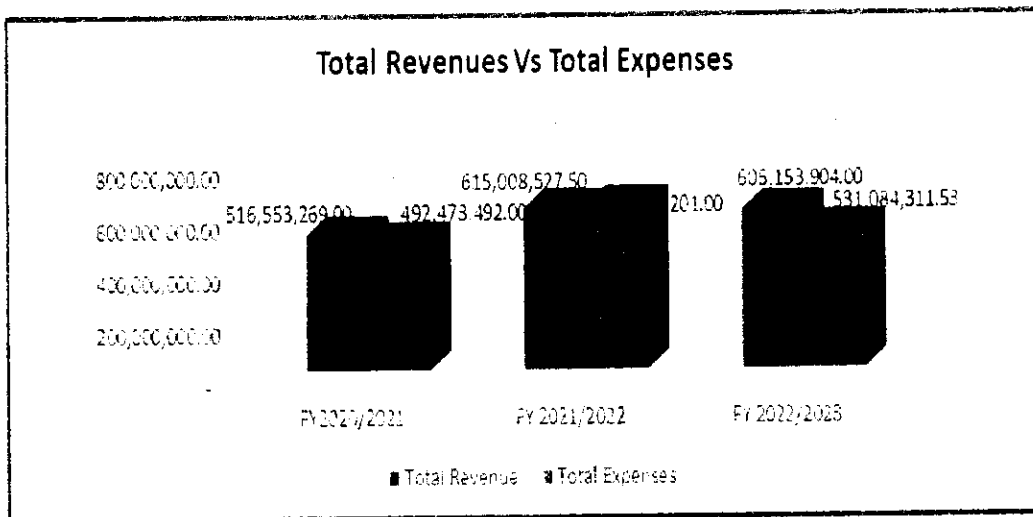
The institution recorded increase in revenue from other income from 23.5M in the FY 2021/2022 to 45.5M in 2022/2023 representing a 93% gain. This was largely attributed to an increased Non Academic Production Unit and the Pay as You Eat System for NYS students received during the year.



**The Kisumu National Polytechnic**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

**1.3. Expenses**

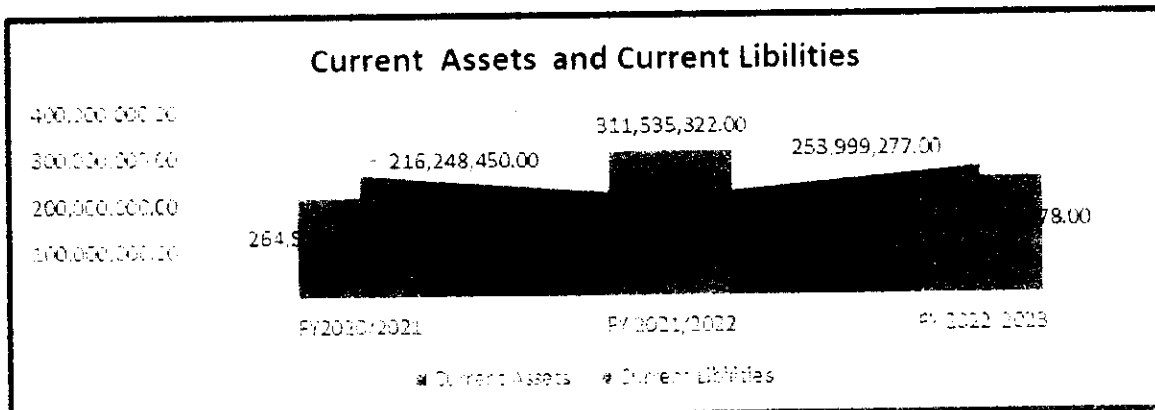
Total expenditure reduced by 15% from KES 626 M in 2021/2022 to KES 531M in 2022/2023. Major expenditure areas include use of goods, employee costs and general expense. Staff medical cover was implemented and paid for in the FY 2022/2023.



**2.1 Financial Position**

Total assets of the institution increased by KES.16, 533,547

TKNP's Current Assets increased by 207% in the FY 2021/2023 largely as a result of increase in student debtors (from KES. 110,443,270 to KES.274, 610,406) due to uncollected student's capitation. Non-Current Assets reduced by 2% from KES.2,551, 137,831 to KES.2,505,349,175) this was as result of disposals and depreciation of Plant, Property and Equipment (KES.49, 756,642). Total Current Liabilities also reduced by 18% as a result of reduction in provisions by KES.18, 427,557, payment of retention monies held in the previous year and significant allocation of bursaries from HELB and other sponsors to beneficiaries.



**The Kisumu National Polytechnic**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

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***3.0 Cash flows***

The cash and bank balances reduced from KES 143M to KES 138M, attributable to cash generated from operations and working capital movements because of improved cash collections, increased payment to contractors and suppliers.

## **10. Environmental And Sustainability Reporting Statement**

### **Sustainability strategy and profile**

TKNP is committed to promoting sustainability within its campus operations, academic programs, and community engagement initiatives. Sustainability, encompassing environmental, social, and economic dimensions, is fundamental to the polytechnic's ethos and long-term vision.

TKNP have continued to promote sustainability during the financial year through some of the following initiative's: Operationalization of income generating unit that has enhanced hiring of institutional facilities, fields, halls & production units for all the academic departments; Introduction of short course including driving, knitting operations, hand screen printing, sewing machine maintenance, embroidery machine operations among others to integrate broader community; Partnership with industry which has led to signing of MOU's with USAID, Chamber of commerce among others; Additionally we have collaborated with international institutions to implement projects including **East Africa Skills for Transformation and Regional Integration Project.(EASTRIP)**, Skills Initiatives For Africa (SIFA), Kenya Education for Employment Project (KEFEP), Colleges & Institutes Canada (CiCAN) & Young Africa Works in Kenya (YAW) **to leverage expertise, resources, and funding for sustainable initiatives.**

TKNP is dedicated to advancing sustainability efforts, aligning with broader political and microeconomic trends. By integrating sustainable practices into our operations and academic programs, the polytechnic aims to contribute to a more sustainable future for the campus and the broader community.

### **Environmental performance**

The Kisumu National Polytechnic is committed to environmental sustainability. It has therefore taken a proactive approach to addressing environmental challenges that aligns with broader global and national sustainability goals. The polytechnic is guided by its Environmental and Waste Management Policy which is anchored on the 'Environmental Management and Coordination Act (EMCA). 2015 and the Constitution of Kenya 2010. During the Financial year 2022 – 2023, The Kisumu National Polytechnic undertook the following initiatives to address environmental concerns: water conservation by installing water-saving taps at strategic points within the polytechnic which helped in reduction of cost of water by Shs. 1.7 million during the year: in addition, the Polytechnic took a deliberate measure to install energy saving bulbs which reduced energy consumption by Shs. 700,000 during the year. The Kisumu National Polytechnic enhanced biodiversity & green spaces in the polytechnic by planting 2000 trees as seen in the picture provided below;





The Kisumu National Polytechnic had a challenge of refurbishing and meeting green building certification standards to promote sustainable building practices due to limited financial resources.

### **Employee welfare**

The institution is committed to ensuring the welfare of its employees through an enabling and conducive work environment. In this regard, we implemented various programs geared towards health and safety, employee wellness, gender and disability mainstreaming, campaign against HIV/AIDS and non-communicable diseases, prevention of alcohol, drug and substance abuse, mitigation against COVID-19, as well as environmental sustainability as follows; During the year, the institution undertook various screenings of non-communicable diseases (ie. Cancer, Blood pressure, Blood sugar & BMI) and HIV for staff and family members with a view to formulating actionable strategies on improving employee's wellbeing. Through a procurement process, the institution entered into a new contract for provision of medical cover to members of staff with AAR Health Insurance Limited.

The institution also facilitated training programs in five broad areas: Management skills development; Technical capacity building; Organizational development and effectiveness; Career/professional development; and Performance contracting obligations programmes with a view to enhance staff competency for improved service delivery, effective management, prepare staff for career progression and to ensure that they remain in good standing with their respective professional bodies.

### **Marketplace practices**

#### **a) Responsible competition practices;**

**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

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During the period TKNP ensured adherence to Code of Conduct and Ethics that explicitly prohibits corruption, bribery, and unethical behaviour by ensuring declaration are made by participating suppliers in procurement process as embedded on standard procurement documents

Whistle-blower Policies was developed to implement a whistle-blower program that allows employees to report instances of corruption or unethical behaviour anonymously. Establish clear procedures for investigating and addressing reported issues with complaints Boxes placed strategically within the Institution. Due Diligence is conducted on business partners, suppliers, and third parties to ensure they adhere to anti-corruption standards before engagement.

The Institution is regularly monitored and audited on financial transactions, procurement processes, and other areas vulnerable to corruption. Conducted by both internal and external audits to identify and rectify any irregularities.

**b) Responsible supply chain and supplier relations**

TKNP implemented a clear and comprehensive ethical sourcing policy, evaluation of potential suppliers based on their adherence to ethical standards, financial stability, and track record of fulfilling contracts, fair and transparent contractual agreements were signed with clear, well-defined terms and conditions, maintenance of a clear communication channel throughout the contract duration, honouring payment terms, implementing an efficient electronic payment systems that streamlined and expedited payment process.

**c) Responsible marketing and advertising practices**

TKNP acknowledged the importance of maintaining ethical marketing practices in building trust with consumers, protecting their brand reputation, and adherence to legal and societal standards. This was achieved by subjecting all marketing and advertising materials through content verification.

**d) Product stewardship**

TKNP instituted several measures to safeguard consumer rights and interest such as stringent quality control, product testing and consumer education by verification and acceptance committees

**Corporate Social Responsibility / Community Engagements**

Corporate Social responsibility (CSR) is a global practice employed by organisations to integrate, social, economic and environmental concerns into their value, culture, decision making, strategy

**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

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and operations in a transparent and accountable manner. CSR enables organisations to establish best commercial practice as well as improve society. This helps improve institutional reputation and operational efficiency and reduce risk exposure while encouraging loyalty.

At TKNP we believe that our responsibility goes beyond training. We are committed to maintain the highest standards of CSR in its operations in order to safeguard the interests of all stakeholders. We recognize our duty to contribute positively to the communities in which we operate, minimize our environmental footprint, and uphold ethical practices.

Our institution initiates and supports community investments and educational programs. Its volunteering and philanthropy are driven through the Governing Council. The council is committed to ensuring that we allow our stakeholders such as suppliers, sponsors, guardians, trainees and the public, to assess the institution impact on society and the environment, in addition to its financial health.

During the financial year 2022/2023 the polytechnic was able to conduct two main activities as outlined below:

- Distributed waste bins/Dustbins within the college.
- Train driving motorcycle riders “Boda boda operators”.



The picture shows some of the students distributing waste bins

actively improve our community and our institution. TKNP volunteer events other organizations.

The picture shows the boda boda operators in the Driving Class.



## **11. Report of the Council**

The Council members submit their report together with the audited financial statements for the year ended June 30, 2023, which show the state of TKNP's affairs.

### **Principal activities**

The principal activities of TKNP continue to be:

- i) provide directly, or in collaboration with other institutions of higher learning, facilities for technical trainers in technological, professional, scientific education;
- ii) participate in technological innovation as well as in the discovery, transmission and enhancement of knowledge and to stimulate the intellectual life in the economic, social cultural, scientific, and technological development;
- iii) contribute to industrial and technological development of Kenya in collaboration with industry and other organisations through transfer of technology;
- iv) examine and make proposals for new diploma courses and subjects of study, institutes, departments, resource and research and innovation;
- v) promote and establish a culture of innovation in engineering and technology, and technology transfer amongst staff and trainees;
- vi) develop an institution with excellence in teaching, training, scholarship, entrepreneurship, research, consultancy, community service, among other educational services and products, with emphasis on technology and its development, impact and application within and outside Kenya;
- vii) provide a multi-level system of post-secondary school education and training programmes relevant to the needs of the community covering a wide range of fields and levels with provision for recognition of prior learning and flexibility of transition between programmes;
- viii) provide high quality educational, research, residential, commercial, cultural, social, recreational, sporting and other facilities;
- ix) advance knowledge and its practical application by research and other means, the dissemination of outcomes of research by various means, and the commercial exploitation of search results;
- x) promote critical enquiry within the polytechnic and in the general community;
- xi) participate in commercial ventures and activities;
- xii) foster the general welfare of all staff and students;
- xiii) provide opportunities for development and further training for staff of the National Polytechnic;
- xiv) develop and provide educational, cultural, professional technical and vocational services to the community and in particular fostering of corporate social responsibility;
- xv) provide programmes, products and services in ways that reflect the principles of equity and social justice;

**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

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- xvi) facilitate student mobility between different programmes at different technical training institutions and other National Polytechnics;
- xvii) conduct examinations for and grant such academic awards as provided under this Order; and
- xviii) Collaborate with recognized universities for the conduct and award of degree programmes in technology.

The mandate of The Kisumu National Polytechnic captured in its mission and operations cemented with core values to enable the realisation of her vision is lucidly set. Consequently, the vision, mission, core values and motto of the polytechnic are:

**Results**

The results of TKNP for the year ended June 30 are set out on page 1

**Council**

The members of the Council who served during the year are shown on page vi

**Auditors**

The Auditor General is responsible for the statutory audit of The Kisumu National Polytechnic in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 to carry out the audit of the Kisumu National Polytechnic for the year ended June 30, 2023

By Order of the Board

  
.....  
Chief Principal/Council Secretary

Date: 9/1/2024

**12. Statement of Council's Responsibilities**

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

The Council members are responsible for the preparation and presentation of TKNP's financial statements, which give a true and fair view of the state of affairs of TKNP for and as at the end of the financial year (period) ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of TKNP, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of TKNP, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Council members accept responsibility for TKNP's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), 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 TKNP's financial statements give a true and fair view of the state of TKNP's transactions during the financial year ended June 30, 2023, and of TKNP's financial position as at that date. The Council members further confirm the completeness of the accounting records maintained for TKNP, which have been relied upon in the preparation of TKNP's financial statements as well as the adequacy of the systems of internal financial control.

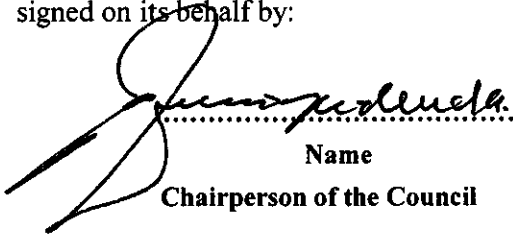
Nothing has come to the attention of the Council members to indicate that TKNP will not remain a going concern for at least the next twelve months from the date of this statement.

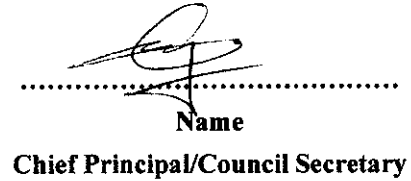
**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

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**Approval of the financial statements**

The *TKNPs* financial statements were approved by the Board on 09/01/2024 2023 and signed on its behalf by:

  
.....  
Name  
Chairperson of the Council

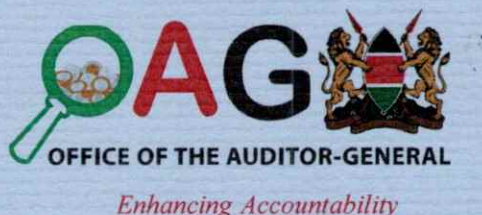
  
.....  
Name  
Chief Principal/Council Secretary





# REPUBLIC OF KENYA

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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON KISUMU NATIONAL POLYTECHNIC FOR THE YEAR ENDED 30 JUNE, 2023**

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### **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 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 Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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 set out on pages 1 to 42, which comprise of the financial position as at 30 June, 2023, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Kisumu National Polytechnic as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012, and the Technical and Vocational Education and Training Act, 2013.

## **Basis for Qualified Opinion**

### **1. Unsupported Cash and Cash Equivalents**

The statement of financial position and as disclosed in Note 18 to the financial statements reflects a cash and cash equivalents balance of Kshs.46,281,061. However, review of the Kenya Commercial Bank main account bank reconciliation statement revealed unidentified transactions in the bank statement not in the cash book amounting to Kshs.159,953. Further, the bank reconciliation statement for the Cooperative Bank account reflected unidentified transactions totalling Kshs.54,090. The nature of these transactions and reasons for not posting them to the cash books was not provided for audit.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.46,281,061 could not be confirmed.

### **2. Long Outstanding Student Debtors**

The statement of financial position and as disclosed in Note 19 to the financial statements reflects current receivables from exchange transactions and long-term receivables from exchange transactions balances of Kshs.258,379,054 and Kshs.39,844,915 respectively. However, review of aging analysis revealed a balance of Kshs.54,271,688 relating to student debtors which had been outstanding for more than one year.

In the circumstances, the completeness and recoverability of student debtors balance of Kshs.54,271,688 could not be confirmed.

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

## **Emphasis of Matter**

### **Budgetary Control and Performance**

The statement of comparison between the budget and actual amounts reflects approved revenue budget of Kshs.673,237,840 and actual amounts realized of Kshs.605,489,014 resulting to an under-collection of Kshs.67,748,826 or 10% of the budget. Similarly, the Polytechnic spent Kshs.438,255,180 out of the approved budget of Kshs.598,032,850 resulting to an under expenditure of Kshs.159,777,670 or 27% of the approved budget. The under-funding and under-expenditure may have impacted negatively on delivery of services to the public.

My opinion is not qualified in respect of this matter.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Non-Compliance to Procurement Procedures**

Review of documents revealed that the Polytechnic incurred an amount of Kshs.6,539,457 under catering expenses out of which an amount of Kshs.1,123,840 related to supply and delivery of foodstuffs. However, review of procurement documents revealed that request for quotation procurement method was used but bids for only one firm were evaluated and the firm awarded the contracts. This was contrary to Section 106 (2) (d) of the Public Procurement and Asset Disposal Act, 2015 which requires evaluation to be carried out on at least three (3) quotations.

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

#### **2. Long Outstanding Imprests**

The statement of financial position reflects Kshs.39,844,915 in respect to long term receivables from exchange transactions which, as disclosed in Note 19b to the financial statements includes outstanding imprests balance of Kshs.286,000 which had not been surrendered at the end of the financial year. As previously reported, the imprests dating

back to 2019 were overdue as at 30 June, 2020. This was contrary to regulation 93 (5) of the Public Finance Management (National Government) Regulations, 2015. which states that holder of a temporary imprest to account for or surrender the imprest within seven (7) working days after returning to the duty station.

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

### **3. Irregular Recruitment Process**

Review of records revealed that the Polytechnic recruited twelve (12) new members of staff. However, the annual recruitment plan had not been approved by the Council while minutes from the Human Resource, ICT and Resource Mobilization Committee were not provided to confirm the regularity of the recruitment process as required in Section 2.9.2 of the Kisumu National Polytechnic Human Resource Policies and Procedures Manual, 2019.

In the circumstances, Management was in breach of the policies and procedures manual.

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

## **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **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 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 Management and those Charged with Governance**

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

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

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

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

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

### **Auditor-General's Responsibilities for the Audit**

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in

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

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

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

16 April, 2024





The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023

14. Statement of Financial Performance for The Year Ended 30 June 2023


Description	Note	2022/2023	2021/2022
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from Government Entities	6	138,279,000	213,652,500
Grants from donors and development partners	7	12,600,000	145,751,216
<b>Total Revenue from non-exchange transactions</b>		<b>150,879,000</b>	<b>359,403,716</b>
<b>Revenue from exchange transactions</b>			
Rendering of Services	8	408,744,196	232,034,592
Other Income	9.1-9.3	45,865,818	23,570,220
<b>Total Revenue from exchange transactions</b>		<b>454,610,014</b>	<b>255,604,812</b>
<b>Total revenue</b>		<b>605,489,014</b>	<b>615,008,528</b>
<b>Expenses</b>			
Use of goods and services	10	182,125,035	187,570,558
Employee costs	11	113,274,538	90,441,059
Council expenses	12	17,492,900	12,622,800
Depreciation and Amortization	13	91,942,795	100,149,305
Repairs and Maintenance	14	28,616,416	87,032,722
Contracted Services	15	21,256,891	17,413,470
Insurance and Medical	16	14,181,366	0
Administration & General Expenses	17	61,308,034	53,379,204
Provisions for the year	24a	0	42,043,417
Provision for doubtful debts	24b	0	35,580,666
<b>Total Expenses</b>		<b>530,197,975</b>	<b>626,233,201</b>
<b>SURPLUS/(DEFICIT)</b>		<b>75,291,039</b>	<b>(11,224,674)</b>

(The notes set out on pages 8 to 38 form an integral part of the Annual Financial Statements).

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


  
.....  
Chairman of Council

9th Jan 2024  
Date

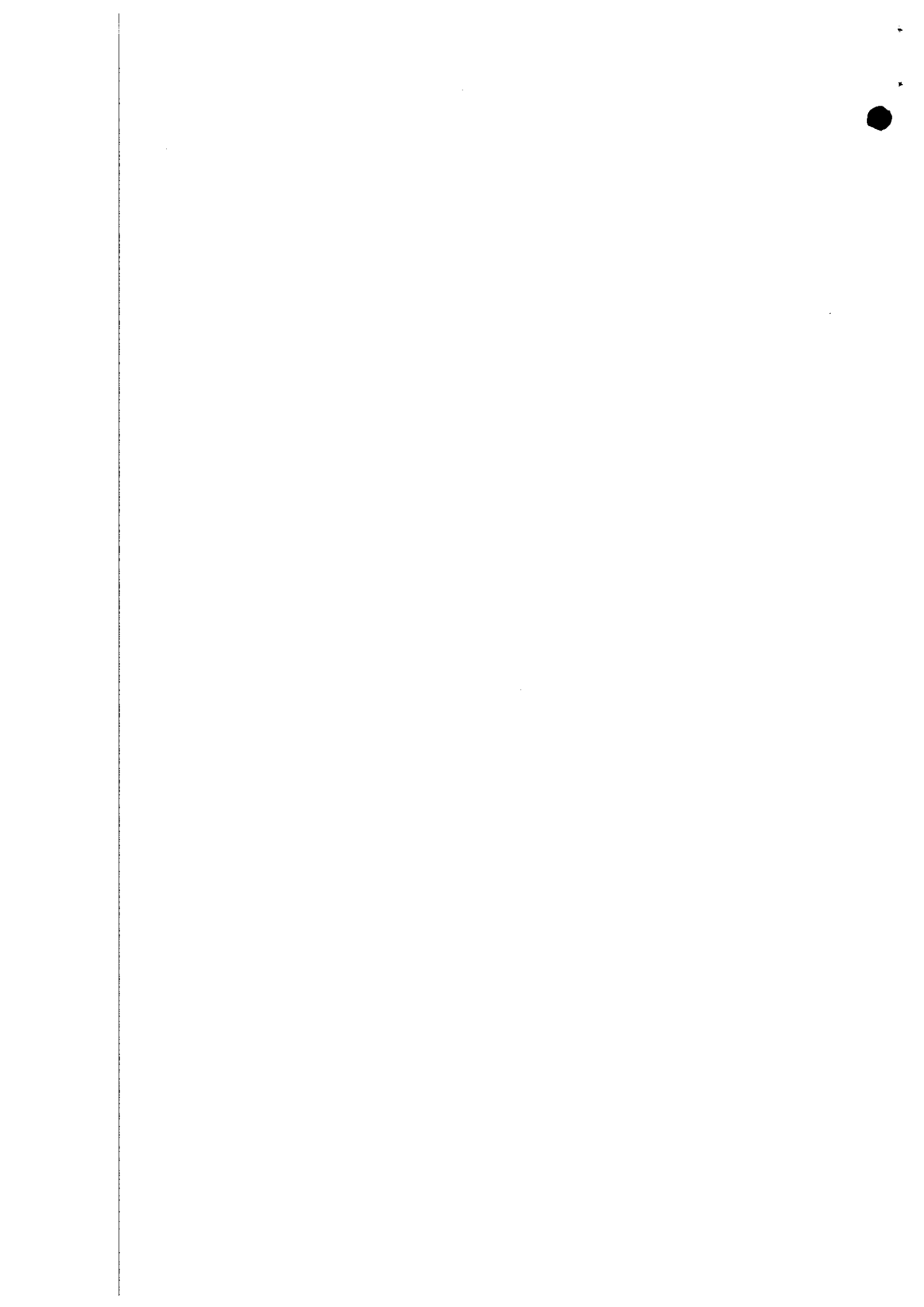
  
.....  
Finance Manager

ICPAK No 19908

Date 09/01/2024

  
.....  
Chief Principal/Council Secretary

Date 09/01/2024

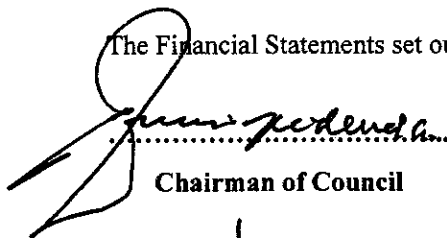


The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023

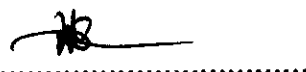
15. Statement of Financial Position As At 30th June 2023

Description	Note	2022/2023 Kshs	2021/2022 Kshs
<b>Current assets</b>			
Cash and Cash equivalents	18	46,281,061	132,335,852
Receivables from exchange transactions	19a	258,379,054	84,143,323
<b>Total current assets</b>		<b>304,660,116</b>	<b>216,479,175</b>
<b>Non-current assets</b>			
Long term receivables from exchange transactions	19b	39,844,915	31,904,577
Property, Plant and Equipment	20	2,455,209,987	2,504,966,629
Intangible Assets	21	9,511,083	14,266,625
<b>Total non - current assets</b>		<b>2,504,565,984</b>	<b>2,551,137,831</b>
<b>Total assets</b>		<b>2,809,226,100</b>	<b>2,767,617,006</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	22	115,621,559	89,496,662
Refundable deposits from customers	23	138,565,927	161,991,755
Amounts Held For Third Parties	25	50,031	18,003,488
Current Provisions	24	23,615,860	42,043,417
<b>Total current liabilities</b>		<b>277,853,377</b>	<b>311,535,322</b>
<b>Non-current liabilities</b>			
<b>Capital and Reserves</b>			
Retained earnings		(332,174,375)	(407,465,414)
Revaluation Reserve		131,972,968	131,972,968
Capital/Development Grants/ Fund		2,731,574,130	2,731,574,130
<b>Total Capital Reserve</b>		<b>2,531,372,723</b>	<b>2,456,081,684</b>
<b>Total Liabilities and Capital &amp; Reserves</b>		<b>2,809,226,100</b>	<b>2,767,617,006</b>

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

  
Chairman of Council

9th Jan 2024  
Date

  
Finance Manager  
ICPAK No 19908

Date 09/01/2024

  
Chief Principal/Council Secretary

Date 9/1/2024

**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

**16. Statement of Changes in Net Assets For The Year Ended 30 June 2023**

Description	Revaluation reserve	Retained earnings	Capital/Development Grants/Fund	Capital Fund/Mentored TTI	Total
<b>Balance b/f at July 1,2021</b>	<b>131,972,968</b>	<b>(345,871,916)</b>	<b>2,731,574,130</b>	<b>30,000,000</b>	<b>2,547,675,182</b>
Adjustments on Inventories		(3,399,396)			(3,399,396)
Reversals of Adjustments in Prior Year FY 2020/2021		(46,969,428)			(46,969,428)
Transfer to amounts held for third parties				(30,000,000)	(30,000,000)
Total comprehensive income		(11,224,674)			(11,224,674)
<b>Balance c/d as at June 30,2022</b>	<b>131,972,968</b>	<b>(407,465,414)</b>	<b>2,731,574,130</b>	<b>-</b>	<b>2,456,081,684</b>
<b>Balance b/f as at July 1, 2022</b>	<b>131,972,968</b>	<b>(407,465,414)</b>	<b>2,731,574,130</b>	<b>0</b>	<b>2,456,081,684</b>
Total comprehensive income		75,291,039			75,291,039
<b>Balance c/d as at June 30,2023</b>	<b>131,972,968</b>	<b>(332,174,375)</b>	<b>2,731,574,130</b>	<b>0</b>	<b>2,531,372,723</b>

**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

**17. Statement of Cash Flows For The Year Ended 30 June 2023**

Description	Note	2022/2023	2021/2022
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other Government entities/Govt. grants		138,279,000	213,652,500
Rendering of services- Fees from students		256,121,064	232,034,592
Grants and donations		-	145,751,216
Other receipts		1,058,494	16,732,765
<b>Total Receipts</b>		<b>395,458,558</b>	<b>608,171,073</b>
<b>Payments</b>			
Use of goods and services	10	182,125,035	187,570,558
Compensation of employees	11	113,274,538	90,441,059
Council expenses	12	17,492,900	12,622,800
Repairs and Maintenance	14	28,616,416	87,032,722
Contracted Services	15	21,256,891	17,413,470
Insurance and medical	16	14,181,366	-
General Expenses	17	61,308,034	53,379,204
Staff gratuity transferred to pension fund	24a	10,000,000	
Retention paid	24b	8,427,557	
<b>Total Payments</b>		<b>456,682,737</b>	<b>448,459,813</b>
<b>Net cash flows from operating activities</b>		<b>(61,224,179)</b>	<b>159,711,260</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets	20	(24,830,611)	(170,554,225)
<b>Net cash flows used in investing activities</b>		<b>(24,830,611)</b>	<b>(170,554,225)</b>
<b>Net (decrease) in cash and cash equivalents</b>		<b>(86,054,790)</b>	<b>(10,842,965)</b>
Cash and cash equivalents at 1 JULY	18	132,335,852	143,178,817
<b>Cash and cash equivalents at 30 JUNE</b>	<b>18</b>	<b>46,281,062</b>	<b>132,335,852</b>

*N/B - A reconciliation of Net cash flows from operating activities has been disclosed under Note 26 as prescribed in IPSAS 2 using the Indirect Method*

**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023  
18. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2023**

Description	Original Annual Budget	Adjustments	Final Budget	Actual cumulative to date	% utilization
<b>Revenue</b>					
Transfers from National Government Ministries	90,000,000	93,811,000	183,811,000	138,279,000	75%
Grants from donors and development partners	0	0	0	12,600,000	100%
Students Fees	410,664,000	62,371,457	473,035,457	408,744,196	86%
Other Income	79,037,250	(62,645,867)	16,391,383	45,865,818	280%
Retained Earnings	93,536,590	(93,536,590)	0	0	
<b>Total revenue</b>	<b>673,237,840</b>	<b>0</b>	<b>673,237,840</b>	<b>605,489,014</b>	<b>90%</b>
<b>Expenses</b>					
Use of Goods and Services	251,825,700	15,500,000	267,325,700	182,125,035	68%
Compensation of Employees	154,621,250	(6,800,000)	147,821,250	113,274,538	77%
Governing Council Expenses	22,960,000	(2,000,000)	20,960,000	17,492,900	83%
Repairs and Maintenance	31,000,000	21,500,000	52,500,000	28,616,416	55%
Contracted Services	25,408,800	(3,300,000)	22,108,800	21,256,891	96%
Insurance and Medical	32,750,000	(7,600,000)	25,150,000	14,181,366	56%
General Expenses	60,667,100	1,500,000	62,167,100	61,308,034	99%
<b>Total Expenses</b>	<b>579,232,850</b>	<b>18,800,000</b>	<b>598,032,850</b>	<b>438,255,180</b>	<b>73%</b>
<b>Surplus for the year</b>		18,800,000	75,204,990	167,233,834	
<b>Capital Expenditures</b>	<b>94,004,990</b>	<b>(18,800,000)</b>	<b>75,204,990</b>	<b>37,430,611</b>	<b>50%</b>

**(Budget notes)**

*1. Explain differences between actual and budgeted amounts (10% over/ under) IPSAS 24.14. Major differences between actual and budgeted amounts were a result of accrual accounting. Students were invoiced full amounts with the expectation that the National government would disburse capitation in full. During the financial year 2022/2023, the capitation per student was reduced from the initial Kes 30,000 per student to kes 13,000. These changes affected actual collections and expenditure on budgeted operations and have been shown in Note 19 -increase in student fees receivables*

**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

*2. Provide an explanation of changes between the original and final budget indicating whether the difference is due to reallocations or other causes. (IPAS 24.29). The changes between the original budget and the final budget were a result of reallocations within the financial year 2022/2023. Additionally retained earnings which were approved by the treasury in the original budget was also expunged after discussions by the council on its availability. The detailed revised budget was approved by the council on 13 April 2023*

*3. Where the total actual on a comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis (budget is cash basis, statement of financial performance is accrual) provide a reconciliation. The difference under this section includes depreciation and amortization of kes 91,942,795*

**19. Notes to the Financial Statements**

**1. General Information**

In exercise of the powers conferred by section 26 (2) of the Technical and Vocational Education and Training Act, (No. 29 of 2013), the Cabinet Secretary for Education Science and Technology made the following Order through legal Notice No. 113 of 22nd August, 2014 cited as The Kisumu National Polytechnic Order, 2014. There is established a National Polytechnic known as the Kisumu National Polytechnic; body corporate with perpetual succession and a common seal and in its name, be capable of-suing and being sued; taking, purchasing or otherwise acquiring, holding, charging or disposing of both movable and immovable property; borrowing money; charging for services offered, with the approval of the Cabinet Secretary; and entering into contracts.

The Kisumu National Polytechnic is the successor to the Kisumu Polytechnic existing immediately before the commencement of the Order. All rights, liabilities and assets held by anybody on behalf of the Kisumu Polytechnic existing at the commencement of this order, were automatically and fully transferred to the National Polytechnic.

**2. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The 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 TKNP's accounting policies. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of TKNP. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act 2012, the State Corporations Act chapter 446 Revised edition of 2012 (2010), the TVET Act 2013, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.



**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

**Notes to the Financial Statements (Continued)**

**3. Relevant new standards and amendments to published standards effective for the year ended 30 June 2023.**

<b>Standard</b>	<b>Effective date and impact:</b>
<b>IPSAS 41: Financial Instruments</b>	<p><b>Applicable: 1<sup>st</sup> January 2023:</b></p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul> <p><i>TKNP is in the process of fully adopting this standard</i></p>
<b>IPSAS 42: Social Benefits</b>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ol style="list-style-type: none"> <li>(a) The nature of such social benefits provided by the Entity.</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> <li>(c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.</li> </ol> <p><i>TKNP is in the process of fully adopting this standard</i></p>
<b>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</b>	<p><b>Applicable: 1st January 2023:</b></p> <ol style="list-style-type: none"> <li>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</li> <li>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</li> </ol>

The Kisumu National Polytechnic

Annual Report and Financial Statements for the year ended 30th June 2023

Standard	Effective date and impact:
	<p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p><b>TKNP is in the process of fully adopting this standard</b></p>
Other improvements to IPSAS	<p><b>Applicable 1<sup>st</sup> January 2023</b></p> <ul style="list-style-type: none"> <li>• <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008).</li> <li>• <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</li> <li>• <b>IPSAS 29: Financial instruments: Recognition and Measurement.</b> Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1<sup>st</sup> January 2023.</li> </ul> <p><b>TKNP is in the process of fully adopting this standard</b></p>

i. **New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.**

Standard	Effective date and impact:
IPSAS 43	<p><b>Applicable 1<sup>st</sup> January 2025</b></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.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The Standard requires,</p> <p>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:</p> <p>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>

ii. **Early adoption of standards**

TKNP did not early-adopt any new or amended standards in year 2022/2023

**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

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**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Transfers from other government entities**

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

**ii) Revenue from exchange transactions**

**Rendering of services**

TKNP recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

**Sale of goods**

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

**Rental income**

Rental income arising from monthly rental charge on The Kisumu National Polytechnic's staff houses and other facilities belonging to the institution are accounted for on accrual basis and included in revenue.

**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

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**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**b) Budget information**

The original budget for FY 2022/2023 was approved by the Council or Council on 14<sup>th</sup> December 2021. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity recorded additional appropriations of 13<sup>th</sup> April 2023 on the FY 2022/2023 budget following the Council's approval. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on pages 6-7 of these financial statements.

**c) Taxes**

***Current income tax***

The Kisumu National Polytechnic is exempt from paying taxes as per Income Tax Act 2013 amendment of 2016.

***Value Added Tax***

Expenses and assets are recognized gross of the amount of VAT

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

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

**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**d) Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value. The Kisumu National Polytechnic nuses reducing balance method of depreciation as per Kenya Revenue Authority tax rates and the Finance Policy as;

Buildings 2.5%

Motor vehicle 25% Furniture & Fittings 12.5%

Computers 33.3%

Library books 5%

Plant & Equipment 20%

**e) Intangible assets**

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date. After 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. TKNP intangible assets comprises Abno softwares and are amortised at the rate of 20% straight line or over 5 years.

**f) Research and development costs**

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

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

**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

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- 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.

**g) Financial instruments**

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

***Financial assets***

***Classification***

TKNP classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

***Subsequent measurement***

Based on the business model and the cash flow characteristics, the entity classifies its financial

**The Kisumu National Polytechnic**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

Assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

**Amortized cost**

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

**Fair value through net assets/ equity**

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

**Fair value through surplus or deficit**

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets to realize cash flows through solely the sale of the assets would result in a fair value through a 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 continually. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year-end.

**Impairment**

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date.

***Financial liabilities***

***Classification***

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

**h) Inventories**

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

**i) Provisions**

Provisions are recognized when 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 TKNP 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.

TKNP uses 25% as provision for bad and doubtful debts. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

***Contingent liabilities***

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

***Contingent assets***

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

**j) Social Benefits**

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



**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**k) Nature and purpose of reserves**

TKNP creates and maintains reserves in terms of Revenue and capital Reserves as reflected in the statement of Net Assets and Equity.

**l) Changes in accounting policies and estimates**

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

**m) Employee benefits**

**Retirement benefit plans**

TKNP provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis.

Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation. TKNP maintains a define contribution pension benefit scheme and managed by County Pensions Fund.

**n) Related parties**

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

**o) Service concession arrangements**

The Kisumu National Polytechnic analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, TKNP recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant

**The Kisumu National Polytechnic**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

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residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, TKNP also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**p) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, Bank account balances include amounts held at various commercial banks at the end of the financial year.

**q) Comparative figures**

Where necessary comparative figures for the previous financial year have been provided to conform to the revised reporting template requirements.

**r) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2023.

**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

**Notes to the Financial Statements (Continued)**

**5. Significant Judgments and Sources of Estimation Uncertainty**

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

**Estimates and assumptions.**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. TKNP 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 institution. Such changes are reflected in the assumptions when they occur. IPSAS 14

**Useful lives and residual values**

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

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

**Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 24.

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

The provisions that are applicable to The Kisumu National Polytechnic are provisions for bad and doubtful debts, provision for depreciation, provision for gratuity and other provisions as may be relevant.

**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

**Notes to the Financial Statements (Continued)**

**6. Transfers from other National Government entities**

Description	30th June 2023	30th June 2022
	Kshs	Kshs
Operational Grant	138,279,000	213,652,500
<b>Total unconditional Grants</b>	<b>138,279,000</b>	<b>213,652,500</b>

**(a) Transfers from other Government entities**

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance	Amount deferred under deferred income	Amount recognized in capital fund.	Total grant income during the year 2023	Comparative FY 2022
State Department of Technical and Vocational Education	138,279,000	-	-	138,279,000	213,652,500
<b>Total</b>	<b>138,279,000</b>	<b>-</b>	<b>-</b>	<b>138,279,000</b>	<b>213,652,500</b>

The details of the reconciliation have been included under appendix III

**7. Grants from Donors and Development Partners**

Description	30th June 2023	30th June 2022
	Kshs	Kshs
In Kind Donations	12,600,000	145,751,216
<b>Total Donations</b>	<b>12,600,000</b>	<b>145,751,216</b>

In Kind donations relates to computers donated by the Ministry Education under JITUME Initiative

**8. Rendering of Services**

Description	30th June 2023	30th June 2022
	Kshs	Kshs Restated
Activity fees	16,992,326	17,705,108
Library fees	12,376,338	12,702,361
Registration fees	2,556,600	2,632,300

**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

Student union	12,379,869	12,700,710
ICT	12,356,481	12,696,361
Industrial Attachment	13,078,679	11,796,870
Contingencies	14,990,166	15,279,207
Repairs and maintenance	4,937,969	5,068,780
EW&C	7,414,058	7,611,800
Student ID	4,525,340	4,346,440
LT&T	7,443,259	7,606,030
Medical	8,471,980	8,118,160
Personal Emoluments	77,368,541	79,281,615
Development	25,352,742	24,177,690
KUCCPS	6,034,861	4,855,500
Tuition fees	182,464,987	5,455,660
<b>Total Rendering of Services</b>	<b>408,744,196</b>	<b>232,034,592</b>

All students are invoiced tuition fees in full, however the amount is reduced by government capitation when received and disclosed separately. In the FY 2022/2023 government transfers amounted to KES 138,279,000 as shown in Note 6.

Boarding income, research, and production unit have been reclassified to other income, sale of goods, and miscellaneous income respectively

### 9.0 Other Income

Other income relates to the sale of goods, rental revenue from facilities and equipment, and miscellaneous income. These categories have been disclosed separately to aid the comparability of the generating Unit within TKNP

### 9.1 Sale of Goods

Description	30th June 2023	30th June 2022
	Kshs	Kshs Restated
Garment making	58,600	3,460
Production Unit	16,146,167	2,089,693
Non-Academic PU	9,166,271	2,987,155
Pay As You Eat System	223,595	6,834,500
KCB PEPEA (Cafeteria Sales)	6,827,222	275,920
<b>Sub Total Sale of Goods and Other Income</b>	<b>32,421,855</b>	<b>12,190,728</b>

Cafeteria sales relate to the invoices charged to NYS students in session. This amount is included in the NYS MoU signed between the parties. The production unit was initially posted under rendering services but has been reclassified to Other Income – sale of goods

### 9.2 Rental revenue from facilities and equipment

Description	30th June 2023	30th June 2022
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**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

	Kshs	Kshs
Contingent rentals	1,391,600	820,500
<b>Sub Total Sale of Goods and Other Income</b>	<b>1,391,600</b>	<b>820,500</b>

Contingent rentals relate to rent charged to outsourced catering facilities and rent charged to staff staying within TKNP premises.

**9.3 Miscellaneous Income**

Description	30th June 2023	30th June 2022
	Kshs	Kshs Restated
Boarding Fees	3,668,978	4,230,862
Practicals	125,704	45,802
Research	135,000	90,000
Disposal of assets	226,631	742,018
Graduation	2,000	1,790,000
Driving Lessons	4,057,840	0
S.E.S (Centre fee)	119,760	172,000
Logbook	1,450	400
Supplementary exams	6,550	16,400
Monitoring and evaluation	500,000	0
KMLTTB	840,000	720,000
Application	2,367,450	2,749,510
Tender Application	1,000	2,000
<b>Sub Total Miscellaneous Income</b>	<b>12,052,363</b>	<b>10,558,992</b>
<b>Grand Total Other Incomes</b>	<b>45,865,818</b>	<b>23,570,220</b>

Boarding fees relates to invoices charged to NYS students as per the MoU between the parties (TKNP/NYS). In the FY 2022/2023 TKNP introduced the driving school as part of the Income Generating project

Application fees relate to charge to students joining TKNP

**The Kisumu National Polytechnic**  
**Annual Report and Financial Statements for the year ended 30th June 2023**  
**Notes to the Financial Statements (Continued)**

**10. Use of Goods and Services**

Description	30th June 2023	30th June 2022
	Kshs	Kshs Restated
Practicals - Examination	42,568,528	18,254,833
Learning Materials and Training	46,664,834	109,130,195
Cleaning materials and Boarding	3,194,969	3,332,237
Production Unit Academic	1,335,297	0
Research Expenses	5,974,350	4,890,590
Consumable drugs and medical clinic	1,396,658	637,789
Identity cards and registration	612,500	1,988,849
Registration related expenses	2,063,300	2,337,500
Activity Expenses- Sports	8,758,431	6,598,313
Student Union	11,381,766	14,701,075
Industrial Attachment and Internship Expenses	7,242,480	8,500,000
ICT Expenses	11,582,156	10,535,415
Subscription and affiliations to professional Bodies	1,003,865	0
Training Induction Conference Seminars	4,029,700	0
Performance Contract Monitoring Activities	10,252,500	0
Team Building and workshops	2,183,915	0
Curriculum development expenses	4,995,775	0
Hospitality Services and Refreshments	13,467,631	6,668,762
Monitoring and Evaluation	2,128,300	0
PEPEA Expenses	1,288,080	0
<b>Total Use of goods and services</b>	<b>182,125,035</b>	<b>187,570,558</b>

The reduction under learning materials is as a result of separate disclosures of performance contracting activities, curriculum development expenses, training and induction expenses. Monitoring and evaluation department was created within the year

The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023

Notes to the Financial Statements (Continued)

11. Employee Costs

Description	30th June 2023	30th June 2022
	Kshs	Kshs
Basic salaries/Salaries & Wages	77,256,529	64,973,291
Travel/commuter allowances	5,759,270	4,808,000
Responsibility Allowance	2,442,116	7,896,779
Medical Allowance	368,743	1,250,590
Leave allowance	380,000	390,000
Extraneous Allowance	72,000	144,000
Housing benefits and allowances	9,702,200	8,135,290
Service Gratuity	885,125	442,964
NSSF Employer Contribution	2,946,539	2,400,146
Pension Employer Contribution	3,331,476	0
Provision for new employment	4,434,198	0
Job Evaluation	4,377,742	0
Human Resource Activities	1,318,600	0
<b>Total Employee costs</b>	<b>113,274,538</b>	<b>90,441,059</b>

Responsibility allowance was stopped within the financial year. TKNP conducted a Job evaluation exercise for all staff guided by the Kenya School of Government. Staff pension scheme was introduced within the financial year with the Employer contributing 10% and employees 5% respectively. Amounts held under gratuity were subsequently transferred to the pension fund under provisions (liability)

Increase in basic was as a result of additional recruitment of trainers and key management staff by the council during the year.

12. Council Expenses

Description	30th June 2023	30th June 2022
	Kshs	Kshs
Chairman's Honoraria	960,000	960,000
Transport and subsistence allowances	10,838,900	11,662,800
Council Training Expenses	5,694,000	0
<b>Total director emoluments</b>	<b>17,492,900</b>	<b>12,622,800</b>

Detailed analysis of council meetings have been described under report of the council section and appendix IV



**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

**13. Depreciation and Amortisation expense**

Description	30th June 2023	30th June 2022
	Kshs	Kshs
Property, plant and equipment	87,187,253	95,393,763
Intangible assets	4,755,542	4,755,542
<b>Total depreciation and amortization</b>	<b>91,942,795</b>	<b>100,149,305</b>

Detailed schedule of depreciation and amortisation in included under Note 20

**14. Repairs and Maintenance**

Description	30th June 2023	30th June 2022
	Kshs	Kshs
Repairs and Maintenance - Motor Vehicles	3,485,081	2,815,881
Repairs and Maintenance - Buildings	21,014,655	20,188,514
Repairs and Maintenance - Others	0	6,438,848
Development expenses	0	55,767,591
Drainage Maintenance Works	2,213,432	0
Furniture Repairs	765,000	0
Repairs and maintenance - Computers and office equipment	1,138,248	1,821,889
<b>Total Repairs and Maintenance</b>	<b>28,616,416</b>	<b>87,032,722</b>

Drainage maintenance works and furniture repairs were disclosed separately in this FY 2022/2023. Repairs to building include painting works, and renovations to buildings initially used as staff houses but converted to offices

**15. Contracted Services**

Description	30th June 2023	30th June 2022
	Kshs	Kshs
Security Services	7,476,000	6,786,500
Cleaning Services	5,678,513	4,759,200
Washroom Services	624,600	1,186,918
Internet Connectivity	7,477,778	4,680,852
Legal fees		0
<b>Total Contracted Services</b>	<b>21,256,891</b>	<b>17,413,470</b>

Increase in security services was as a result of student riots necessitating additional back up from the security agencies. Internet services expenses went up as a result of increased bandwidth to support to online learning requirements

**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

**16. Insurance and Medical**

Description	30th June 2023	30th June 2022
	Kshs	Kshs
Staff Medical Insurance	10,829,697	0
WIBA	419,860	0
Fire and Burglary	1,883,478	0
Motor vehicle Insurance	1,048,331	0
<b>Total Insurance and Medical</b>	<b>14,181,366</b>	<b>0</b>

Staff medical cover was implemented in the FY 2022/2023. Other insurance under this category have been reclassified from administration and general expenses

**17. Administration and General Expenses**

Description	30th June 2023	30th June 2022
	Kshs	Kshs Restated
Garment making	0	1,500
Other operating expenses	0	4,857,401
Office Stationery and Printing, Postages	10,770,156	1,754,680
Catering Expenses	6,539,457	9,454,305
Graduation Expenses	0	7,174,366
Utility Supplies - Water, Sewerage and Electricity	12,907,879	16,806,160
Asset Disposal Expenses	34,000	0
Travelling and Accommodation - Local Travel	13,574,358	8,466,382
Corporate social responsibility	172,500	0
ISO Certification	200,800	0
Bank Charges	2,372,265	2,197,850
Production Unit - Non-Academic	2,623,367	2,666,560
Driving Lessons Expenses	832,945	0
Advertisement promotion and publicity	1,752,515	0
Audit fee and financial reporting	2,973,500	0
Staff uniforms/Curtains	1,016,792	0
TVETA Expenses	5,537,500	0
<b>Total</b>	<b>61,308,034</b>	<b>53,379,204</b>

Office stationery and printing expenses were initially posted under learning materials, this has been reclassified. Advertisement promotion and publicity, auditing fees and staff uniforms were initially posted under other operating expenses. They have been reported/categorized differently in this financial year.

The Kisumu National Polytechnic  
**Annual Report and Financial Statements for the year ended 30th June 2023**  
**Notes to the Financial Statements (Continued)**

**18. Cash and Cash Equivalents**

Description	30th June 2023	30th June 2022
	Kshs	Kshs
Current Account	46,281,062	132,335,852
	<b>46,281,062</b>	<b>132,335,852</b>

**(18a). Detailed Analysis of Cash and Cash equivalents**

Description		30th June 2023	30th June 2022
		Kshs	Kshs
KCB Bank -College Fund	1103855980	3,975,651.01	49,144,451
KCB Bank - Main Account	1103855905	5,298,118.93	23,022,919
KCB Bank IGU Account	1174585730	2,767,703	1,677,892
KCB Bank -Service Gratuity Account	1114065498	303,063	308,229
Co-operative Bank	112912042200	5,040,488	35,597,251
RARIEDA TTI(BARCLAYS)	2041412413	27,065,880	21,483,846
Equity Bank	290280132380	1,810,159	1,101,264
<b>Total cash and cash equivalents</b>		<b>46,281,062</b>	<b>132,335,852</b>

**19. Receivables from Exchange transactions**

**19(a) Current Receivables from Exchange transactions**

Description	30th June 2023	30th June 2022
	Kshs	Kshs
Student debtors (student fees)	274,610,406	110,443,270
Salary Advances	0	272,356
Sundry Debtors	17,417,756	6,304,936
Imprests	0	771,869
<b>Sub Total</b>	<b>292,028,162</b>	<b>117,792,431</b>
Impairment allowance	(33,649,108)	(33,649,108)
<b>Total Current Receivables</b>	<b>258,379,054</b>	<b>84,143,323</b>

**19(b) Long- term Receivables from Exchange transactions**

Description	30th June 2023	30th June 2022
	Kshs	Kshs
Student debtors (students fees)	62,049,697	54,395,359

**The Kisumu National Polytechnic**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

Salary Advances	0	0
Sundry debtors	0	0
Imprests	286,000	0
Impairment allowance	(22,490,782)	(22,490,782)
Total Non-Current Receivables	<b>39,844,915</b>	<b>31,904,577</b>
<b>Total Receivables</b>	<b>298,223,968</b>	<b>116,047,900</b>

**19(c) Ageing Analysis of Receivables from Exchange Transactions**

Description	Jun-23		Jun-22	
	Kshs		Kshs	
	Current	% of the total	Comparative	% of the total
Less than 90 days	222,892,425.63	66%	91,444,224	55%
Between 91- 180 days	45,785,985.50	14%	8,865,833	5%
Between 180 – 275 days	1,280,552.93	0.4%	761,946	0.5%
Between 181 – 366 days	2,833,199.01	1%	3,025,588	18%
More than one year	62,563,531.80	19%	33,456,805.5	20%
<b>Total</b>	<b>336,478,775.91</b>	<b>100%</b>	<b>164,934,937</b>	<b>100%</b>

**The Kisumu National Polytechnic**

**Annual Report and Financial Statements for the year ended 30th June 2023**

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

<b>Description</b>	<b>2022-2023 Kshs</b>	<b>2021-2022 Kshs</b>
At the beginning of the year	(56,139,890)	(20,559,224)
Provisions during the year	0	(35,580,666)
Recovered during the year		
Write offs during the year		(0)
At the end of the year	(56,139,890)	(56,139,890)

**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

**Notes to the Financial Statements (Continued)**

**20. Property, Plant, and Equipment**

Cost	Land	Buildings	Motor Vehicles	Furniture and fittings	Computers	Library/Books	Plant and Equipment	Capital Work in Progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1st July 2021	1,128,500,000	994,002,490	31,727,931	35,011,526	45,403,408	23,982,684	159,629,100	191,766,953	2,610,024,092
Additions		5,046,030	-	14,278,380	5,478,600				24,803,010
Grants from donors and development partners				20,646,644	19,195,194	280,314	105,629,063		145,751,215
Transfer from WIP		191,766,953						-191,766,953	-
At 1st July 2022	1,128,500,000	1,190,815,473	31,727,931	69,936,550	70,077,202	24,262,998	265,258,163	-	2,780,578,317
Grants from donors and development partners					12,600,000				12,600,000
Additions		11,874,864		5,041,794	1,103,528	2,216,460	4,593,965		24,830,611
At 30 June 2023	1,128,500,000	1,202,690,337	31,727,931	74,978,344	83,780,730	26,479,458	269,852,128		2,818,008,928
Depreciation And Impairment									
At 1st July 2021	-	49,078,873	13,880,970	7,609,578	22,462,376	4,487,906	82,698,222	-	180,217,925
Depreciation for the year		29,770,387	4,461,740	7,790,872	15,870,022	988,755	36,511,988		95,393,763
At 1st July 2022	-	78,849,260	18,342,710	15,400,450	38,332,398	5,476,661	119,210,210		275,611,688
Depreciation for the year		30,067,258	3,346,305	7,447,237	15,147,929	1,050,140	30,128,384		87,187,253
At 30th June 2023	-	108,916,518	21,689,015	22,847,686	53,480,327	6,526,801	149,338,594		362,798,941
Net Book Values									
As at 30th June 2022	1,128,500,000	1,111,966,213	13,385,221	54,536,100	31,744,804	18,786,337	146,047,953		2,504,966,629
As at 30th June 2023	1,128,500,000	1,093,773,819	10,038,916	52,130,658	30,300,403	19,952,657	120,513,534		2,455,209,987
Depreciation rates	0%	2.50%	25%	12.50%	33.33%	5%	20%	0%	

**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

**Notes to the Financial Statements (Continued)**

**21. Intangible Assets**

Description	2022-2023	2021-2022
	Kshs	Kshs
<b>Cost</b>		
At the beginning of the year	23,777,708	23,777,708
Additions	0	0
<b>At the end of the year</b>	<b>23,777,708</b>	<b>23,777,708</b>
<b>Amortization and impairment</b>		
At beginning of the year	9,511,084	4,755,542
Amortization	4,755,542	4,755,542
<b>At the end of the year</b>	<b>14,266,625</b>	<b>9,511,084</b>
<b>NBV</b>	<b>9,511,083</b>	<b>14,266,625</b>

Intangible assets are amortized at the rate of 20% straight-line basis

**22. Trade and Other Payables**

Description	2022-2023	2021-2022
	Kshs	Kshs
Accounts Payables	97,234	1,884,740
Fees Prepayments	86,748,379.20	80,117,002
Retention Fees	27,668,278	6,612,474
PAYE	82,434	0
Staff HELB Loan	3,149	0
Staff Welfare	150,850	0
VAT	168,634	168,634
KND Registration	0	( 32,639)
Withholding VAT	702,604	746,451
<b>Total trade and other payables</b>	<b>115,621,559</b>	<b>89,496,662</b>

**23. Refundable Deposits from Customers/Students**

Description	2022-2023	2021-2022
	Kshs	Kshs
Bursary	5,945,635	29,962,088
Miscellaneous	19,428,146	19,199,146
HELB Loan/Bursary	7,721,666	8,659,066
Examination fees	91,803,580	90,504,555

**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

Students Union	13,666,900	13,666,900
<b>Total Refundable deposits from customers/students</b>	<b>138,565,927</b>	<b>161,991,755</b>

**24. Current Provisions**

Description	2022-2023	2021-2022
	Kshs	Kshs
General Provisions	23,615,860	42,043,417
<b>Total Current Provisions</b>	<b>23,615,860</b>	<b>42,043,417</b>

**24(a) Employee Benefit Obligations**

Description	2022-2023	2021-2022
	Kshs	Kshs
Balance at the beginning of the year	33,615,860	0
Additional Provisions	0	33,615,860
Payments during the year	(10,000,000)	0
<b>Total provisions at end of the period</b>	<b>23,615,860</b>	<b>33,615,860</b>

**24(b) Other Provisions**

Description	2022-2023	2021-2022
	Kshs	Kshs
Balance at the beginning of the year	8,427,557	0
Retention -Vaghjiyani Enterprises	0	8,427,557
Payments during the year	(8,427,557)	0
<b>Total provisions at end of the period</b>	<b>0</b>	<b>8,427,557</b>

**25. Amounts Held For Third Parties**

Description	2022-2023	2021-2022
	Kshs	Kshs
Recurrent Grants (Rarieda TVC)	50,031	18,003,488
<b>Total Amounts Held For Third Parties</b>	<b>50,031</b>	<b>18,003,488</b>

**26. Cash generated from operations.**



**The Kisumu National Polytechnic**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

<b>Description</b>	<b>Jun-23 Kshs</b>	<b>Jun-22 Kshs</b>
Surplus (deficit) for the year before tax	75,291,039	(11,224,674)
Adjusted for		
Depreciation	91,942,795	100,149,305
Contributed assets	(12,600,000)	(145,751,216)
Impairment	-	35,580,666
Contribution to provisions	-	42,043,417
Working Capital Adjustments		
Decrease in Inventory	-	3,399,396
(Increase)/decrease in Current Receivables	(174,235,731)	33,848,873
Increase/decrease in Long term receivables	(7,940,338)	18,620,314
Increase in Payables	26,124,897	1,199,513
(Decrease)/Increase in refundable deposits	(23,425,828)	41,067,121
(Decrease)/Increase in amounts held for third parties	(17,953,457)	10,976,821
(Decrease)/Increase in provisions	(18,427,556)	29,801,724
<b>Net Cash Flow from Operating Activities</b>	<b>(61,224,180)</b>	<b>159,711,260</b>
Cash flows from investing activities		
Purchase of property, plant, equipment and intangible assets	(24,830,611)	(170,554,225)
<b>Net cash flows used in investing activities</b>	<b>(24,830,611)</b>	<b>(170,554,225)</b>
Cash flows from financing activities		
Proceeds From Borrowing	-	-
Repayment of Borrowings	-	-
<b>Net cash flows used in financing activities</b>	<b>-</b>	<b>-</b>
<b>Net Increase/(Decrease) in Cash and Cash equivalents</b>	<b>(86,054,791)</b>	<b>(10,842,965)</b>
Cash and Cash equivalents at 1 JULY	132,335,852	143,178,817
<b>Cash and Cash equivalents at 30 JUNE</b>	<b>46,282,062</b>	<b>132,335,852</b>

**Notes to the Financial Statements (Continued)**

**27. Financial Risk Management**

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

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

**(i) Credit risk**

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

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

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

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

**(iii) Market risk**

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

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

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

**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

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

**Notes to the Financial Statements (Continued)  
Financial risk management (continued)**

**iv) Capital Risk Management**

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

Description	Insert	Insert Comparative FY
	Current FY Kshs	Kshs
Revaluation Reserve	131,972,968	131,972,968
Retained Earnings	-333,233,491	-407,465,414
Capital Reserve	2,731,574,130	2,731,574,130
<b>Total Funds</b>	<b>2,530,313,607</b>	<b>2,456,081,684</b>
Total Borrowings	0	0
Less: Cash and Bank Balances	20,342,924	132,335,852
Net Debt/(Excess Cash and Cash Equivalents)	-20,342,924	-132,335,852
<b>Gearing</b>	<b>-1%</b>	<b>-5%</b>

**28. Related Party Balances**

**Nature of related party relationships**

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

**Government of Kenya**

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

- iii) The National Government;
- iv) The Parent Ministry;
- v) Key management;
- vi) Council;

**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

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**Notes to the Financial Statements (Continued)**

**29. Events After The Reporting Period**

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

**30. Ultimate And Holding Entity**

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

**31. Currency**

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

**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

**20. Appendices**

**Appendix 1: Implementation Status of Auditor-General Recommendations**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	<p><b>Comparative Balances</b> The statement of financial position as at 30 June 2021 reflects opening balances of Kshs 2,082,680 in respect to the amounts held for third parties. However, the corresponding closing balances of the audited statements reflects a million balance. Further, the statement of financial performance for the year ended 30 June 2020 in the audited financial statements reflects a revaluation loss of Kshs 432,328,382 which has not been carried forward in the year under review and no</p>	<p>The financial statements provided show a comparative figure of KES 7,026,667 (FY 2021) and KES 2,082,680 (FY 2020) see statement of financial position- Current Liabilities (Amounts held for third parties) and Note 27 respectively Revaluation Loss of Kshs 131,972,968 has been shown separately in the comparative statement of Changes in Net Assets and forms the opening balance for the year under audit</p>	Resolved	

**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>explanation has been provided to support that change</p> <p>The management should ensure that the correct figures are in the financial statements</p>			
2	<p>The statement of financial performance as disclosed under Note 11(a) to the financial statements reflects transfers from National Government of Kshs 227,607,000. However, the entity's bank statement reflects Kshs 240,702,000 resulting to a variance of Kshs. 13,095,000. Although Management has explained that part of the money is in respect of amounts held for third parties, no documentary evidence was provided to</p>	<p>Letters of transfer and receipts from National government was provided to the auditors and shown in the financial statements</p>	resolved	

**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	support this explanation			
3	<p>Misstatement of expenses The statement of financial performance as disclosed under Note 14, 18 and 20 to the financial statements reflects use of goods and services, repairs and maintenance and general expenses of Kshs 184,372,895 , Kshs 2,326,038 and Kshs 5,048,048 respectively. However, audit review revealed that these figures had variances when compared with the ledger amounts as indicated below which have not been explained or reconciled</p>	<p>The ledgers were provided to the auditors and agreed to the financial statements</p>	resolved	
4	Un reconciled Bank statements - The statement of financial position as at 30 June	All the bank statements were reconciled and a list of un-presented cheques shared with the auditors with their subsequent	Resolved	

**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
5	2021 as disclosed under Note 22 to the financial statements reflects cash and cash equivalents balance of Kshs 143,178,816 which includes Kshs 124,248,677 held at the Kenya Commercial Bank. However, the bank reconciliation statements reflect bank balances totaling Kshs 125,373,358 resulting to a variance of Kshs 1,124,681 which has not been explained or reconciled as below	clearance. The differences arising from the system errors have also been reconciled with the software provider	Resolved	FY2022/2023
	Un reconciled Inventories	Management have discussed the treatment of inventories with the software provider and the OAG and agreed that stationery, cleaning materials and catering (dry food stuff) are consumables are already expensed when purchased. As such no inventories should be shown at the end of the financial year	Resolved	FY2022/2023



**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

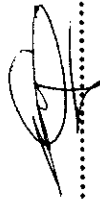
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
6	<p>Unsupported Capital Work In Progress - The statement of financial position as disclosed under note 28 to the financial statements reflects a balance of Kshs 2,429,806,167 in respect of Property, plant and equipment as at 30 June 2021 which includes Kshs 191,766,953 in respect to work in progress whose details were provided for audit verification. Consequently, the completeness and accuracy of the work in progress balance of Kshs 191,766,953 as at 30 June 2021 could not be confirmed. The management should avail supporting documents for the work in progress balance and ensure that the financial</p>	<p>We have attached all the certificates for the works carried out under WIP for verification. The building under WIP (Resource centre) has now been completed and will be handed over in the financial year 2021/2022. The costs will be transferred to Buildings account in the next financial year. The final certificate has been paid in the financial year 2021/2022.</p>		

**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

Reference No. on the external audit Report	Issue/ Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	statements reflect a true and fair view of the financial position of the entity			
7	<p>Failure to maintain Fixed Asset Register- The financial statements for the year under review reflects assets with a total cost of Kshs.2,429,806,167, however no assets register to confirm the nature and validity of the assets held by the Polytechnic was availed for audit review. In the circumstances the accuracy and validity of the balance Kshs.2,429,806,167 reflected in the statement of financial position could not be confirmed. The management should ensure that a fixed assets register is maintained as</p>	<p>The Fixed Asset Register has now been fully updated in the FY 2021-2022, with all the assets donated valued and added to the listing</p>	Resolved	

**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	required by the laid down regulations			

  
 .....

**Name**  
**Accounting Officer**  
**(Enter title of Head of entity)**  
**Date** 9/1/2024

**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

**Appendix II: Projects Implemented by TKNP**

**Status of Projects completion**

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Perimeter wall	6,500,000	7,341,803	100%	6,500,000	7,341,803	A in A
2	Upgrading medical clinic (equipment)	2,000,000	1,439,195	50%	2,000,000	1,439,195	A in A
3	Purchase of computers	13,703,528	13,703,528	100%	3,000,000	13,703,528	A in A/Donations
4	Conversion of men's hostel to lecture halls and tuition block	45,000,000	4,032,060	9 %	45,000,000	4,032,060	A in A
5	Offside backup support systems	800,000	348,000	100%	800,000	348,000	A in A

**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

**Appendix III- Inter-Entity Confirmation Letter**

*The Kisumu National Polytechnic*

The MINISTRY OF EDUCATION wishes to confirm the amounts disbursed to you as at 30<sup>th</sup> June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below. Please sign and stamp this request in the space provided and return it to us.

<b>Confirmation of amounts received by The Kisumu National Polytechnic as at 30<sup>th</sup> June 2023</b>									
Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30th June 2023									
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total((D)=(A+B+C)	Amount Received by [beneficiary Entity] (Kshs) as at 30 <sup>th</sup> June 2023 (E)	Differences (Kshs) (F)=(D-E)		
112886	25/10/2022	47,215,000.00			47,215,000.00	47,215,000.00			
18854	22/02/2023	45,532,000.00			45,532,000.00	45,532,000.00			
134225	29/06/2022	45,532,000.00			45,532,000.00	45,532,000.00			NIL
117740	27/01/2023		500,000.00		500,000.00	500,000.00			NIL
113040	27/10/2022		500,000.00		500,000.00	500,000.00			NIL
126839	08/05/2023		2,883,480.00		2,883,480.00	2,883,480.00			NIL
130370	18/05/2023		2,500,000.00		2,500,000.00	2,500,000.00			NIL
134236	29/06/2023		6,031,200.00		6,031,200.00	6,031,200.00			NIL

**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

**EDUCATION, RESEARCH AND TECHNOLOGY**

DATE OF MEETING	Rajeev Arora	Bernadette Sabuni	Lilian Mainye
15/9/2022	✓	✓	✓
01/10/2023	✓	✓	✓
14/4/2023	✓	✓	✓
<b>HRM, ICT COMMITTEE</b>			
DATE OF MEETING	Roseline Odede	Alex Kazongo	Lilian Mainye
16/9/2022	✓	✓	✓
17/1/2023	✓	✓	✓
04/12/2023	✓	✓	✓

**FINANCE INFRASTRUCTURE AND PROCUREMENT**

DATE OF MEETING	Bernadette Sabuni	Alex Kazongo	David Yatich	Geoffrey Kibanda
07/08/2022	✓	✓	✓	✓
09/07/2022	✓	✓	✓	✓
19/9/2022	✓	✓	✓	✓
10/11/2022	✓	✓	✓	✓
01/12/2023	✓	✓	✓	✓
13/4/2023	✓	✓	✗	✓

**OTHER MEETINGS**

**STRATEGIC PLANNING MEETING**

DATE OF MEETING	Meshack Kidenda	Alex Kazongo	Rajeev Arora	Lilian Mainye	Roseline Odede	Geoffrey Kibanda	Bernadette Sabuni	David Yatich
25/1/2023	✓	✓	✓	✓	✗	✓	✓	✓

**KUCCPS VALIDATION**

**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

DATE OF MEETING	Meshack Kidenda	Alex Kazongo	Rajeev Arora	Lilian Mainye	Roseline Odede	Geoffrey Kibanda	Bernadette Sabuni	David Yatich
18/10/2022	✓	✓	✓	✓		✓	✓	✓

**SELF EVALUATION**

DATE OF MEETING	Meshack Kidenda	Alex Kazongo	Rajeev Arora	Lilian Mainye	Roseline Odede	Geoffrey Kibanda	Bernadette Sabuni	David Yatich
19/8/2022	✓	✓	✓	✓	✓	✓	✓	✓

**COUNCIL RETREAT**

DATE OF MEETING	Meshack Kidenda	Alex Kazongo	Rajeev Arora	Lilian Mainye	Roseline Odede	Geoffrey Kibanda	Bernadette Sabuni	David Yatich
04/01/2023	✓	✓	✓	✓	✗	✓	✓	

**COUNCIL INDUCTION**

DATE OF MEETING	Meshack Kidenda	Alex Kazongo	Rajeev Arora	Lilian Mainye	Roseline Odede	Geoffrey Kibanda	Bernadette Sabuni	David Yatich
24/4/2023	✓	✓	✓	✓	✓	✓	✓	

**MULTI DISCIPLINARY CONFERENCE**

DATE OF MEETING	Meshack Kidenda	Alex Kazongo	Rajeev Arora	Lilian Mainye	Roseline Odede	Geoffrey Kibanda	Bernadette Sabuni	Joyce Mwale
14/6/2023	✓	✓	✓	✓	✓	✓	✗	✓

**PERFORMANCE CONTRACT ACTIVITIES**

DATE OF MEETING	Meshack Kidenda	Alex Kazongo	Rajeev Arora
28/7/2022	✓	✗	✓
26/9/2022	✓	✓	✗
06/09/2023	✓	✗	

**SIFA PROJECT SIGNING**

DATE OF MEETING	Meshack Kidenda	Rajeev Arora	Joyce Mwale
15/6/2023	✓	✓	✓

**MEETING WITH PS**

DATE OF MEETING	Meshack Kidenda	Bernadette

**The Kisumu National Polytechnic  
Annual Report and Financial Statements for the year ended 30th June 2023**

		Sabuni
02/01/2023	✓	✓

**OAG EXIT MEETING AND CONSULTATION**

DATE OF MEETING	Rajeev Arora	Meshack Kidenda	Alex Kazongo
09/01/2022	✓		
29/9/2022		✓	
03/02/2023	✓		✓

**SHORTLISTING, INTERVIEWS AND DISCIPLINARY MEETINGS**

DATE OF MEETING	Alex Kazongo	Meshack Kidenda	Rajeev Arora	Roseline Odede	Lilian Mainye
07/07/2022	✓				
15/7/2022	✓		✓	✓	✓
27/7/2022	✓	✓		✓	✓
29/7/2022	✓			✓	✓
18/8/2022	✓	✓	✓	✓	✓

**TRAININGS**

NAME	TYPE OF TRAINING
Meshack Kidenda	Institute of Engineers
Alex Kazongo	ICPAK
Lilian Mainye	IHRM
Rajeev Arora	ICPAK
Geoffrey Kibanda	ICPAK
Roseline Odede	ICPAK
David Kipkemei	ICPAK
Bernadette Sabuni	Institute of Engineers