


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

 THE NATIONAL ASSEMBLY PAPERS LAID	
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CLERK AT THE TABLE:	J. LEMERELLE

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**



**UNIVERSITY OF NAIROBI PENSION  
SCHEME 2007**

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

OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
REGISTRY  
01 OCT 2024  
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# UNIVERSITY OF NAIROBI PENSION SCHEME 2007

ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30.06.2024

UNIVERSITY OF NAIROBI PENSION SCHEME 2007

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 30 JUNE 2024

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## UNIVERSITY OF NAIROBI PENSION SCHEME 2007

### TRUSTEES AND PROFESSIONAL ADVISORS FOR THE YEAR ENDED 30 JUNE 2024

#### KEY SCHEME INFORMATION

##### TRUSTEES

Prof. Caren B. Angima	Chairman, Board of Trustees
Prof. Stephen G. Kiama	Sponsor Appointed Trustee
Dr. Parmain Narikae	Sponsor Appointed Trustee (Joined June 2023)
Ms. Caren Omwenga	Sponsor Appointed Trustee (Joined June 2023)
Mr. Ahmed Abdullahi	Sponsor Appointed Trustee (Joined June 2023)
Prof. Joseph Mwaniki	Member elected Trustee for Academic Staff (joined April 2024)
Ms. Sylvia Obulinji	Member elected Trustee for Non-Academic Staff (Joined April 2024)
Mr. Francis Kivindu	Member elected Trustee for Non-Academic Staff (Joined April 2024)
Prof. George Gitau	Member elected Trustee for Academic Staff (until March 2024)
Mr. Meshack Juma	Member elected Trustee for Non- Academic Staff (until March 2024)
Ms. Hannah Mukua	Member elected Trustee for Non- Academic Staff (until March 2024)

##### ADMINISTRATOR

Mrs. Theresia Alyela	Internal Scheme Administrator P.O.Box 30197-00100 Nairobi
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##### INVESTMENT MANAGER(S) /APPROVED ISSUER

Old Mutual Investment Group	P.O.Box 30059-00200, Nairobi
Genafrica Asset Managers	P.O.Box 79217-00200, Nairobi

##### CUSTODIAN

Standard Chartered Bank of Kenya	P.O.Box 40984-00100, Nairobi
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##### AUDITOR

Office of the Auditor General	P.O.Box 30084-00100, Nairobi
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##### LEGAL ADVISORS

Kaplan & Stratton Advocates	P.O.Box 40111-00100, Nairobi
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##### REGISTERED OFFICE

The address of the registered office is:

Unipen Apartments, 3<sup>rd</sup> Floor  
Hurlingham Shopping Centre  
P.O.Box 30197-00100, Nairobi

## UNIVERSITY OF NAIROBI PENSION SCHEME 2007

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2024

The Trustees present their annual report together with the audited financial statements for the year ended 30 JUNE 2024.

### ESTABLISHMENT, NATURE, AND STATUS OF THE FUND

The Scheme was established under an irrevocable Trust Deed dated 13/06/2007 as a Defined Contribution Scheme to provide retirement benefits for the permanent and pensionable staff of University of Nairobi Pension Scheme 2007 under the rules of the Scheme.

The Scheme is an active Scheme.

The Scheme is registered with the Retirement Benefits Authority Ref No. RBA/SC/01722 and Certificate No. 01097 and is a tax exempt 92291B/2892 approved Scheme under the Income Tax Act.

### PRINCIPAL ACTIVITY

The main purpose of the Scheme is the provision of retirement benefits and other ancillary benefits to members upon their retirement at a specified age and relief for the dependents of deceased members as defined in the Trust Deed and Rules.

### CONTRIBUTIONS

Contributions represent remittances to the scheme by University of Nairobi and eligible employees who are members of the scheme. The employees contribute- 10% and employer contributes 20 % of the basic salary.

### MEMBERSHIP

The scheme membership movement in the financial year is as follows:

	Active	Deferred	Trust Fund	Total Current Year	Total previous year
At the start of the year	2,752	163	72	2987	3,044
Joiners	36	13	12	62	154
Less: Leavers	(150)	(1)	(1)	(152)	(211)
At the end of the year	2,638	175	83	2,897	2,987

# UNIVERSITY OF NAIROBI PENSION SCHEME 2007

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2024

### FINANCIAL REVIEW

The statement of changes in net assets available for benefits on page 16 shows an increase in the net assets of the Scheme for the year of Kshs. 1,426,779,000 {2023: Kshs. (195,492,000)} and the statement of net assets available for benefits on page 17 shows the Scheme's net assets as Kshs 22,267,615,000 {2023: Kshs 20,840,836,000}.

The Scheme earned an average gross rate of return of 13.44% market value and 13.52% amortized value for the year ended 30 JUNE 2024.

### INVESTMENT OF FUNDS AND INVESTMENT STRATEGY

Under the terms of appointment, Old Mutual Investment Group and GenAfrica Asset Managers are responsible for the investment of funds. The overall responsibility for investment and performance lies with the Trustees.

Trustees are responsible for determining the scheme's Investment Strategy and have prepared the Investment Policy Statement dated 1 July 2022.

The principal objective of the Fund Investment Policy is to ensure the solvency of the Scheme over time and meet its benefits obligations as required. The total return objective is to achieve capital appreciation and investment income. The capital appreciation is to ensure the Fund's value is inflation protected.

We confirm that there was no self-investment, nor have any scheme assets been used as security or collateral on behalf of the employer or any connected business or individual.

The Scheme investments for the year ended 30.06.2024 were done in accordance with the broad investment guidelines issued by Retirement Benefits Authority (RBA) as shown here below:

	ASSET CLASS	AMOUNT (KSHS)	% OF PORTFOLIO	RBA MAX. LIMITS
1	Cash and Demand Deposits	110,000,000	1%	5%
2	Fixed Deposits	1,023,000,000	7%	30%
3	Listed Corporate Bonds,	4,833,185	0.03%	20%
4	East African Government Securities and infrastructure bonds issued by public institutions and Exchange Traded Funds	9,180,386,610	59%	90%
5	Preference shares and ordinary shares of companies quoted in a stock exchange in East Africa	2,942,996,634	19%	70%

## UNIVERSITY OF NAIROBI PENSION SCHEME 2007

ASSET CLASS		AMOUNT (KSHS)	% OF PORTFOLIO	RBA MAX. LIMITS
6	Unlisted shares and equity instruments of companies incorporated in Kenya	20,664,000	0.1%	5%
7	Offshore investments	586,725,143	4%	15%
8	Immovable property in Kenya, Property Funds Unit Trust Schemes and Collective Investment Schemes approved by Capital Market Authority	1,775,000,000	11%	30%
<b>TOTAL PORTFOLIO VALUE</b>		<b>15,643,605,572</b>	<b>100%</b>	<b>100%</b>

There were no breaches during the year.

### TRUSTEES

Trustees are appointed in accordance with the Retirement Benefits Act. The names of the Trustees who served during the year and subsequent period to the date of this report are shown under the key Scheme information.

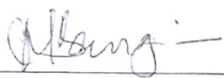
### AUDITOR

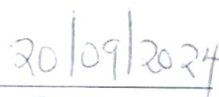
Office of the Auditor General, have expressed their willingness to continue in office. The Trustees monitor the effectiveness, objectivity, and independence of the auditor. They also approve the annual audit engagement contract, which sets out the terms of the auditor's appointment and the related fees.

### SIGNED ON BEHALF OF THE TRUSTEES

The Trustees' report was approved by the Trustees on 1<sup>st</sup> August 2024 and signed on their behalf by: -

### FOR THE TRUSTEES

  
 \_\_\_\_\_  
 PROF. CAREN B. ANGIMA

  
 \_\_\_\_\_  
 DATE



## UNIVERSITY OF NAIROBI PENSION SCHEME 2007

### STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 30 JUNE 2024

Section 34 of the Retirement Benefits Act requires the Trustees to prepare financial statements in respect of their scheme, which give a true and fair view of the state of affairs of the scheme at the end of the financial year and the operating results of the scheme for that year. It also requires the Trustees to

- a) Ensure that the Scheme keeps proper accounting records which disclose with reasonable accuracy the financial position of the Scheme;
- b) Safeguard the assets of the Scheme.

The Trustees are responsible for the preparation and presentation of the Scheme's financial statements, which give a true and fair view of the state of affairs of the Scheme for and as at the end of the financial year ended on 30 JUNE 2024. This responsibility includes:

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity;
- (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safeguarding the assets of the entity;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Trustees responsibility for the *Scheme's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards (IFRS) and in the manner required by the Retirement Benefits Act, 1997.

The Trustees are of the opinion that the *Scheme's* financial statements give a true and fair view of the state of *Scheme's* transactions during the financial year ended 30 JUNE 2024, and of the *Scheme's* financial position as at that date. The Trustees further confirm the completeness of the accounting records maintained for the *Scheme*, which have been relied upon in the preparation of the *Scheme's* financial statements as well as the adequacy of the systems of internal financial control.

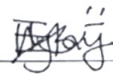
Nothing has come to the attention of the Trustees to indicate that the *Scheme* will not remain a going concern for at least the next twelve months from the date of this statement.

The Trustees acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities

The Scheme's financial statements were approved by the Board of Trustees on 29<sup>th</sup> July 2024 and signed on its behalf by: -

Signature:  \_\_\_\_\_

Name: Prof. Caren B. Angima  
Designation: Chairman, Board of Trustees

Signature:  \_\_\_\_\_

Name: Prof. Joseph Ivivi Mwaniki  
Designation: Trustee