

REPUBLIC OF KENYA



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

REPORT

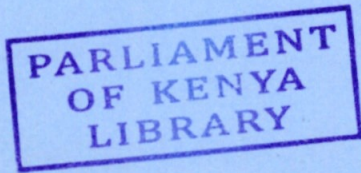
OF


THE AUDITOR-GENERAL

ON

**MASINDE MULIRO UNIVERSITY OF SCIENCE
AND TECHNOLOGY**

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



 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 10 MAR 2026	DAY: TUESDAY
TABLED BY: HON. DWEN BAYA, MP	
FOR THE SPEAKER: CHRISTINE NDIRITU	



MASINDE MULIRO UNIVERSITY OF SCIENCE AND TECHNOLOGY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2025

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

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I. ACRONYMS AND DEFINITION OF KEY TERMS

A: Acronyms

VC	Vice Chancellor
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
KRA	Kenya Revenue Authority
VAT	Value Added Tax
ROI	Return on Investment
MOU	Memorandum of Understanding
GOK	Government of Kenya
TVET	Technical and Vocational Education Training
MMUST	Masinde Muliro University of science and Technology
PS	Principal Secretary
CS	Cabinet Secretary
A&F	Administration and Finance
ASA	Academic and Student Affairs.
PRI	Planning, Research and Innovation.
Ag	Acting
RA	Registrar Administration
RAA	Registrar Academic Affairs
FY	Financial Year
IGU	Income Generating Unit
SFP	Statement of Financial Performance
KUCCPS	Kenya Universities and Colleges Central Placement Service
SDHER	State Department for Higher Education and Research

B: Definition of Key Terms

Fiduciary Management - Members of Management are directly entrusted with the responsibility of financial resources management of the organization.

Comparative Year - Means the prior period.

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2. UNIVERSITY INFORMATION AND MANAGEMENT

(a) Background information

Masinde Muliro University of Science and Technology (MMUST) is a legal entity established under the Universities Act No 42 of 2012 and domiciled in Kenya. The University operates four (4) satellite campuses namely; Bungoma, Webuye, Butula and Kakuma and Nairobi liaison office.

(b) Principal Activities

The principal activities of the University is to provide University education through teaching, research, innovation and extension services.

VISION

To be the Premier University in Science, Technology and Innovation

MISSION

To provide excellent University education, training and research through integrating science, technology and innovation into quality programs to suit the needs of a dynamic world.

PHILOSOPHY

MMUST holds the view that science and technology is an indispensable tool in harnessing resources of nature for sustainable development and in creating an environment in which human beings can survive and realize their potential. Thus, the human being has the moral obligation to creatively improve the environment. This can be achieved through a well-conceptualized educational, scientific and technological package through which every human being must rightfully experience and acquire the tools to facilitate this philosophy.

To meet the requirements of its Vision, Mission and Philosophy, MMUST upholds the following values:

- i. Customer focus
- ii. Accountability
- iii. Collegiality
- iv. Excellence
- v. Professionalism
- vi. Innovativeness
- vii. Integrity

(c) Key Management

The university day to day management is under the following key Organs;

- University Council
- Vice Chancellor
- MMUST Management Board
- Deans and Directors

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The Council members who held office during the Financial Year from 1st July 2024 and up to the date of this report were:

No.	Name	Designation	Appointment Date	Retirement Date
1	Dr. Pamela Sitienei	Council Chairman	23-5-2023	
2.	Mrs Susan N.Nyasinga,HSC	Council Member	23-5-2023	
3.	Dr. George Lutomia	Council Member	23-5-2023	
4.	Dr. Kennedy Ochieng Oluong'o	Council Member	23-5-2023	
5.	CPA Grace W. Kimotho	Council Member	23-5-2023	
6.	Ms. Dorothy N.O. Kimeu	Council Member	23-5-2023	
7.	Ms. Eunice Wakofula	Rep of PS-SDHER/ Council Member	16-3-2024	
8.	Mr. Peter Muhia Wanjiku	Alternate to CS- National Treasury and Economic Planning/Council Member	5-05-2021	2-12-2024
9.	Mr. Kennedy Nyachiro	Alternate to CS- National Treasury and Economic Planning/Council Member	2-12-2024	
10.	Prof. Solomon I. Shibairo	Vice Chancellor & Secretary	27-3-2020	-

(d) Fiduciary Management

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

No.	Designation	Name
1	Vice Chancellor and Accounting Officer	Prof. Solomon I. Shibairo
2	Deputy Vice Chancellor (A&F)	Prof. John Kuria Thuo
3	Deputy Vice Chancellor (A&SA)	Prof. Hussein Golicha
4	Deputy Vice Chancellor (PRI)(Ag.)	Prof. Peter Bukhala
5	Finance Officer	CPA Jared G.O.O. Rading'
6	Procurement Officer	Ms. Scarlet Kavaya
7	Registrar Academic Affairs (RAA)	Prof. Judah Ndiku
8	Registrar (PRI)	Dr. Collins Matemba
9	Registrar Administration (RA)	Dr. Eglay Tsuma
10	Dean of Students	Dr. Bernadette Abwao

(e) Fiduciary Oversight Arrangements

The fiduciary oversight is achieved through the following

- i) Audit, Governance, Risk Management and Compliance Committee of Council
- ii) Finance, Resource Mobilization and Planning Committee of Council
- iii) Public Investment Committee of Parliament
- iv) Auditor General
- v) Internal Audit Department

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(e) University Headquarters

P.O. Box 190-50100.
Kakamega-Webuye Road.
Kakamega, Kenya

(f) University Contacts

Telephone: 254 702 597360/1
E-mail: info@mmust.ac.ke, vc@mmust.ac.ke
Website: www.mmust.ac.ke

(g) University Bankers

1. Kenya Commercial Bank Ltd. (Main)
P.O. Box 152
Kakamega, Kenya
2. Co-operative Bank of Kenya Ltd.
P.O. Box 1511
Kakamega
3. ABSA Bank Kenya Ltd.
P.O. Box 1815
Kakamega
4. Standard Chartered Bank Ltd.
P.O. Box 6302
Kakamega
5. National Bank of Kenya Ltd.
P.O. Box 1815
Kakamega
6. Equity Bank Ltd.
P.O. Box 2512
Kakamega
7. Family Bank Ltd.
P.O. Box 1486
Kakamega
8. Diamond Trust Bank
P. O. Box 2480-50100
Kakamega

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

3. THE UNIVERSITY COUNCIL



Chairperson of Council

Dr. Pamela Sitienei

Independent and born 1982

When Global brands want access to some of the fastest-growing economies in the world, they call Dr. Pamela Sitienei. She has raised over 300 million dollars in project investments and her project investments now have over a billion-dollar valuation.

As the Founder and Chief Executive Officer of the ONAPS Advisory LLC and Chief Vision Officer, Sitienei brings more than 17+ Years' experience of multi-faceted experience in government relations, foreign relations, fund mobilization, international trade, financial services, energy, commodity trading and negotiations. Culturally astute and discerning in her approach, Pamela has an extraordinary track record for structuring complex deals around the globe with major corporations, governments and high-ranking officials. Her ability to nimbly operate in various business capacities has persuasively broadened her reach across continents and industries. Multilingual, Sitienei has easily afforded herself a seat at the global roundtable.

An entrepreneur at heart, Sitienei envisions her firm's role as the most influential, effective and independent organization serving as the voice of Project development in Africa and beyond. In her capacity as Founder and CEO, she leads the operations of the organization from, site development, feasibility, fund mobilization, team creation, contract negotiations, merging & acquisitions in the areas of Energy, Defence, Pharmaceutical Distribution, Real Estate Development, Mining, Information Technology, and Financial structure with top lenders in the world.

During her tenure as the Government Relations/Federal Affairs Specialist, at the American Gas Association (AGA) on Capitol Hill, she gained exposure to policy issues in natural gas and actively liaised with the federal government, to include the executive and legislative branches of former President George Bush, President Barack Obama and President Donald Trump. Her portfolio was State affairs and Federal with emphasis on Renewables, Pipeline Safety, Cybersecurity, Budget under Appropriations, Energy & Natural Resources, Energy & commerce and financial committees. Additionally, she developed an impressive wheelhouse of expertise in areas such as Federal Election Committee laws and regulations, PACs, election cycles, legislative processes, political contributions and disbursements, lobbying disclosure and reporting.

Outside of her traditional duties at the AGA, Pamela managed the legislative outreach congregation, including legislative forums and supported the Vice President in fundraising. She was also responsible for the preparation, forecasting, monitoring and tracking

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of the department's budget. She also played a key role on Energize Africa Act, and was appointed a technical advisor at USAID for the Power Africa Initiative. Prior to joining AGA, Pamela spent four years at Zurich North America/Zurich Financial Services. She supported the Vice President's efforts to lobby, build coalitions and sustain relationships with different multi-lateral institutions including, International Finance Corporation, OPIC, World Bank – MIGA and International Monetary Fund. As the manager of the Government & Industry Affairs, she developed business relations with emerging markets; defined project scope, goals and deliverables, which supported the company's business goals in collaboration with senior management & stakeholders. She interpreted and ensured consistent application of organizational policies; negotiated contracts, maintained financial records and managed the department budget of over \$20million.

Pamela received her Undergraduate from University of Central Oklahoma in Journalism and Public Relations. She received, The Prince of Wales Business and Sustainability Leadership Certification from University of Cambridge, London, United Kingdom. She received her honorary doctorate in Divinity from My Life Bible College in Maryland, USA. She is also certified lobbyist by the United States Government Relations Professionals. On unlocking Africa, one of the last places in the world to experience double-digit growth, Pamela serves as a guide to help companies learn where and how to invest in and unlock opportunities. Dr. Sitienei serves as a strategic advisor to several governments, High net worth personalities, energy companies and investors throughout Africa, specifically, Democratic Republic of Congo, Nigeria, Angola, Republic of Congo, Guinea Conakry, Mozambique, South Africa, Namibia, Equatorial Guinea and Kenya. She currently serves on the board of Women Global Leadership Institute and AGTIS, Dubai, UAE.

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Member

**Mrs. Susan N Nyasinga, HSC,
Independent and born in 1962**

Mrs. Susan N Nyasinga, holds a Masters of Arts degree in Counseling Psychology from Daystar University, a bachelor of Arts in Sociology from University of Nairobi (UON), Higher Diploma in Human Resources and Psychological Counseling from Kenya Institute of Management (KIM) and Kenya Institute of Professional Counseling (KIPC) respectively, She holds several Advanced Certificates in Leadership, Management, Women in Leadership, Juvenile Treatment and Child Protection from Kenya School of Government (KSG) and UNAFEI-Japan among other colleges.

Mrs. Susan Nyasinga is champion on the Rights of the child and child Protection, a mentor to several College and University students within and outside of Kenya in the field of Psychology, Counseling, Social Work, Community Development, Criminology, Security and Offender Rehabilitation. She was a warded Head of State Commendation medal (HSC) for dedicated Service by the Government of Kenya in 2009.






Member

**Dr. George Lutomia
Independent and born 1962**




Dr. Lutomia's educational qualifications include a PhD in Conflict Resolution and Management. His expertise in conflict resolution has been invaluable in helping students and educational institutions navigate the complex and sometimes challenging dynamics that can arise in the school setting.

Furthermore, Dr. Lutomia's experience in education leadership and management is noteworthy. Serving as the County Executive Committee member (Minister) for Education in the Kakamega County Government from 2018-2022, he has played a crucial role in developing policies and procedures that promote effective and efficient management of learning institutions. Earlier, he served as an assistant director of education based at Jogoo house before moving to Kakamega County as CECM. Currently, Dr. George Lutomia is the Chairperson Kakamega County Education Board (CEB)

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 <p>Member</p>	<p>Kennedy Ochieng Olung'o, PhD Independent and born in 1972</p> <p>Dr. Olun'go an experienced, practical and result oriented Consultant with over fifteen (15) years of track record in delivering a diverse range of activities. He supports the business in ten (10) countries, across ABSA Regional Operations (ARO) in achieving organizational goals. Am competent in; planning and organization, decision making and initiating action, adapting and responding to change, high-quality training and researching. Besides, he is proficient in managing existing day-to-day processes while developing and implementing new business strategies in dynamic and high-pressure environments, requiring the ability to multi-task and effectively manage relationships.</p>
 <p>Member</p>	<p>CPA Grace W. Kimotho Independent and born in 1975</p> <p>CPA. Grace Wanja Kimotho (Risk and internal Audit Consultant) Grace is a qualified Accountant, a member of Institute of Certified Public Accountant (ICPAK) and institute of internal auditors (IIA) She holds Master of Science- Finance from University of Nairobi, ISO 9001:2008 and ISO9001:2015 Certifications. Ms. Kimotho has over 15 yeas' experience in internal audit field.</p>
 <p>Member</p>	<p>Ms. Dorothy N. O. Kimeu, MBS Non-Executive and born in 1959</p> <p>Ms. Kimeu holds a master's of Arts degree in International Studies from the University Of Nairobi (UON) and a bachelor's degree in political Science (Government) from the same University. She holds several advanced certificates in Finance, Administration, Leadership, Management, Negotiations and International development from the University of Connecticut (UCONN) and Policy Research Institute of Japan among several other Institutions. She has also served in several Public Boards namely; National Authority for the Campaign Against Alcohol and Drug Abuse (NACADA), Masinde Muliro University of Science and Technology (MMUST), Kenya Medical Training College (KMTC), African Institute of Capacity Development (AICAD), Kenya National Examinations Council (KNEC), Maasai Mara University (MMara-U), and was chair at the Special Economic Zones Authority (SEZA). Ms. Kimeu is a certified Trustee, a trained Theological Education by Extension (TEE) trainer and is the Vice-chair of Langata High School board of management (BOM). A member of Kenya Association of Public Administration and Management (KAPAM), Women fighting Aids in Kenya (WOFAK) and Mother's Union of Kenya, St Augustine Madaraka Church Parish, All Saint's Cathedral Diocese, Anglican Church of Kenya.</p>

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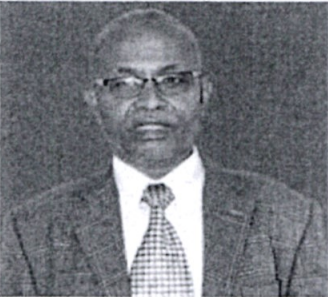



 <p>Member</p>	<p>Ms. Eunice Wakofula Independent and born in 1969 Rep. PS. State Department for Higher Education and Research.</p> <p>Ms. Wakofula holds a Masters in Diplomacy and International Studies from the University of Nairobi, Bachelor of Education from Kenyatta University and a Certificate in Portuguese Language from the University of Brazil. She has over 25 years experience in teaching and administration gathered from various institutions. She is an Assistant Director of Education in the State Department for Higher Education and Research.</p>
 <p>Alternate to CS- Member</p>	<p>Mr. Kennedy Nyachiro Born in 1965 Rep. PS. State Department for the National Treasury</p> <p>Kennedy Nyachiro, 'ndc', Kenya is a holder of Master of Arts (International Studies) and Master of Arts (Economics) from the University of Nairobi, Kenya and University of Dar-e-Salaam, Tanzania respectively. Currently he serves as a Director of Planning at the National Treasury, Kenya in the Resources Mobilization Department. Nyachiro is an accomplished economist and holds a key role in economic planning, policy and Strategy formulation, with extensive experience in public finance and international development cooperation. Nyachiro has represented Kenya in various international economic forums. Nyachiro has previously served as alternate Director at Coast Development Authority, Geothermal Development Company, Kenya Motor Vehicle Manufacturers Ltd, Kenya Cancer Institute and Dedan Kimathi University of Technology (DeKUT).</p>
 <p>Vice Chancellor</p>	<p>Prof. Solomon I. Shibairo, B.Sc., MSc, PhD, MKNAS Secretary to Council and born in 1960</p> <p>Holds PhD (Plant Science, University of British Columbia, Canada), MSc. (Agronomy, The University of Nairobi, Kenya) and BSc (Agriculture, The University of Nairobi)</p> <p>Has had over 35years of University teaching, research, supervision and academic leadership. Held various leadership positions from Chairperson of Department, Dean of a School, and Deputy Vice Chancellor. He was appointed as Vice Chancellor with effect from 23rd September 2021.He is a member of Kenya National academy of Sciences (KNAS), The Food and Technology Platform of Kenya, The Horticultural Society of Kenya and The Soil Science Society of East Africa.</p>

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4. MANAGEMENT TEAM

Name	Academic and Professional Qualifications
 <p>Prof. Solomon I. Shibairo</p>	<p>Vice Chancellor He is a holder of BSc, M.Sc. (UoN), PhD (UBC, Canada). He has over 35 years of University teaching, research, supervision and academic leadership. He is a Professor of Horticulture, specialized in Olericulture.</p> <p>Prof. Shibairo is a member of the Horticultural Association of Kenya and the Kenya National Academy of Sciences. He has taken professional trainings in corporate governance, leadership and performance management among others. Has held various leadership positions from Chairperson of Department, Dean of a School, and Deputy Vice Chancellor. He was appointed as Vice Chancellor of MMUST on 20th March 2020.</p>
 <p>Prof. Charles Mutai</p>	<p>Deputy Vice Chancellor, Planning, Research and Innovation (PRI) BSc (UoN), MSc. (Liverpool), PhD (Athens), Postdoc (China). He is a Professor in the Department of Medical Laboratory Sciences and has over 27 years' experience in the public service. His expertise is in teaching and research in the areas of Pharmacology, Pharmacognosy and Complementary/Alternative Medicine. He is the founder dean of School of Public Health and Biomedical Sciences & Technology and has also served as Deputy Principal in charge of Academic and student Affairs at Turkana University College in Lodwar. He took leave of absence from January 2025 upon being appointed as the Principal of Bomet University College.</p>
 <p>Prof. Peter Bukhala</p>	<p>Ag. Deputy Vice Chancellor, Planning, Research and Innovation(PRI) Prof. Peter Bukhala holds a Bachelors of Education from University of Nairobi, Master of Arts degree from McGill University- Canada and a PhD in Disability sports studies from Kenyatta University –Kenya. His expertise is in programme planning for inclusive physical activities. Associate Professor in the Department of Health Promotion and Sports Science (MMUST). He was a Eunice Kennedy Shriver Fellow (2009) and a member of the Global steering committee for the development of the Special Olympics International Strategic Plan: 2010-2015. He is a member of the Fitness Advisory Committee (Special Olympics International). He was a member of the International Paralympic Committee - Sports Science Committee: 2010-2014. He was appointed Acting DVC PRI in February 2025</p>

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 <p>Prof. Hussein Golicha</p>	<p>Deputy Vice Chancellor, Academic and Student Affairs. Prof. Golicha is a holder doctorate degree in physics, specializing in Chemical Physics from Egerton University, Masters in Physics from Kenyatta University and BEd (Maths and Physics) from the University of Nairobi. His areas of academic and research interest are in the fields of Chirality (handedness of nature) and material science. He has supervised multiple post graduate students to successful completion. His major scholarly contribution was his role in the study of Chiral molecules using liquid crystals as hosts. He has contributed immensely to teaching and learning of physics at secondary level through his books. Before joining Masinde Muliro University of Science and Technology (MMUST) in September, 2021, Prof Golicha served as Deputy Vice Chancellor Academic and Student Affairs, at Garissa University.</p>
 <p>Prof. J. Kuria Thuo</p>	<p>Deputy Vice Chancellor, Administration and Finance Prof. Thuo has 28 years working experience in corporate banking, consultancy and university teaching, research and senior management. He is a business management graduate of the University of Nairobi's School of Business with academic qualifications in BCom, MBA and PhD. His professional credentials are: CPA (K) and member of Institute of Certified Public Accountants of Kenya (ICPAK); CPS (K) and member of Institute of Certified Secretaries of Kenya (ICSK); and Chartered Marketer with Chartered Institute of Marketing (CIM, UK).</p>
 <p>CPA Jared G.O.O. Rading'</p>	<p>Finance Officer He has 23 years of practical and hands on experience in Accounting, Finance, Administration, Procurement and Strategic Leadership. Holds B.Com (Accounting) (KU), MBA (Accounting) (MSU) and is currently pursuing PhD in Accounting at Maseno University. Has a certificate in Strategic Leadership Development Programme (SLDP) from Kenya School of Government. He is a Certified Public Accountant and a registered member of the Institute of Certified Public Accountants of Kenya. He is a Certified Pensions Trustee.</p>
 <p>Dr. Eglay Tsuma</p>	<p>Registrar in charge of Administration She holds BED(Arts)(KU),MSc(HRM) and PhD(HRM) (MMUST) She is responsible for Human Resource Management, Central Services and General Administration in the university. Has 26 years' experience in human resource management, teaching and research sectors.</p>

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Prof. Judah Ndiku

Registrar in charge of Academic Affairs

Prof. Judah Mualuko Ndiku holds a Doctor of Philosophy degree in Conflict Resolution and Management from Masinde Muliro University of Science and Technology, a Master of Philosophy degree in Educational Administration Planning and Curriculum (*Educational Administration*) and Bachelor of Education (Arts) from Moi University.

He is an Associate Professor of Educational Administration and Management and the Registrar Academic Affairs at Masinde Muliro University of Science and Technology. Before his appointment as registrar he served as the Director, Directorate of Curriculum Review and Development, the Executive Dean, School of Education and Chairman of the Department of Educational Planning and Management in the same University. He has a wealth of experience in Higher Education Management, Institutional Quality Audit and Curriculum Review. Before joining the University, he served as a High School teacher where he rose to the rank of a school principal.



Dr. Benadette Abwao

Dean of Students

Holds MEd (Guidance and Counselling) (KU) and PhD (MMUST)

She has over 30 years working experience in management, with 11 years in University Student Affairs Department and 6 years as a member of the University Management Board.

She is qualified in Peace and Conflict Management and an expert in Gender issues and is a registered member of CAK, KPCA, KUDSA and DMAK



Dr. Collins Matamba

Registrar Planning, Research and Outreach

Dr. Matamba holds the distinction of being the first Ph.D. graduate from Masinde Muliro University of Science and Technology (MMUST), with a doctorate in Conflict Resolution and Management. He also earned a Master of Philosophy in Educational Psychology and a Bachelor of Education (Honors) degree from Moi University, complemented by several professional certifications from the Kenya School of Government. Currently serving as the Registrar for Planning, Research, and Innovation at MMUST, Dr. Matamba brings extensive experience in both public service and academia. His tenure as a County Executive Committee Member in Kakamega County was marked by his leadership in spearheading significant infrastructure projects and formulating policies aimed at poverty reduction. As a Senior Lecturer in the Department of Educational Psychology at MMUST, his academic contributions are reflected in numerous publications. Dr. Matamba's leadership, academic, and administrative expertise have been further recognized through various special duties appointments. He is a member of the Association of Disaster Management and Conflict Resolution of Kenya (ADMCRK) and has been honoured with the Elder of the Order of the Great Jewel (EGJ) award.

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5. CHAIRPERSON OF COUNCIL'S STATEMENT



On behalf of Masinde Muliro University of Science and Technology (MMUST) Council, it is with great pleasure that I present the Annual Report and Financial Statements of the University for the Financial Year (FY) ended 30th June 2025. The Council was appointed on 23rd May 2023 under the 5th Administration of H.E. Dr. William Samoei Ruto, The President of Kenya and The Commander in Chief of the Kenya Defense Forces. The Council heralded a new dispensation under the Bottom-up Economic Transformation Agenda (BETA).

The University has made significant investments in infrastructure and sustainability projects aimed at enhancing the learning environment and supporting community development. Key among these is the ongoing construction of the Engineering and TVET Complex, which is currently 31% complete. The Modern Olympic-Size Swimming Pool is nearing completion at 82%, while the Butula Library has been fully completed and is now operational. Additionally, the University has initiated the implementation of a solar power grid, currently at 12% penetration, as part of its commitment to promoting clean and sustainable energy use.

Notably, the establishment of a TVET Institute at the Webuye Campus is underway, and the formation of Eregi University College is at an advanced stage. These projects are expected to significantly improve the livelihoods of students and surrounding communities by expanding access to education and training opportunities. Student enrolment continues to grow, reflecting the University's rising profile and improved facilities. As part of its greening initiative and commitment to climate change mitigation, the University has planted over 200,000 trees within the main campus, Kakamega Forest, and various counties across the country. The University's transformation is clearly visible, with ongoing infrastructure developments and environmental conservation efforts reshaping its identity and impact.

The Council has successfully engaged several strategic partners who have expressed strong interest in supporting various University projects, especially following the imminent unveiling of the University Master Plan, which is in its final stages. Additionally, the Council has adopted a new cloud-based ERP system designed to enhance automation and digitalization across the University, driving modernized growth and operational efficiency.

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This digital transformation has also strengthened our capacity to internationalize academic programs, aligning them with global standards and demand.

MMUST's strategy is focused on realizing its vision of becoming a premier University in Science, Technology, and Innovation. To achieve this, we are committed to embedding world-class practices that will transform our institutional culture through a unified set of systems, processes, and functions. The Council pledges to ensure that all stakeholders align with our strategy, operating philosophy, and decision-making principles. Our goal is to become a truly premier University, leading the sector, safeguarding the well-being of all our people, delivering exceptional returns to our shareholders, and fulfilling the expectations of our communities and stakeholders.

Our priorities are guided on achieving five Key Result Areas of; Building sustainable Institutional Capacity – People and Culture; Academic Excellence aimed at providing outstanding learning and student experience; Increasing the scale of high-quality high impact Research and Innovation outcomes; Embedding Technology and Automation across the University core activities and sustainably achieving Financial Stability, Growth and Social Value for the long-term. We continuously uphold new ways of working focusing on empowering our people, taking care of our customer needs and striving for operational excellence.

The Council has continued to maintain oversight over utilization of resources which has significantly enhanced operational efficiency and effectiveness and also ensured that the University is stable and that peace and tranquility is maintained. We remain focused to attain our aspirations as guided by the Vision and the mission Statement which leverages on Science, Technology and Innovation to provide excellent university education, training and research to suit the needs of a dynamic world. Given our clarion call; 'the University of Choice' we wish to meet and surpass the expectations of our stakeholders. Therefore, the University Council affirms its commitment to the implementation of its core mandate in partnership with the Government and other stakeholders.

The University Council wishes to thank all stakeholders in particular the Government of Kenya for the continued funding of the University as well as the teaching and non-teaching staff, suppliers, students as well as the community surrounding the University who contributed in one way or another to make the year successful. God bless us all.



Dr. Pamela Sitienei
Chairman of Council

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6. REPORT FROM THE VICE CHANCELLOR



It is with great pleasure that I present to you the University's Annual Report and Financial Statements for the Financial Year ended 30th June 2025. The University noted that the FY 2024/2025 was very challenging as funding for government sponsored students did not come in time thus slowing down planned activities. This ultimately affected budget absorption due to inadequate cash flows required to achieve planned activities.

Financial Stewardship

The implementation of the Student-Centered Funding Model since 2023/2024 has seen improved registration in revenue growth accompanied with increase in student debtors as disbursements from HELB and Universities Fund lag behind.

In the FY 2024/2025, we recorded a surplus of Kshs 66,840,976. This was a great improvement from the deficit recorded in FY 2023/2024 of Kshs. 28,946,159. This was due to improved revenue recognition under the new funding model. The total assets closed at Kshs. 7,412,629,993 as at 30th June 2025 compared to Kshs. 7,255,480,591 as at 30th June 2024. This growth was due to increase in student debtors following non-remittance of loan and scholarship funds from the government. The liquidity remained strong with cash balances closing at Kshs. 455, 484,909 down from Kshs. 647,772,459 as at 30th June 2024. The total liabilities rose from Kshs. 819,520,399 as at 30th June 2024 to Kshs. 939,291,983 as at 30th June 2025. Kshs. 185,757,074 related to trade and other payables which are well covered by the cash balances reflected in the Statement of Financial Position. Therefore, the University remained financially stable during the year despite delays in remittances of cash from government.

Staff welfare

The University spent Kshs. 2,696,967,433 on personnel costs and medical expenses. It spent Kshs. 19,772,882 on staff training and development, Kshs. 3,213,426 on purchase of protective clothing and Kshs. 8,759,617 on staff dependent scholarships. All these expenditures are aimed at taking good care of our staff as they form the backbone of our

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7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR THE YEAR 2024/2025

MMUST developed its annual work plan and performance contract for FY 2024/2025 based on the targets aimed at pulling the University forward. All heads of cost centres signed cascaded performance contracts with their immediate supervisors. Assessment of the performance for each cost centre is carried out on quarterly basis. The University achieved its performance contract targets set for the FY 2024/2025 as follows:

Table 1: Actual performance contract FY 2024/2025 Achievements

S/No.	Performance Criteria	Unit of Measure	Annual Target	Annual Performance
A	Financial Stewardship			
A1	Absorption of Allocated Funds (GoK)	%	100.	92.6%
A2	Appropriation -In-Aid	Kshs	3,138,473,000 (100%)	2,990,784,935 (94.9%)
A3	Absorption of Externally Mobilized Funds	%	100.00	100.00
A4	Pending Bills Ratio	%	1.00	0.00
	Weight Sub-total			
B	Service Delivery			
B1	Implementation of Citizens' Service Delivery Charter	%	100.00	130.00
B2	Digitalization of Government Services	%	100.00	100.00
B3	Resolution of Public Complaints	%	100.00	100.00
	Weight Sub-total			
C	Core Mandate			
C234_1	Undergraduate Student Completion Rate	%	67.4.00	64.4
C234-	Postgraduate students Completion rate	%	9.28	13.9
C234_2	Academic Programmes Reviewed	%	5.00	8.00
C234_3	Student Mentored	%	100.00	100.00
C234_4	Proportion of Academic Staff with PhD Degree	%	2.00	3.34
C234_6	Intellectual Property Registration	%	100.00	100.00

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university. The University will continue to invest and equip the staff with requisite skills in order to improve productivity.

Infrastructure Development.

The University continued to invest in infrastructure to increase teaching and research space for our students and staff. In the FY 2024/2025, the construction of Engineering and TVET Complex realized with 42% completion rate with total expenditure to date standing at Kshs. 301,769,062. The implementation pace slowed down due to inadequate cash flows and is expected to pick in the subsequent year to have the project delivered for use on time. The Olympic size swimming pool construction realized 82% completion rate respectively by 30th June 2025. These are flagship projects for the University as they will contribute significantly to achieving high quality training and research and improvement on the general ambience of the University.

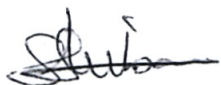
Student welfare

The lives and experiences of our students is key in our mandate as a university. In the year 2024/2025, we supported various activities which involve students such as sports and games, choir and drama, talent scholarships, student leadership and work-study. Our Soccer team was promoted to National League division II after winning several matches. The Rugby team will play in the National league in FY 2025/2026 after performing very well in the previous season. The University Council and Management will continue to allocate resources to these activities to promote holistic growth and development of our student.

Conclusion

I wish to take this opportunity to thank the Council, the University Management Board, Senate and other organs of the University for their leadership and commitment to the realization of the mandate of the University the FY 2024/2025. I also wish to thank all our students. My appreciation also goes out to the entire staff for their steady commitment that realized the progress recorded in the year ended 30th June 2025. Finally, I wish to particularly appreciate the support of the National Government and other stakeholders in fulfilling their commitments to our university and assure them of our continued cooperation and prudent utilization of resources bestowed on us.

Thank you very much. God bless you.



**Prof. Solomon I. Shibairo, PhD
VICE CHANCELLOR**

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S/No.	Performance Criteria	Unit of Measure	Annual Target	Annual Performance
C234_ 7	Student on Continuing Education Programme Increased	No	420.00	672
C234_ 8	Innovations Commercialized	%	100.00	100.00
C234_ 9	Research Output Disseminated	%	100.00	190.00
C234_ 10	University Linkages Established	%	100.00	100.00
C234_ 12	Library Resources Enhanced	%	100.00	100.00
C234_ 14	Productivity Improvement	Index	5.00	TBA
C234_ 15	CBC Readiness	%	100.00	100.00
C234_ 16	Communities Outreach Programmes	No	3.00	33.00
C234_ 17	Project Completion Rate	%	100.00	100.00
C234_ 19	Webometrics Ranking	Global Rank	4967.00	5001
C234_ 20	Researchers Incentivized	%	100.00	100.00
C234_ 21	University Niching	%	100.00	100.00
C234_ 22	Innovative Financing Options Explored	No	5.00	100.00
C234_ 24	STI Mainstreaming	%	100.00	100.00
C234_ 25	Construction of Engineering Complex	%	30.00	10.00
C234_ 26	Self-Assessment at Institutional Level	Report	1.00	1.00
C234_ 27	Number of Cultural Events Undertaken	No	3.00	5
C234_ 28	MMUST Publishing Press Established	%	100.00	100.00
	Weight Sub-total			

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S/No.	Performance Criteria	Unit of Measure	Annual Target	Annual Performance
D	Implementation of Presidential Directives			
D1	Implementation of Presidential Directives	%	100.00	100.00
	Weight Sub-total			
E	Affirmative Action in Procurement			
E1	Access to Government Procurement Opportunities	Kshs	170,250,000.00	138,581,166
E2	Promotion of Local Content in Procurement	Kshs	227,000,000.00	292,058,685
	Weight Sub-total			
F	Cross - Cutting			
F1	Asset Management	%	100.00	100.00
F2	Youth Internships/ Industrial Attachments/ Apprenticeships	No	170.00	345
F3	Competence Development	%	100.00	100.00
F4	National Values and Principles of Governance	%	100.00	100.00

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8. CORPORATE GOVERNANCE STATEMENT

Corporate governance comprises rules, procedures, regulations and processes through which the University is directed. According to the provision of the University Charter and the University Act No 42 of 2012, MMUST has the following established organs of Governance:

- The Council
- The Senate
- University Management Board

MMUST is committed to mainstreaming best practices in corporate governance. The University has a duty of care to conduct affairs in a responsible and transparent way and to take into account the requirements of funding bodies and other stakeholders.

The University's Council is responsible for enforcing a sound system of internal controls that support the achievement of aims, objectives and implementation of policies enacted while safeguarding the public and other funds and assets for which the Council is responsible. The systems of internal controls are designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can, therefore, only provide reasonable and not absolute assurance of effectiveness against material misstatement or loss.

The University Council has adopted a Statement of Primary Responsibilities which is published on the University's Strategic Plan and Website. This Statement sets out the Council's responsibilities in respect of the proper conduct of public business, strategic planning, monitoring effectiveness and performance, finance, audit, estate management, human resource management, equality and diversity, student welfare, health and safety and the appointment of the University officers.

i) The Appointment and Retirement of the Council

The Council is the overall Governing Board of the University. The Council is appointed by the Cabinet Secretary responsible for University Education as per the Universities Act No. 42 of 2012. The Council consists of nine (9) members including the Vice Chancellor who is an ex-Official member and Secretary to the Council. The Council is appointed for a term of three (3) years to oversee good governance. The Cabinet Secretary ensures rotation of key council positions to ensure continuity upon retirement or expiry of their terms.

ii) The Role and Functions of the Council

Section 35(1) (a) of the Universities Act, No. 42 of 2012 provides for the following roles of the Council to:

- a) Employ staff
- b) Approve the Statutes of the University and cause them to be published in the Kenya Gazette
- c) Approve the policies of the University
- d) Approve the budget
- e) Recommend for appointment of the Vice Chancellor, Deputy Vice Chancellors and Principals of Constituent Colleges through a competitive process; and
- f) Undertake other functions set out under the Act and MMUST Charter.

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iii) Committees of the Council

The Council has various committees that enable it perform its functions with more specialized skills. These committees are headed by a member who's training and professional skills are amenable to offer good work.

The Audit, Governance and Risk Management Committee has in place an approved Audit Charter that spells out the responsibilities of the Committee. It details the type of work and powers that the Committee has. The purpose of the Charter is to assist the Council members in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the audit process, and the University's process for monitoring compliance with laws and regulations and the Code of Conduct.

The following are the Committees of MMUST Council:

- a) Planning, Finance and General Purposes Committee
- b) Academics, Students Affairs, Research, Innovation and Development Committee.
- c) Human Resource Committee
- d) Audit Committee

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iv) Full Council and Committee Meetings

The Council and its committees made several meetings in the financial year 2023/2024. The following are the meetings attended by each Council member in their respective committees and Council.

Table 1: Full Council meetings for 2024/2025

	1 st Regular 10/7/2024	1 st Special	2 nd special 24/9/2024	Performance Evaluation 15/11/2024	2 nd Regular 2/12/2024	3 rd Special 28/1/2025	3 rd Regular 3/3/2025	4 th Special 23/5/2025	4 th Council 5/6/2025
Prof. Solomon Shibairo		✓	✓	✓	✓	✓	✓	✓	
Dr. Pamela Sitienei	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. George Lutomia	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mrs. Susan N. Nyasinga HSC	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Kennedy Ochieng' Oluong'o	✓	✓	✓	✓	✓	✓	✓	✓	✓
CPA Grace W. Kimotho	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms. Dorothy N.O. Kimeu	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Peter Muhia Wanjiku	✗	✗	✗	✓	✓				
Mr. Kennedy Nyachiro						✓	✓	✓	✓
Ms. Eunice Wakofula	✓	✓	✓	✓	✓	✓	✓	✓	✓

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Table 2: The Planning, Finance and General Purposes Committee Attendance for 2024/25

	NAME	8/7/2024 (1 st Regular)	1 st Special 19/09/2024	2 nd Regular 15/10/2024	3 rd Planning 13/1/2025	4 th Regular 16/4/2025
1	Ms. Susan Nyasinga	✓	✓	✓	✓	✓
2	Ms. Dorothy Kimeu	✓	✓	✓	✓	✓
3	Mr. Peter Muhia Wanjiku	✗	✗	✗	✗	✗
4	Mr. Kennedy Nyachiro				✓	✓
5	Dr. George Lutomia	✓	✓	✓	✓	✓
6	Ms. Eunice Wakofula	✓	✓	✓	✓	✓
7	Prof. Solomon I. Shibairo	✓	✓	✓	✓	✓

Table 3: Academics, Students Affairs, Research, Innovation and Development Committee.

	NAME	23/8/2024 (1 st Regular)	15/11/2024 (2 nd Regular)	7/02/2025 (3 rd Regular)	16/5/2025 (4 th Regular)
1	CPA. Grace Kimotho	✓	✓	✓	✓
2	Ms. Susan Nyasinga	✓	✓	✓	✓
3	Dr. Kennedy Olungo	✓	✓	✓	✓
4	Mr. Peter Muhia Wanjiku	✓			
5	Mr. Kennedy Nyachiro		✓	✓	✓
6	Ms. Eunice Wakofula	✓	✓	✓	✓
7	Prof. Solomon I. Shibairo	✓	✓	✓	✓

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Table 4: The Human Resources Management Committee

	NAME	22/8/2024 (1 st Regular)	16/10/2024 (2 nd Regular)	27/02/2024 (3 rd Regular)	23/5/2025 (4 th Regular)
1	Dr. George Lutomia	✓	✓	✓	✓
2	Dorothy Kimeu	✓	✓	✓	✓
3	Mr. Peter Muhia Wanjiku	✓	X		
4	Mr. Kennedy Nyachiro			✓	✓
4	Ms. Eunice Wakofula	✓	✓	✓	✓
5	Prof. Solomon I. Shibairo	✓	✓	✓	✓

Table 5: The Audit Committee

	NAME	9/7/2024 1 st Regular)	24/10/2024 (2 nd Regular)	23/1/2025 3 rd Regular	12/04/2024 (4 th Regular)
1	Dr. Ken Olungo	✓	✓	X	✓
2	Ms. Grace Kimotho	✓	✓	✓	✓
3	Mr. Peter Muhia Wanjiku	✓	X		
4	Mr. Kennedy Nyachiro			✓	✓
4	Ms. Eunice Wakofula	✓	✓	✓	✓
5	Prof. Solomon I. Shibairo	✓	✓	✓	✓

Key:

✓	Attended
X	Not Attended
	Non Member at that time

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v) Remuneration of Council

Council members are remunerated for their services in accordance with the prevailing relevant legislative provisions and/or guidance from the relevant authority. In line with best practice, the remuneration should include base pay, attendance allowances and bonuses.

The following shall apply:

1) Chairman

(a) Monthly Honoraria

A monthly taxable honorarium of up to a maximum of Kshs.80, 000 is paid to the Chairman.

(b) Telephone Services for Chairman only

(i) Mobile phone airtime; up to a maximum of Kshs.5, 000/= per month.

(ii) Land-line prepaid telephone card: up to a maximum of Kshs.2, 000 per month.

2) All Members

(a) Sitting Allowance

A taxable sitting allowance of up to a maximum of Kshs.20, 000/= per sitting may be paid to Chairman and members. In addition, sitting allowance may be payable when on official duty in and outside the country.

vi) Succession plan

The University Council has developed a Council Succession Plan in compliance with the Mwongozo Code of Governance for State Corporations (2015). The plan ensures continuity of governance leadership by providing structured procedures for identifying, nominating, and inducting new Council members in the event of retirement, resignation, or end of tenure.

To safeguard institutional memory and stability, the plan incorporates staggering of Council appointments, such that members' terms are phased rather than ending simultaneously. This staggered approach maintains a balance between continuity and renewal, ensuring that experienced members remain on the Council as new ones are inducted. The plan also considers diversity in skills, gender balance, and professional experience to sustain effective oversight and strategic direction.

vii) Conflict of Interest

Conflict of interest may arise where a Council member or close family member such as a spouse, child, parent or sibling has private interests that could improperly influence the performance of the Council member's official duties and responsibilities. Conflict may also arise where a Council member uses their office for personal gain.

Council members are required to avoid conflict of interest and deal at arm's-length in any matter that relates to the organization. However, a Council member who identifies an area of conflict shall be required to disclose any actual or potential conflict of interest to the Council. In so reporting, the Council member is required to provide all relevant information, including information which relates to their immediate family members by

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blood or marriage which is related to the area of conflict. When declared, the Council member shall abstain from decisions where the conflict exists.

The Corporation Secretary should keep a record of conflicts of interest declared, for accountability purposes, and as a rule of good practice on appointment and on regular intervals or at any time when circumstances change, all members shall in good faith disclose to the Council for recording, any other business or interest likely to create a potential conflict of interest.

viii) Evaluation of Council Performance

The Council will conduct an annual evaluation to appraise its performance. This evaluation will be carried out in accordance with the Council Evaluation Tool.

The Council evaluation provides an opportunity for Council members to identify strengths, collective skill gaps and individual areas of improvement. The Council will also review the performance of each committee against the agreed Terms of Reference. The Council will also evaluate the performance of the CEO and Corporation Secretary.

ix) Process of appointment and removal of Council members

i. The relevant appointing authority shall select and appoint Council members. Every appointment shall be by name and by notice in the Kenya Gazette but shall cease if the Council member:

- (a) Serves the appointing authority with a written notice of resignation; or
- (b) Is absent, without the permission of the Chairperson, from three consecutive meetings; or
- (c) Is convicted of an offence and sentenced to imprisonment for a term exceeding six months or to a fine exceeding twenty thousand shillings; or
- (d) Is incapacitated by prolonged physical or mental illness from performing his duties as a member of Council; or
- (e) Conducts himself in a manner deemed by the appointing authority to be inconsistent with membership of Council.

ii. Any removal of a Council member under (i) above, shall be through formal revocation.

iii. The Corporation Secretary will ensure that a record of the appointment letter, gazette notice and written acceptance by the Council member are kept in the personal file of the Council member.

x) Governance Audit

The University conducted a Governance Audit in in the Financial Year 2024/2025 in line with the Mwongozo Code and guidance from the State Corporations Advisory Committee (SCAC). The audit evaluated compliance with governance principles, assess Council and committee effectiveness, and recommend improvement actions. The University is implementing findings and recommendations of the Governance audit carried out in the FY 2024/2025.

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xi) Communication Policy

The University has in place Communication and Stakeholder Engagement Policy. The policy has been adopted to enhance transparency, accountability, and consistency in both internal and external communication. The policy outlines official communication channels, media handling protocols, and stakeholder engagement procedures, in line with public service communication standards.

xii) Terms of Reference of Committees

Committees of council have approved Terms of Reference clearly defining its mandate, membership, authority, reporting obligations, and meeting frequency. The ToRs ensure that committee work is aligned with the Council's strategic oversight role.

xiii) Policy on Related Party Transactions

The University is developing Related Party Transactions Policy, that will be aligned with *IPSAS 20* and the Mwongozo Code. The policy will guide disclosure, approval, and monitoring of any transactions involving Council members, senior management, or affiliated entities. It will enhance transparency, prevent conflicts of interest, and ensure adherence to ethical governance practices.

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9. MANAGEMENT DISCUSSION AND ANALYSIS

a) Financial operating results and review of performance

In the financial year (FY) 2024/2025, the University registered a total revenue of Kshs 4,138,005,775, reflecting a 22% increase compared to Kshs. 3,389,656,060 in FY 2023/2024. This growth is largely attributed to the admission of the second cohort under the New Funding Model (NFM), which allows the institution to charge full Differentiated Unit Cost (DUC) per program. Unlike the previous model, where government funding was predominant, the NFM is structured around a hybrid system comprising student loans, scholarships, and individual contributions based on means-testing. This has significantly boosted tuition and related income, which now constitutes 68% of total revenue, up from 56% in the previous year.

In terms of cost performance, the University incurred total expenditures of Kshs. 4,071,164,799, of which employee compensation amounted to Kshs. 2,696,967,433 (66%). Academic (teaching, research, and extension) expenses stood at Kshs. 419,650,508 (10%), reflecting the core mission of the institution. Despite a significant provision for impaired student debts (Kshs. 288,807,746), the University managed to record a surplus of Kshs. 66,840,976, reversing the prior year's deficit of Kshs. 28,946,159.

This performance underscores improved financial discipline, aided by operational reforms and the ongoing transformation in funding. However, the provision for bad debts, which increased by 63% from Kshs. 177,216,352 to Kshs. 288,807,746, signals persistent challenges with receivables collection.

Table 9.1: Comparative Income Sources

Revenue Source	2024/25 (Kshs M)	% of Total	2023/24 (Kshs M)	% of Total
Recurrent Grants	1,146,760,729	28%	1,318,827,678	39%
Tuition & Related Charges	2,804,329,402	68%	1,894,110,812	56%
Research Grants	88,575,458	2%	76,860,348	2.30%
IGUs	39,026,709	0.90%	27,227,454	0.70%
Other Income	59,313,477	1.40%	72,629,767	1.90%
Total Revenue	4,138,005,775	100%	3,389,656,060	100%

Key Observations:

- Tuition income increased by **48%**, indicating improved enrolment and higher program fees under the NFM.
- Recurrent government grants dropped by **13%**, reinforcing the shift away from traditional funding sources.
- Research and IGU income showed marginal growth, reflecting limited but improving diversification efforts.

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Table 9.2 Operating Surplus and Financial Sustainability

FY	Revenue (Kshs M)	Surplus/Deficit (Kshs M)	Net Profit %
2024/2025	4,138,005,775	66,840,976	1.50%
2023/2024	3,389,656,060	-28,946,159	-0.86%
2022/2023	3,036,282,308	-37,148,582	-1.20%
2021/2022	3,167,450,549	16,155,630	0.50%
2020/2021	3,030,334,011	258,080,382	8.50%
2019/2020	3,224,188,397	295,953,531	8.90%

The surplus realized in FY 2024/25 represents a turnaround from two consecutive years of deficits. However, profitability levels remain subdued relative to earlier years (e.g., 8.5% in 2021), due to escalating operating expenses and continued provisioning for uncollected revenues. To ensure financial resilience, the University needs to improve collection efficiency, especially of student receivables, and explore cost optimization initiatives.

Table 9.3: Comparative Financial Position and ratio Analysis

Year	30.06.25	30.06.24	30.06.23	30.06.22	30.06.21
	Kshs. (M)	Kshs. (M)	Kshs. (M)	Kshs. (M)	Kshs. (M)
Assets					
Non- Current Assets					
Property & Equipment & Others	5,707	5,686	5,640	5,093	5,044
Total Non- Current Assets	5,707	5,686	5,640	5,093	5,044
Current Assets					
Inventories	16	12	14	25	36
Accounts Receivables	1,235	910	995	842	1201
Cash & Bank Balances	455	648	517	562	517
Total Current Assets	1,705	1,570	1,526	1,431	1754
TOTAL ASSETS	7,413	7,255	7,168	6,524	6,798
EQUITY & LIABILITIES					
Capital Reserves	6,407	6,455	6,515	5,893	6,025
Revenue Reserves (P&L)	67	(29)	(37)	16	258
Total Equity	6,474	6,435	6,478	5,909	6,282
Total liabilities	939	820	689	621	517
TOTAL EQUITY & LIABILITIES	7,413	7,255	7,168	6,524	6,798
Key Ratios					
(i) Current Ratio	1.8	1.9	2.2	2.35	3.40
(ii) Acid Test Ratio	1.75	1.9	2.18	2.31	3.336
(iii) Debt to Assets Ratio	0.13	0.11	0.12	0.095	0.075
(iv) Total Assets Turnover	0.55	0.46	0.42	0.48	0.45
(v) Return on Investments (ROI)	0.22	0	0	0.25	4.0

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Liquidity Analysis:

- The **current and acid-test ratios** remained above the acceptable threshold (>1), indicating that the University is in a **strong short-term liquidity position**.
- The **Debt to Asset Ratio** of 0.13 indicates **low gearing**, giving the University fiscal headroom to take on additional debt for strategic investments if needed.

Asset Growth:

- **Total assets increased marginally** from Kshs. 7,255,480,591 to Kshs. 7,413,090,104. This limited growth is attributed to the **significant impairment of student receivables**, which reduces the realizable value of current assets.
- **Receivables increased** by 35% to Kshs. 1,234,704,347, which includes Kshs. 62,610,592 from non-exchange transactions. This underlines the need for **enhanced credit risk management**.

b) Compliance with statutory requirements

The University has complied with all financial statutory requirements namely Pay as You Earn, Value Added Tax, Withholding Tax, National Social Security Fund, National Hospital Insurance Fund, National Industrial Training Act Levy, Pension remittances and statutory reporting requirements. The Management has put in place a robust system to ensure that all timelines with respect to statutory obligations are met without any deviations from the set statutory dates. The University prepares and submits quarterly reports and financial statements as required under Section 83 of the Public Finance Management Act, 2012.

c) Key Investments

The University implemented the following investments in the FY 2024/2025

	Project	Total project Cost	Contribution on delivery Mandate	Project Sustainability Statement	Source of Funding	Actual
1	Swimming Pool	96,493,273	Enhances training of physical education students	Charge reasonable user fees to take care of operations & maintenance of the asset	Internally generated revenues (AIA)	78,692,678
3	Engineering Complex	716,991,230	Enhances training of Engineering and Technical skills	Charge reasonable user fees to take care of operations & asset maintenance.	GoK Development Grants	301,769,062

d) Risks facing the University

The University activities are exposed to a number of risks that include credit risks, liquidity risks and operational risks among others. Management has put in place various strategies to mitigate the risks. Student debtors remain a key risk area for the University since the average collection period extends beyond the industry benchmarks which is two (2) months. The University has developed an elaborate Risk Register for implementing its risk strategies.

e) Material arrears in statutory/Financial obligations

The University has complied with all financial statutory obligations.

f) The entity's financial probity and serious governance issues

There was no financial probity and governance issue during the year under review.

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10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

(i) MMUST Sustainability Statements

Masinde Muliro University of Science and Technology sustainability agenda is focused on meeting the needs of the present without compromising the ability of the future generation in meeting their needs. MMUST is committed to meeting the Environmental, Social and Governance (ESG) standards and expectations. MMUST sustainability refers to doing business responsibly, empowering, protecting future generation and building resilient institution to adapt to challenging environment. The University has invested in the community through sustainable, social and environmental activities and partnerships.

As part of sustainability practice, we have in place an enterprise risk management practice system that takes a net - risk approach which ensures that our leadership is fully and timely informed about significant risks.

Corporate Social Responsibility (CSR), is one of the University's core businesses as provided by the Universities Act 2012 of laws of Kenya which helps in creating a sense of goodwill between the University and its internal and external stakeholders. Through CSR initiatives, MMUST seeks to integrate the interest of all stakeholders including employees, students, partners and the community in its business operations and values. CSR initiatives include: field courses, student community outreach activities, annual Agribusiness trade fair and exhibitions, environmental conservation and sustainability, donating to charities and sponsoring local events. Towards this end, the following activities were carried out to support CSR in 2025-2026 FY.

(ii) Environmental Conservation.

The MMUST Greening Initiative has planted **14,321** tree seedlings within MMUST and in Kakamega Forest during the period July 2024 to June 2025. In summary **621** ceremonial trees have been planted in MMUST compound and the remaining **13,700** trees planted in neighbouring schools and in Kakamega Forest. The summary for the tree planting activities are tabulated below:

S/NO	Trees Planted during the July 2024 to June 2025		Trees planted
1.	Tree seedlings donated by MMUST and RAINBOW for Africa UK Ultrasound Training	1 st to 3 rd October 2024 MMUST and RAINBOW for Africa UK Ultrasound Training in Western Region (trees seedlings planted)	35
2.	Tree seedlings donated by Rotaract Club	17 th October 2024 Rotaract Club through the Rotaract Youth Leadership Awards (RYLA) Ceremony (trees seedlings planted)	100
3.	Tree seedlings donated by Standard Chartered Marathon	18 th October 2024; Standard Chartered Marathon organizers donated tree seedlings (trees seedlings planted)	160

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4.	Social work 2 nd Year students project	6 th November 2024, Group Alpha, Social Work Students donated tree seedlings as part of their 2nd Year Project work.	39
5.	Tree seedlings to commemorate International Students' Day	14 th November 2024, International Students' Day , Tree seedlings were planted	80
6.	Tree planting to commemorate the Youth Devolution Conference	20 th November 2024, Youth Devolution Festival organized by the County Government of Kakamega	105
7.	Tree seedlings planted to commemorate , Persons with disability day	3rd December 2024 , Persons with disability day	10
8.	Training organized by RAINBOW Africa project in collaboration with MMUST	6 th December 2024, RAINBOW Africa project developers participated in planting trees	30
9.	Ceremonial Trees to commemorate graduation ceremony	11th December 2024, ceremonial Tree planting during graduation	20
10.	Tree to commemorate the launching of Mbele Leadership Foundation ground breaking ceremony	17 th February, 2025; Mbele Leadership Foundation, USA Launches Centre at MMUST	20
11.	Tree planting to commemorate World Engineering Day	4 th March 2025; School of Engineering and Built Environment celebrates World Engineering day themed “ <i>Shaping a Sustainable Future through Engineering</i> ”	15
12.	Tree planting to launch the MMUST UNESCO Club	20 th March 2025; IIKCSCC initiates launching of MMUST UNESCO Club	07
13.	MMUST Hosts Official Launch of 'NextGen for Earth', a Youth-Led Initiative for Environmental Conservation and Climate Change Action	On 11 th June 2025, MMUST Hosted the Official Launch of 'NextGen for Earth', which was commemorated by planting 30 ceremonial tree seedlings within MMUST.	1,200
14.	MMUST joined forces with regional partners in planting trees, to advance its vision for green revolution	On 19 th June 2025 MMUST joined forces with regional partners in planting trees.	12,500
Total Number of tree seedlings grown			14,321

Below is evidence for the tree planting activities:

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25 Oct,2024

MMUST and Rotaract Club Launch Collaborative Tree-Planting Initiative



Principal Secretary, State Department for Devolution, Teresia Mbaika, plants a tree during the Youth Devolution Festival

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(iii) Employee welfare

The University continues to take the welfare of its staff very seriously and as such has developed and implemented various policies and regulations. Negotiations for Staff welfare CBA are ongoing.

The following have been achieved in this area:

- i) Approval of Human Resource Policy Manual 2023
- ii) Terms of Service 2023
- iii) Negotiated three internal CBAs with unions.
- iv) Conducted staff training needs assessment.
- v) Conducted and effected staff promotions
- vi) Established Occupational Safety and Health Committee in compliance with OSHA 2007
- vii) Provided protective devices for staff working in risky areas.
- viii) Implemented Health Workers Allowances as per SRC Circular
- ix) Trained and mentored staff on new skills in various areas.

(iv) Market place practices

MMUST efforts as a responsible service provider are as follows:

a) Responsible competition practice.

- i) All our charges are approved after all stakeholder consultations
- ii) We conduct all our procurements in accordance with the law.
- iii) We do not condone corruption in all our dealings
- iv) We are apolitical as an institution of higher learning

b) Responsible Supply chain and supplier relations

MMUST continues to adopt best practices in its dealings with its suppliers and creditors by performing the following:

- i) Carrying out prequalification of suppliers
- ii) Promoting transparency and competitiveness in the tendering process
- iii) Compliance with the law in procurement
- iv) Prompt settlement of supplier accounts
- v) Timely resolution of supplier complaints

c) Responsible marketing and advertisement-

MMUST ensures responsible marketing and advertisement as follows:

- i) Allocate marketing opportunities equally to all players
- ii) Review of advertisement content and ethical selection of channels
- iii) Prompt payment to service providers

d) Product stewardship

MMUST consolidates its offerings through:

- i) Differentiated product offering
- ii) Market research to inform consumer needs
- iii) Quality service delivery.

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(v) Corporate Social Responsibility/Community Engagement

MMUST Disaster Management Students Bring Aid and Hope to Nyando IDP Camps in Hands-On Field Experience

In a practical step toward enhancing their expertise in disaster management and humanitarian assistance, 174 second-year degree and diploma students from Masinde Muliro University of Science and Technology (MMUST) undertook a field training visit to Internally Displaced Persons (IDP) camps in Ahero, Nyando Sub-county. This hands-on academic exercise, a key part of their curriculum, was organized by MMUST's School of Disaster Management and Humanitarian Assistance (SDMHA) in collaboration with the Kenya Red Cross (Kisumu) and the Catholic University Chaplaincy. The students visited the Chief's Camp in K'awino South Location and the Ogenya Israel Camp in Kanyagwal Location, where they conducted humanitarian assessments, applied theoretical knowledge to real-world crisis situations, and engaged directly with affected communities. In addition to learning, the students demonstrated social responsibility by donating essential food items, clothing, and hygiene products to help alleviate hardships faced by displaced families.

The Dean of the School of Disaster Management and Humanitarian Assistance, Dr. Ferdinand Nabiswa underscored the value of such field experiences in shaping competent disaster management professionals capable of risk assessment, mitigation planning, and collaborating with humanitarian organizations. "As climate change continues to intensify the frequency and severity of disasters, the demand for well-trained experts in this field has never been greater. MMUST remains committed to equipping students with the knowledge, skills, and ethical responsibility needed to respond effectively and make a real difference in society," he affirmed.



11 Feb,2025

MMUST, Kenya Red Cross Kisumu, and University Chaplaincy, handing over donations to the Chief of Ogenya Israel Camp, Mr. Bonface Adede.

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Dr. Betty Opilo, a faculty member at the School, urged students to cultivate resilience, adaptability, and a strong ethical foundation as they advance in their studies and careers. She emphasized that disaster management is not just a course but a calling to serve vulnerable communities in times of crisis.

While engaging with the students, the Chief of Ogenya Israel Camp, Mr. Bonface Adede, highlighted the devastating impact of recurrent floods on Nyando residents, trapping them in cycles of hardship and vulnerability. He noted that frequent flooding disrupts key economic activities such as farming and fishing, stripping families of their livelihoods and exposing them to hunger and poverty.

Mr. Adede also raised concerns about insecurity in the camps, where the absence of electricity leaves residents dependent on solar lighting, an option many cannot afford. Poor sanitation has heightened the risk of waterborne diseases, while access to healthcare remains a challenge, with residents forced to travel long distances for medical services.



Dr. Betty Opilo (left), a faculty member at SDMHA, hands over donations to an elderly woman.

By integrating academic training with hands-on experience, MMUST is not only preparing the next generation of disaster management professionals but also positioning itself as a leader in disaster resilience and response. This initiative underscores the university's commitment to transforming knowledge into action, ensuring that communities like Nyando receive the support they need to build a more secure and sustainable future.

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A. Toilet Project at Shivagala Primary School

MMUST constructed septic toilets in schools in a bid to boost hygiene and sanitation in schools. Septic toilets were identified as suitable way of waste management in schools because they can be safely exhausted when full without requiring frequent digging of pits. Shivagala comprehensive school, in Shinyalu constituency of Kakamega county, is one of the schools selected by MMUST as model schools for mentorship. Other schools are Senyende comprehensive school, Mahiakalo comprehensive school and Kakamega rehabilitation school.



Friday 14th February 2025

Prof. Solomon Shibairo, the Vice chancellor of MMUST posing for a group photo with students of Shivagala comprehensive school during the handover of the septic toilet project

B. MMUST Joins the Globe in Marking the Silver Jubilee Celebration of International Mother Language Day

Masinde Muliro University of Science and Technology on 21st February, 2025, joined the rest of the world to celebrate the 25th anniversary of International Mother Language Day. The celebrations at MMUST, themed '*Language Matter: Silver Jubilee Celebration of International Mother Language Day*', brought together key stakeholders, including the National and the County Government of Kakamega; the leadership of the Wanga Kingdom,

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led by His Royal Majesty Nabongo Peter Mumia II; WECO Founders Association, MMUST-UNESCO Club, MMUST Professors, staffs and students. The event was graced by Ms. Elizabeth Kyalo, who represented the Principal Secretary of the State Department for Culture, Arts, and Heritage, Ms. Umami Bashir, CBS.



Speaking during the event, Ms. Kyalo pointed out that the event marked a quarter century of efforts to preserve linguistic diversity and promote mother tongue. “The Constitution of Kenya recognizes culture as the foundation of the nation. The Ministry of Gender, Culture, Arts, and Heritage has initiated several activities to support the development of culture in the country. These activities include International Cultural Exchange Programmes as well as the Kenya Music and Cultural Festival,” she stated.

In his address, the Vice Chancellor, Prof. Solomon Shibairo, underscored the university’s unique position as the only institution in Kenya with an Institute of Indigenous Knowledge, Cultural Studies and Climate Change (IIKCSCC). He emphasized MMUST’s commitment to the preservation, documentation, and promotion of indigenous languages and cultural heritage. “Languages are more than communication tools, they are vehicles to identity, history, and knowledge. As a University, we remain committed to fostering research, policy engagement, and community-based initiatives that support Indigenous languages and cultural sustainability through IIKCSCC and the Department of Language and Literature Education.

The Director IIKCSCC, Prof. Josephine Ngaira, thanked the University Management for establishing her Directorate. While giving a talk on ‘*Climate Change, Language and Indigenous Knowledge*’, the full Professor of Geography highlighted the intricate relationship between culture and climate, saying that climate influences various aspects of human behavior, including **dress, diet, and lifestyle choices**. “There is a need for climate change champions to **incorporate Indigenous languages and cultural beliefs** in their messaging to effectively communicate with communities,” said Prof. Ngaira.

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Notably, the celebration was marked with cultural exhibitions as well as traditional music and dance. Indeed, this year's event is once again a reminder of the need for us to not only promote linguistic and cultural diversity but also preserve our cultural heritage.



Isukuti dancers entertain participants at the event.

C. Mmust And Partners Deliver Life-Changing Eye Care To Over 1,800 Residents In Nakuru County.

MMUST, in partnership with the Rotaract Club of Nairobi and VOSH/International, successfully conducted a three-day community eye care outreach, bringing essential vision services to residents of Bahati and Tabuga-Laten, Nakuru County. Held from 25th to 27th, February 2025, at Bahati Location Chief's Camp, Our Lady of Fatima School, and the Presbyterian Church of East Africa, Tabuga, the initiative aimed to combat avoidable blindness by providing eye screenings, community education, refractive error correction, and dispensing prescription and reading glasses.

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MMUST optometry students delivering essential eye care services to community beneficiaries.

Spearheaded by the Masinde Muliro University Optometry Students Association, the outreach impacted over 1,800 beneficiaries, significantly improving eye health awareness and access to treatment. The program concluded with a gala dinner to celebrate the collective achievements and recognize the contributions of all partners. Special appreciation goes to Nelson Gregg Edwards and Gerry Jackson for their dedication to this cause.

Certainly, through strong collaborations and ongoing initiatives, MMUST and its partners remain committed to the fight against preventable blindness, ensuring quality vision and a brighter future for many.

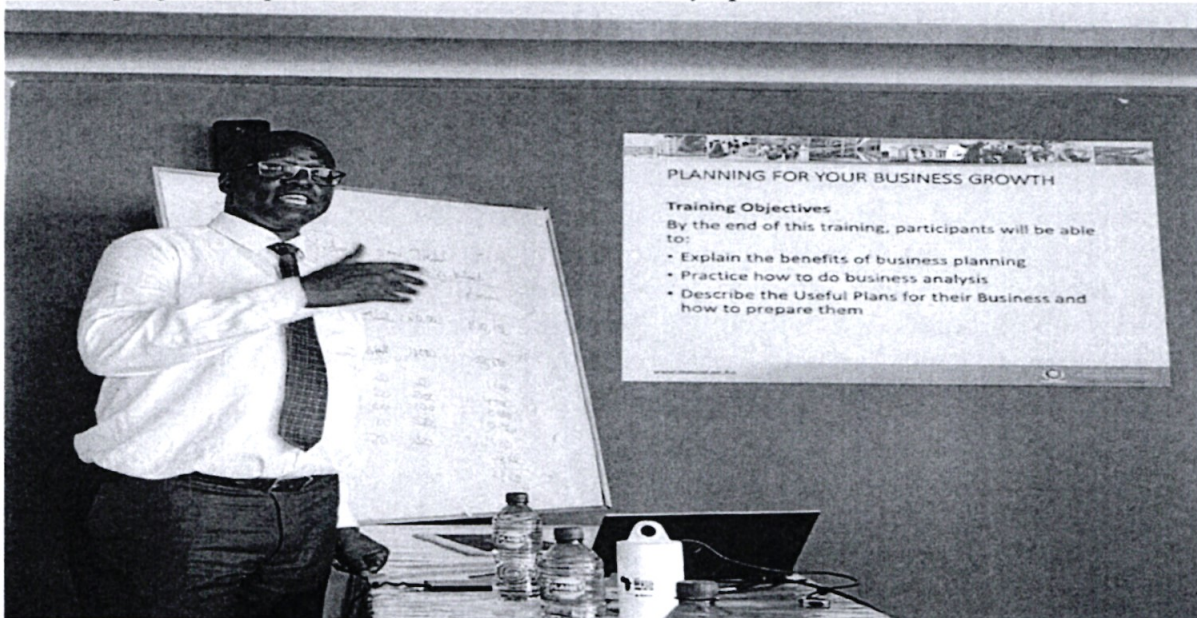
D. MMUST Boosts Financial Literacy among Busia County Small-Scale Traders with Expert-Led Training on Bookkeeping

Masinde Muliro University of Science and Technology (MMUST), through its Finance Department, held a highly impactful training session on effective financial management and bookkeeping for 'mama mbogas' (small-scale traders) in Busia County. This initiative aimed at enhancing financial literacy among the local entrepreneurs, was hosted at Linton Hotel-Busia County, on 6th and 7th March 2025. The training saw over 100 small scale traders from various parts of the region gather to learn essential skills for managing their finances, recording transactions, and ultimately growing their businesses sustainably. The comprehensive and hands-on training was steered by the Finance Officer, CPA Jared Rading'.

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In his presentation, CPA Rading' emphasized the importance of proper financial management for business success. "As small-scale entrepreneurs, most of you face challenges such as mismanagement of funds, lack of proper record-keeping, and poor financial planning. This training aims to equip you with practical skills that will enable you to not only track your daily earnings but also plan for future growth," he explained. The training covered a range of topics critical to small businesses, including budgeting, cash flow management, income and expense tracking, and understanding basic financial statements such as income statements and balance sheets. The traders were introduced to simple yet effective bookkeeping techniques tailored to their business daily operations.



The Finance Officer, CPA Jared Rading' taking the participants through Business Planning.

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The importance of this training cannot be overstated. This group of traders, who form the backbone of Kenya's economy, often face challenges in managing finances due to lack of formal education regarding financial practices. Certainly, this training aligns with MMUST's broader mission of contributing to local and national development by fostering entrepreneurship, and financial empowerment which will eventually bridge the knowledge gap.

E. MMUST'S Finance Team Equips Akala Market Traders with Vital Financial Management Skills for Sustainable Growth

Small-scale traders in Akala Market received a major boost as the Finance team from Masinde Muliro University of Science and Technology (MMUST) delivered an insightful training session on financial management and record-keeping. Led by Finance Officer CPA Jared Rading', the training brought together over 100 traders who were equipped with essential skills to enhance their business operations and pave the way for sustainable growth. This training held on 13th and 14th March 2025 at Akala Market is aimed at creating a more financially literate and empowered generation of traders.



This capacity building training sparked excitement among traders, with many expressing interest in further sessions to enable them fully understand financial management skills. The Finance Department plans to carry out follow-ups with more specialized training sessions focusing on other aspects such as investment strategies and the use of digital tools to streamline financial management. The training concluded by award of certificates to all traders, marking the successful completion of the training.

F. MMUST Participates in Nation Media Group's Higher Education Fair and Skills Expo 2025 in Its Continued Efforts to Attract Prospective Students Countrywide

Masinde Muliro University of Science and Technology is among the institutions of higher learning that participated in the just concluded Higher Education Fair and Skills Expo 2025, organized by the Nation Media Group. The 2-day expo, which took place from 30th to 31st January, 2025 at the Kenyatta International Convention Centre (KICC), saw MMUST showcase its academic programs in an effort to attract more potential students countrywide. The University's participation in this event was coordinated by the Directorate of Career

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Services in conjunction with the Directorate of Corporate Communications and Marketing (DCCM).



MMUST staff at the event

The Higher Education Fair and Skills Expo 2025 attracted industry players, Universities and Colleges, high school children, students who sat for the 2024 KCSE examinations, as well as parents. The event was indeed a great opportunity for MMUST to reach out to prospective clients. There is no doubt that through such platforms, the University will continue to experience an upward trend with regard to student enrolment.

G. Celebrating Cultural Heritage: MMUST Tamasha Festival 2025 Kicks-Off With An Impressive Display Of Cultural Diversity

On 13th March, 2025, the Masinde Muliro University of Science and Technology annual Tamasha Cultural Festival officially kicked off with a vibrant opening ceremony marked with cultural performances including music and dance. The celebrations, themed '*Leveraging on Cultural Heritage in Preserving National Cohesion*', were flagged off by the Deputy Vice Chancellor (Administration and Finance)-Prof. John Kuria Thuo, who was standing in for the Vice Chancellor-Prof. Solomon Shibairo. The event serves as a unifying platform, bringing together students, staff, local as well as international communities to celebrate and appreciate cultural diversity, hence fostering cohesion.

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Students from the Samburu community showcase their traditional dance at the official opening ceremony of the MMUST Tamasha Cultural Festival 2025.

The four-day festival had a great lineup of activities including cultural exhibitions, the Tamasha dinner, bullfighting, games and sports, artiste performances and pageant competitions. The exciting extravaganza ended with an interdenominational service on Sunday, 16th March, 2025.

H. Masinde Muliro University Optometry Department Marks World Optometry Week with Free Eye Screening for the Community

Masinde Muliro University's Optometry Students Association (MMUOSA) joined the global community in celebrating World Optometry Week from 17 to 21 March 2025, by offering free eye screening services to the public. This initiative aimed at raising awareness about the importance of eye health, with a focus on the early detection of eye conditions that can potentially lead to vision loss.

The week-long event saw the association set up a screening unit at the University Graduation Square, and extended the eye screening exercise at the Remand Children's Home in Kakamega County. The event provided an opportunity to the Optometry students to apply their skills while making a direct impact on the community's health.

Speaking at the event, the Chairperson of the Department of Optometry and Vision Science- Dr. Julius Rono emphasized the importance of making eye care accessible to everyone, especially to communities that may not have easy access to professional optometric services. "We are committed to educating the public about the importance of eye health, and this initiative aims to reduce the potential risk of vision loss across all age groups. Early detection can make a significant difference in the treatment and management of many eye conditions," said Dr. Rono.

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One of the Optometry students conducting eye screening during the event.

The association's outreach efforts have been lauded by both local residents and other students who were examined. MMUOSA plans to expand its reach by organizing further events and workshops to continue promoting the importance of eye care. Certainly, this event is part of a larger global activities during World Optometry Week which celebrates the contributions of optometrists in championing vision care globally.

I. CRECO Engages MMUST Students in its Utu Chuoni Program Aimed at Raising Awareness on the Practice of Human Dignity Among the Youth

Masinde Muliro University of Science and Technology is among the five (5) institutions of higher learning that have been selected by the Constitution and Reform Education Consortium (CRECO) to participate in a program, dubbed '*Utu Chuoni*'. The program is part of the '*Utu Mtaani*' project, which is an initiative of CRECO, in conjunction with Uraia Trust and the Ministry of Foreign Affairs of Denmark; it is aimed at raising awareness on the practice of human dignity in the society. On 9th October, 2024, delegates from CRECO, led by the Executive Director-Mr. Joshua Changwony, engaged students from the School of Arts and Social Sciences (SASS) in discussions about national values as well as the various aspects of *Utu*. The event was organized by the Dean-SASS, Dr. Rose Auma, in collaboration with the Directorate of Corporate Communications and Marketing (DCCM).

Prior to the event, the CRECO team paid a courtesy call to the Acting Vice Chancellor, Prof. Moses Poipoi, who said that the '*Utu Mtaani*' project is in line with the University's mandate of transforming the society through community outreach. "As an institution that recognizes the significance of national values, we are grateful to have been selected for this program and we look forward to learning from you," stated Prof. Poipoi.

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CRECO Kenya Executive Director-Mr. Joshua Changwony gives his presentation during the Utu Chuoni exercise at MMUST

The *Utu Chuoni* program represents a significant step towards building a well-informed citizenry. By prioritizing constitutional education in learning institutions, CRECO aims to nurture future leaders who are committed to upholding democratic values and advocating for their communities

J. School Eye Screening Conducted By The Masinde Muliro University Optometry Department on 10th October and 18th October 2024, Kakamega County.

Pursuant to the World Sight Day 2024 theme 'Love your Child's Eyes,' The department of Optometry in Partnership with the University Outreach and extension Services Conducted a Free Eye Screening at various Schools in Kakamega County Sponsored by Canadian Vision Care (CVC). The School selected for this exercise included Kakamega High School, Kakamega Muslim School & Bondeni Primary Schools

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K. The President Awards Kenya (PAK) MMUST Chapter Activities Attract the Coveted Gold Award.

The President Awards Kenya (PAK) MMUST Chapter activities have attracted the coveted gold award after showcasing a number of activities that impressed the evaluators. The Gold Awardees, who were accompanied to State House by the Vice Chancellor, Prof. Solomon Shibairo, the Deputy Vice Chancellor (Academic and Student Affairs), Prof. Hussein Golicha and the Patron Ms. Tabytha Shisia, were presented to the President of the Republic of Kenya, H.E Dr. William Samoei Ruto. The event took place on 17th October, 2024, at State House in Nairobi.



H.E Dr. William Samoei Ruto together with some of the awardees.

The President Awards Kenya presents to young people a balanced, non-competitive programme of voluntary activities, which encourage personal discovery and growth, perseverance, responsibility to themselves and service to their community. The PAK MMUST Chapter has successfully gone through the three stages required, namely, Bronze, Silver and Gold to attain the award that was presented to the achievers by His Excellency the President at State House Nairobi. Undoubtedly, this award places MMUST at the forefront

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among the institutions who are making great strides in student mentorship and preparation for nation building.

L. MMUST Hosts Award Ceremony of the International Day of Sport for Development and Peace

Masinde Muliro University of Science and Technology hosted the award ceremony of the International Day of Sport for Development and Peace on Friday 1st November 2024 at the University Skills Laboratory, main campus.

This event was coordinated by the University Community Outreach Coordinator, Dr. Issa Kweyu and Ms. Christabel Ong'ayo in collaboration with the Kenya National Commission for UNESCO (KNATCOM) and other partners including Ledona Sports Ltd, Equity Bank, Maisha Mart, Supermarket, Midland Emporium, Cricket Kenya, Mama Watoto Supermarket, Kenya Hockey Union, Kenya Baseball Federation and Kenya Badminton Federation. This day was set aside to award the schools that participated in celebrating the International Day of Sports for Development and Peace which was held on 5th April 2024 at MMUST.

The main purpose of celebrating this day was to leverage on the unifying power of sports as a tool for fostering social cohesion, promoting understanding, and building bridges across diverse communities, with the aim of contributing to the creation of peaceful and inclusive societies worldwide.



The event's specific objectives included facilitation of intercultural exchange and dialogue through sports activities, fostering mutual understanding and respect among participants from different cultural backgrounds, promoting gender equality and social inclusion by ensuring equal participation and opportunities for women, girls, and marginalized groups in all sports-related events and initiatives, providing platforms for conflict resolution and peace building through sports-based workshops and activities, equipping participants with skills to address and mitigate tensions within their communities, raise awareness about the role of sports in promoting peace and inclusivity, emphasizing the values of teamwork, empathy, and fair play as essential components of peaceful coexistence, advocate for the removal of barriers to sports participation, including discrimination, poverty, and physical disabilities, to create

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more inclusive and accessible sporting environments for all individuals and engage youth in constructive and meaningful activities, empowering them as agents of positive change within their communities and inspiring them to champion peace and social cohesion through sport.

M. MMUST Joins International Association of Women Judges - Kenya Chapter at Shikusa Borstal Institution, to Mark End of 16 Days of Activism Against GBV

On 19th December, 2024, Masinde Muliro University of Science and Technology (MMUST) joined the International Association of Women Judges (IAWJ) Kenya Chapter at Shikusa Borstal and Boys' Education Centre to mark the conclusion of the 16 Days of Activism against Gender-Based Violence (GBV). The event, themed '*No Excuse, Unite to End Violence Against Women and Girls,*' brought together a diverse group of stakeholders, including judges, magistrates, representatives from the County Government of Kakamega, the Law Society of Kenya (Kakamega Chapter), the National Police Service, and the school's community. Graced by Lady Justice Teresa Odera, the event underscored the importance of collective efforts in combating GBV. MMUST was represented by the Director of International Relations and Academic Linkages, Dr. Umulkher Ali, and the Director of Corporate Communications and Marketing, Dr. Lydia Anyonje, who affirmed the University's commitment to this critical cause.



20 Dec,2024

This event underscored the significance of collective action in combating GBV while highlighting the transformative role of education and skill development in rehabilitating and empowering young people. With the combined efforts of institutions like MMUST and key stakeholders such as the IAWJ and the government, the future of the students at Shikusa Borstal Institution and Boys' Education Centre remains bright and full of promise

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N. MMUST Hosts Youth Devolution Festival In A Bid To Empower Youths For National Development

Masinde Muliro University of Science and Technology (MMUST) hosted the Youth Devolution Festival on 22nd November 2024 at the University Multipurpose Hall (MPH). The remarkable event graced by the Principal Secretary of, the State Department for Devolution, Mrs. Teresia Mbaika, brought together youths from diverse backgrounds to discuss critical topics on development and inclusivity in Kenya. The event was also attended by the Special Advisor to the Prime Cabinet Secretary- Kibisu Kabatesi, and Nandi Women Representative-Hon. Cynthia Muge. The event was also attended by Deputy Vice-Chancellor (Academic and Student Affairs) - Prof. Hussein Golicha, who was representing the Vice-Chancellor. In a bid to spur the Greening Initiative amongst the youths, the event was commemorated with a tree planting exercise under the theme, '*Securing Devolution through Broadening and Deepening Meaningful Youth Inclusion.*'



29 Nov, 2024

The Youth Devolution Festival at MMUST served as a platform to amplify the voice of youths in national development. It underscored the importance of innovation, leadership, and environmental conservation in shaping a sustainable future. MMUST remains at the forefront of training and empowering youths to rise to the challenges of the evolving job market and contribute meaningfully to the country's development.

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11. REPORT OF THE UNIVERSITY COUNCIL

The University Council submit their report together with the audited financial statements for the year ended June 30th, 2025 which show the state of Masinde Muliro University of Science and Technology's affairs.

Principal activities

The principal activities of the University are teaching, research, innovation and extension services.

Financial Performance

The University recorded a surplus of Kshs **66,840,976** for the Financial Year ending 30th June 2025, a rise from Kshs. **(28,946,159)** deficit registered in the previous period ended 30th June 2024. The turnaround was attributed to improved revenue performance under the new Student-Centered Funding Model, prudent expenditure controls, and enhanced operational efficiency.

Total revenue increased by 22% from KShs. 3,389,656,060 in FY 2023/2024 to KShs. 4,138,005,775 in FY 2024/2025, while total assets grew to KShs. 7,413,090,104 from KShs. 7,255,480,591 in the prior year. The University remained financially stable with a closing cash balance of KShs. 455,484,909 and maintained compliance with statutory obligations.

Council

Members of the University Council who served during the year are shown on page v of this report.

Auditors

The Auditor General is responsible for the statutory audit of the Masinde Muliro University of Science and Technology in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015

By Order of the Council

Sign.....

Date:

Prof. Solomon I. Shibairo

Vice Chancellor & Secretary to Council

**MASINDE MULIRO UNIVERSITY OF SCIENCE AND TECHNOLOGY
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12. STATEMENT OF UNIVERSITY COUNCIL'S RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012, section 14 of the State Corporations Act and the Universities Act No. 42 Of 2012 require the Council to prepare financial statements in respect of that University, which give a true and fair view of the state of affairs of the University at the end of the financial year and the operating results of the University for that year. The Council is also required to ensure that the University keeps proper accounting records which disclose with reasonable accuracy the financial position of the University. The Council is also responsible for safeguarding the assets of the University.

The Council is responsible for the preparation and presentation of the University's financial statements, which give a true and fair view of the state of affairs of the University for and as at the end of the financial year ended on June 30, 2025. 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 University; (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 University; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Council accepts responsibility for the University's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012, the State Corporations Act and the Universities Act No. 42 of 2012. The Council is of the opinion that the University's financial statements give a true and fair view of the state of University's transactions during the financial year ended June 30, 2025, and of the University's financial position as at that date. The Council further confirm the completeness of the accounting records maintained for the University, which have been relied upon in the preparation of the University's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The University's financial statements were approved by the Council on 27th July 2025 and signed on its behalf by:



Dr. Pamela Sitienei
Chairman of Council



Prof. Solomon I. Shibairo
Vice Chancellor

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON MASINDE MULIRO UNIVERSITY OF SCIENCE AND TECHNOLOGY FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Masinde Muliro University of Science and Technology set out on pages 1 to 69, which comprise of the statement of

financial position as at 30 June, 2025 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 Masinde Muliro University of Science and Technology as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Universities Act, 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Long Outstanding Students Debtors

The statement of financial position reflects receivables from exchange transactions balance of Kshs.1,172,093,909 which is net of provision for bad debts totalling Kshs.536,572,037 as disclosed in Note 21 to the financial statements. Included in the receivables balance is a balance of Kshs.863,051,967 in respect to student debtors which had been outstanding for more than 365 days and whose recovery is doubtful.

In the circumstances, the accuracy, valuation and full recoverability of the receivables from exchange transactions balance of Kshs.863,051,967 could not be confirmed.

2. Long Outstanding Staff Imprest

The statement of financial position reflects a balance of Kshs.62,610,592 in respect of receivables from non-exchange transactions. Included in this, is a balance of staff imprest totalling Kshs.41,941,398 which had been outstanding for more than 365 days. No explanations were provided on why Management had not recovered the same from the holders.

In the circumstances, the accuracy, valuation and full recoverability of the receivables from non-exchange transactions balance of Kshs.41,941,398 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit of the previous year, several issues were reported under Report on the Financial Statements, Emphasis of Matter and Report on Lawfulness and Effectiveness in the Use of Public Resources as detailed in **Appendix I**. However, Management has not resolved the issues or given reasons for the delay in resolving the issues.

Other Information

Management is responsible for the Other Information set out on page iv to liv which comprise of University Information and Management, The University Council, Management Team, Chairperson of Council's Statement, Report from the Vice Chancellor, Statement of Performance Against Predetermined Objectives for the year 2024/2025, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the University Council and Statement of University Council's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Compliance with Law on Contract Management and Project Implementation

1.1. Stalled Construction of Olympic Size Swimming Pool and Associated Works

As previously reported, the University awarded a contract for the proposed construction of Olympic size swimming pool and associated works to a local company at a contract sum of Kshs.78,200,692. The contract period was fifty-two (52) weeks starting from 29 July, 2021 to 28 July, 2022.

Due to the additional works which were not in the original bill of quantities, the contractor was given an extension period to complete the work by 15 March, 2024 with a revised contract sum of Kshs.96,493,278. However, during audit inspection conducted in the month of May, 2025, the following observations were made:

- i. As at the time of audit inspection, the contract had been terminated through a mutual agreement between the contractor and the University on 6 November, 2024 with only 82% of the work having been done, whereas the contractor had been paid a total of Kshs.77,168,235 or 80% of the contract sum. However, there was no evidence provided by Management of the final settlement amount agreed to be paid to the contractor after the mutual agreement to terminate the contract.
- ii. Management did not provide a Certificate of Practical Partial Completion to confirm the extent of the pending works as at the time of the mutual termination of the contract.

In the circumstances, value for money has not been obtained as the project has not been completed and put to the intended use.

1.2. Slow Implementation of Proposed Construction of Engineering Complex

Review of records revealed that Masinde Muliro University of Science and Technology entered into a contract with a local contractor for the construction of an Engineering and TVET Complex at a contract sum of Kshs.716,991,230 for a period of five (5) years commencing from 2020 to 2026. A total of Kshs.296,535,373 or 41% of the contract sum had been paid as at May, 2025.

However, the project implementation was at 30% completion with at least 90% of the contract period having lapsed. Therefore, it was evident that the works could not be delivered within the stipulated contract duration. Management did not provide reasons for the slow pace of implementation.

In the circumstances, the University risked incurring additional costs on the project due to inflation, delays and revisions of contract periods. Further, the University may not get value for money on the project as the facility may not be available for use in time as planned.

1.3. Proposed Renovation of Selected University Buildings

Review of the University tender documents revealed that a local firm was awarded a tender for the proposed renovation of selected University buildings at a contract sum of Kshs.43,118,330 for a period of two (2) months beginning 11 September, 2024. A total of Kshs.40,830,397 or 94% of the contract sum had been paid as at 30 June, 2025. However, an amount totalling Kshs.7,600,000 in respect of provisional sums was spent without proper authorization and supporting documents, although the schedules of rates were provided as indicated below:

No.	Item	Amount (Kshs)
1	Mechanical plumbing and waste drainage	2,200,000
2	Electrical installations and fittings	2,000,000
3	Firefighting equipment	300,000
4	Landscaping	600,000
5	Contingencies	1,000,000
6	Project supervision	1,500,000
	Total	7,600,000

Further, physical inspection of the renovation sites conducted in the month of May, 2025 revealed that although the contractor tendered to carry out works at the Multipurpose Hall for Kshs.717,800, Human Anatomy Kshs.609,700, the Medical Clinic Kshs.1,259,890 and the Main gate Kshs.474,500 totalling Kshs.3,061,890 amongst others, the works were not undertaken.

Management explained that in the proposal it was found that, the deterioration of the hostels was worse than the estimates in the bill of quantities and hence the funds were diverted to cater for the increased scope of work at the hostels. However, from the joint measurements report provided, it could be inferred that the initial bill of quantities measurements for the Hostels were not accurately estimated and quantified and hence the discrepancy.

In the circumstances, value for value may not have been achieved in respect of this project.

1.4. Unauthorized Acquisition of Donated ERP System from a Foreign Country

The University acquired a new ERP (Enterprise Resource Planning) as a donation from a company that offers ICT related solutions based in Lagos, Nigeria for free according to the Memorandum of Understanding signed between the University and the Company on 3 and 14 October, 2023. The new system was intended to have customized modules designed to address all user requirements of the University, including students registration, fees management, online payments, results processing, finance, human resource and procurement processes among other functions. The project was rolled out on 13 October, 2023.

The University had been operating on an ERP ABNO System acquired in 2018, which had become fully depreciated as at 30 June, 2024 although still operational and being used parallel with the new donated ERP system.

However, the following compliance, regulatory and administrative anomalies were observed:

- i. While the ERP was stated to be a donation from a foreign company based in Nigeria, the University failed to carry out due diligence on the capacity of the company handling similar ERP in Kenya besides Nigeria save for a collaboration the same company had in South Sudan as shown in a feedback letter dated 16 December, 2024, almost one year after dry runs had already begun in the University.
- ii. The Board paper presented to the Council detailed that the old ERP ABNO System would incur Kshs.56 million tentatively to meet the University needs while the new system would cost Kshs.14.2 million. However, the comparative amounts were not supported by quotations from respected service providers either locally or internationally, as such it was not possible to ascertain the cost benefit analysis between the cloud-based system and the onsite system.
- iii. Although the University sought legal opinion from the Attorney General, there was no evidence of approval at the time of audit. This was in contravention of the Attorney General Act, 2012, Section 19 that stipulates “all Government Departments and State Corporations shall seek the opinion of the Attorney General on any matter raising substantial legal issues”.
- iv. The University did bench-marking and a report dated 25 April, 2023 done after visiting four (4) key institutions and universities, and recommended to Management to consider having a collaboration with the institutions in development and acquisition of a new ERP. It was therefore not possible to establish how the University shelved the idea of sourcing locally and got a new ERP as a foreign donation.

In the circumstances, the effectiveness and sustainability of the new Enterprise Resource Planning (ERP) system could not be confirmed.

2. Non-Compliance with Law on Affirmative Action

Analysis of the University's human resource staff categorization data provided for audit revealed that out of two hundred and ninety-one (291) staff under Senior Management level, one hundred and forty-seven (147) members or 51% were from the local dominant ethnic community. Also, out of eighty (80) staff under top Management, forty-eight (48) members or 60% were from the local dominant ethnic community.

Further, review of the staff categorization data provided for audit indicated that, under top Management level, the female gender represented 19% against the male counterpart who occupied 81% of the positions.

This was contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that 'all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public establishment shall have more than one third of its staff from the same ethnic community'.

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

3. Non-Compliance with Law on Wage Bill

The statement of financial performance reflects employee cost expenditure of Kshs.2,696,967,433 against total revenue of Kshs.4,138,005,775 representing approximately 65% of the total revenue. This allocation significantly exceeds the threshold set out in Regulation 25(1)(b) of the Public Finance Management (National Governments) Regulations, 2015, which provides that expenditure on wages and benefits by the National Government should not surpass 35% of total revenue.

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

4. Non-Adherence to Climate Change Financing Policies

Review of the documents provided under climate change financing showed that the University undertook some climate change related activities and procurement of materials that would help in establishing a tree nursery. However, the University did not make quarterly reports and, in the format prescribed to the relevant Government agencies as directed, contrary to The National Treasury Circular 13/2020 which requires that all climate finance expenditures must be recorded and classified every quarter.

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

5. Inadequate Operational Readiness at the University's Campuses

Review of University records and physical verification of campuses on the viability and compliance of the University Campuses in terms of enrollment, infrastructure, staffing, and financial sustainability revealed significant gaps as follows:

- i. The Turkana West Campus has one hundred and fifty-eight (158) students enrolled across programs ranging from certificate to doctorate levels delivered through a blended approach (online and physical), with physical classes being minimal. The campus is managed by one academic staff member (Campus Coordinator), supported by three non-academic staff. The campus operates in a leased building still under construction with only the ground floor that the university occupies having been completed at a monthly rent of Kshs.450,000 (Kshs.5,400,000 annually). The Campus does not have a library and a medical clinic. The computer lab has obsolete computer hardware that are not conducive for online learning. The high rental cost compared to the low student enrollment raises significant concerns about the sustainability of the campus.
- ii. The Commission for University Education had recently recommended closure of the Bungoma Campus due to failure to meet the minimum standards for University education. The ICT laboratory was equipped with obsolete computers making it

unsuitable for effective teaching and learning. The campus lacked critical personnel, including ICT officers and nursing officers impairing academic support and welfare services. Further, there was no proper perimeter wall, compromising the security of students, staff, and institutional assets. The campus experienced a dwindling student population, with only fifty-one (51) undergraduate students and thirty-three (33) diploma students against a staffing level of fifty-one (51) lecturers, indicating gross underutilization of human resources.

This was contrary to the university Universities Act, 2012, the Standards and Guidelines issued by the Commission for University Education (CUE) and best practices in institutional governance that state that universities are required to maintain adequate academic, administrative, and infrastructural capacity to ensure quality teaching, research and student welfare. Further, institutions are expected to maintain appropriate staffing levels, secure learning environments and functional academic facilities.

In the circumstances, Management was in breach of the law and value for money has not been realized in the operation of the two Campuses.

6. Long Outstanding Trade and Other Payables

The statement of financial position reflects a balance of Kshs.185,757,074 in respect of trade and other payables from exchange transactions as disclosed in Note 27 to the financial statements. Included in this, is a balance totalling Kshs.29,575,573 which had remained long outstanding for between one (1) and three (3) years. No explanations were provided on failure to settle debts on time. This was contrary to Regulation 42(1)(a) of the Public Finance Management (National Government) Regulations, 2015 which states debt service payments shall be a first charge on the Consolidated Fund and the Accounting Officer shall ensure this is done to the extent possible that the Government does not default on debt obligations.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance

section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of Formal Reviews of System Audit Logs / Audit Trails

Review of the ABNO Unisol ERP system revealed that the audit trail functionality was enabled. However, there was no formal process for the periodic review or analysis of audit trail, activity or event reports/logs. The absence of such reviews increases the risk that unauthorized or abnormal system activities could go undetected.

In the circumstances, the effectiveness of the University's information system control could not be confirmed.

2. Inadequate Physical and Environmental Security over the Server Room

An assessment of controls at the data centre revealed the following:

- i) Access to the server room was through lock and key and not controlled via a biometric system while the manual register was not up to date. As a result, unauthorized entry could occur, making it difficult to hold individuals accountable in the event of fraudulent or suspicious activity;
- ii) Although the network cables had been properly marked, there were a lot of cables hanging loosely within the racks. Loosely hanging cables pose physical and operational risks as they can become tripping hazards, leading to accidents and may inadvertently disconnect critical connections, causing network disruptions or hardware failures;
- iii) The UPS installed did not have enough capacity to sustain a prolonged power outage;
- iv) There were some used boxes, cartons and old furniture left lying in the server room;
- v) Despite the fire extinguisher servicing being up to date, there were no fire suppression and smoke detection systems. In addition, there were no explicit "No Smoking" warning signs in or around the data center;
- vi) The ICT data center is located in a room with concrete walls and a concrete ceiling. However, the structures are not certified as fireproof; and
- vii) At the time of audit, the temperatures were ranging between 26 to 27 degrees centigrade which may have a negative impact on server performance and potentially lead to breakdown or risk of fire outbreak due to extreme high temperatures. The installed server cooling system was not adequate and there was no maintenance contract for the same. In addition, the electrical connection

to the ACs was faulty such that the AC power connection could trip causing the AC to malfunction.

In the circumstances, the controls over the server room were insufficient to prevent unauthorized physical access and the environment within the data centre was not conducive for proper functioning of ICT assets.

3. Lack of Change Management Plan

Review of the Information Communication Technology internal controls revealed that there were no formal procedures for the University to follow in effecting changes to the systems. The mechanisms include change management forms, review and approval of changes, testing of changes, implementing changes, periodic reporting of changes and post implementation review of changes done to critical systems.

In the circumstances, the effectiveness of University's Information Communication Technology internal controls could not be confirmed.

4. Students Graduating with Fee Balances

Comparison between the Graduation List for the 21st Congregation for the Conferment of Degrees and Award of Diplomas held on 11 December, 2024 and the list of student debtors as at 30 June, 2025 established that ninety-one (91) graduates had not fully settled their tuition fees. The total outstanding amount owed by these graduates was Kshs.8,716,068.

In the circumstances, the effectiveness of the University's fees management internal controls could not be confirmed.

5. Lack of Service Level Agreements between the University and e-Citizen on Frequency of Settlements of Revenue

Analysis of settlement reports and bank records revealed that funds collected through the e-Citizen are remitted to the university collection account on an irregular basis, ranging between three (3) and eleven (11) days after collection. The delays were attributed to the absence of a formal Service Level Agreement (SLA) or a structured settlement framework between Pesaflow (The National Treasury) and the University which resulted in irregular settlements.

In the circumstances, the effectiveness of University's revenue collection controls could not be confirmed.

6. Lack of a Substantive Chancellor

Review of governance and management records revealed that the University had operated for the past three (3) years without a substantive Chancellor after the expiry of the term of the immediate former Chancellor in December, 2022. The University hierarchy was therefore not properly constituted which hindered strategic decisions and leadership.

Therefore, decisions made by the University Council during the period may not be binding.

Further, review of documentation provided for audit review revealed that the Council had no documented succession plan for the Vice Chancellor, University Management Board Members and Senior Management of the University.

In the circumstances, the existence of effective overall governance measures at the University could not be confirmed.

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

Responsibilities of the Management and the University Council

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 December, 2025

Appendix I: Unresolved Prior Year Matters


Reference No. of the Auditor-General's Report	Title of Audit Issue
	Report on the Financial Statements
1	Long Outstanding Student Debtors
	Other Matter
1	Unresolved Prior Year Matters
2	Ownership of Turkana University College Land
	Report on Lawfulness and Effectiveness in the Use of Public Resources
1	Failure to use market survey price index
2	Delay in appointment of university chancellor
3	Excess Wage bill
4	Non-Adherence to law on ethnic diversity of staff
5	Non-Adherence to one third Basic salary rule
6	Effectiveness in Management of the donor Funded Research Grants
7	Unutilized Annual leave Days
8	Delayed construction of Olympic size Swimming pool and associated Works
9	Failure to carry out safety and Health Audits
10	Long outstanding staff debtors
	Report on Effectiveness of Internal Controls, Risk Management and Governance
1	Weakness in Internal Audit Function
1.1	Late submission of internal Audit Work plan
1.2	Lack of performance appraisal of the internal Audit Function
1.3	Lack of Fraud reporting Mechanism/Whistle blowing
2	Unaccounted for Motor Vehicle
3	Weakness in the Information Communication Technology (ICT) Internal control Environment

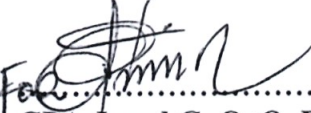
MASINDE MULIRO UNIVERSITY OF SCIENCE AND TECHNOLOGY
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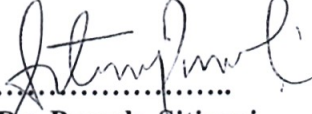
14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2025

Details	Note	2024/2025	2023/2024
Revenue from non-exchange transactions		Kshs	Kshs
Recurrent Grant(GoK)	6 (a)	1,146,760,729	1,318,827,678
Research Grants	7(a)	88,575,458	76,860,348
Total revenue from non-exchange transactions		1,235,336,187	1,395,688,026
Revenue from exchange transactions			
Tuition and Related Charges	8(a)	2,804,329,402	1,894,110,812
Income Generating Units	9(a)	39,026,709	27,227,454
Other Income	10(a)	50,599,501	64,467,791
Finance income	11	8,713,976	8,161,976
Total revenue from exchange transactions		2,902,669,588	1,993,968,033
Total revenue		4,138,005,775	3,389,656,060
Expenses			
Employee costs	12(a)	2,696,967,433	2,361,546,002
Depreciation and amortization	13(a)	147,980,080	142,882,332
Repairs and Maintenance Expenses	14(a)	88,561,040	36,838,218
Contracted Services	15(a)	115,927,961	99,808,213
General & Administrative Expenses	16(a)	283,889,526	227,192,879
Academic(Teaching,Research and Extensions)	17(a)	419,650,508	342,232,934
Remuneration of Council	18(a)	29,380,505	30,885,289
Provision for bad debts	19	288,807,746	177,216,352
Total expenses		4,071,164,799	3,418,602,218
Surplus/(Deficit)		66,840,976	(28,946,159)

The notes set out on pages 8 to 54 form an integral part of these financial statements. The Financial Statements set out on pages 1 to 5 were signed on behalf of the Council by:


 Prof. Solomon Shibairo
 Vice Chancellor


 CPA Jared G. O. O. Rading
 Head of Finance
 ICPAK Number 6143


 Dr. Pamela Sitienei
 Chair of the Council

Date: 01/12/2025

Date: 1/12/2025


Date: 03/13/2025

MASINDE MULIRO UNIVERSITY OF SCIENCE AND TECHNOLOGY
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15. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2025

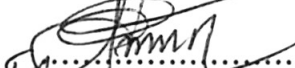
Details	Notes	2024/2025	2023/2024
ASSETS		Kshs	Kshs
Current assets			
Cash and cash equivalents	20	455,484,909	647,772,459
Receivables from exchange transactions	21	1,172,093,755	781,264,264
Receivables from non-exchange transactions	22	62,610,592	129,126,165
Inventories	23	15,596,231	11,693,645
Total Current Assets		1,705,785,487	1,569,856,533
Non-current assets			
Property ,plant and equipment	24	5,687,024,825	5,672,289,716
Biological Assets	25	1,500,200	1,184,200
Butula Campus Development Project	26	18,779,592	12,150,142
Total non- current assets		5,707,304,617	5,685,624,058
TOTAL ASSETS		7,413,090,104	7,255,480,591
LIABILITIES			
Current liabilities			
Trade and other payables from exchange transactions	27	185,757,074	179,106,814
Refundable deposits from customers	28A	25,618,072	52,296,297
Prepayments from customers	36	516,873,594	380,037,698
Deferred income	29	78,920,730	84,894,110
Employee benefit obligation	30	76,225,072	61,754,589
Total current liabilities		883,394,542	758,089,508
Long term Liabilities			
Refundable deposits from customers	28B	54,677,033	53,581,033
Butula Campus Development Grant	31	1,220,408	7,849,858
Total Long term liabilities		55,897,441	61,430,891
Total Liabilities		939,291,983	819,520,399
Net Assets (Total Assets - Total Liabilities)		6,473,798,121	6,435,960,192
Represented by			
Capital Reserves		4,079,899,648	4,137,995,854
Revenue Surplus		66,840,976	-28,946,159
Revaluation Reserves		2,327,057,497	2,326,910,497
Total Net Assets		6,473,798,121	6,435,960,192

The Financial Statements set out on pages 1 to 5 were signed on behalf of the Council by:



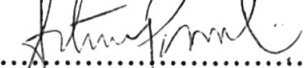
Prof. Solomon Shibairo
Vice Chancellor

Date... 01/12/2025



CPA Jared G. O. O. Rading'
Head of Finance

ICPAK Number 6143
 Date... 1/12/2025



Dr. Pamela Sitienei
Chairman of the Council

Date... 03/12/2025

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**16. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30TH
JUNE 2025.**

Details	Capital Grants Reserves	Accumulated Revenue Reserves	Revaluation Reserves	Total
As at July 1, 2023	4,188,019,890	(37,148,582)	2,327,333,897	6,478,205,205
Movement of Revenue to Capital Reserves	(37,148,582)	37,148,582		-
Surplus / Deficit for the year		(28,946,159)		(28,946,159)
Capital Grants for the year	39,786,430			39,786,430
Prior Year Adjustment	(52,661,884)			(52,661,884)
Revaluation Reserves		-	(423,400)	(423,400)
As at June 30, 2024	4,137,995,854	(28,946,159)	2,326,910,497	6,435,960,192
Movement of Revenue to Capital Reserves	(28,946,159)	28,946,159		-
Surplus / Deficit for the year		66,840,976		66,840,976
Capital Grants for the year	6,629,450			6,629,450
Prior Year Adjustment	(35,779,294)			(35,779,294)
Trial Balance Suspense	(200)			(200)
Revaluation Reserves			147,000	147,000
As at June 30, 2025	4,079,899,648	66,840,976	2,327,057,497	6,473,798,124

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

Details	Notes	2024/2025	2023/2024
		KES	KES
Cash flows from operating activities			
Receipts			
Recurrent Grants	6(b)	1,146,760,729	1,208,925,371
Research Grants	7(b)	93,708,658	111,700,243
Tuition and Related Fees	8(b)	2,357,469,712	1,907,263,596
Income Generating Unit	9(b)	19,855,828	14,641,231
Other income	10(b)	23,933,156	37,427,818
Finance income	11	8,253,865	8,161,976
Underspent Imprest		5,312,128	3,007,918
Total Receipts		3,655,294,076	3,291,128,154
Payments			
Employee costs	12(b)	2,746,268,146	2,357,265,272
Repairs and maintenance Expenses	14(b)	65,041,492	33,755,712
Contracted services	15(b)	108,994,725	101,827,345
General Administrative Expenses	16(b)	264,823,738	219,663,157
Academic(Teaching,Research and Extensions)	17(b)	403,136,008	288,177,679
Remuneration of directors	18(b)	28,327,771	32,095,973
Refundable deposits from Customers	28b)	40,890,169	13,645,031
Total Payments		3,657,482,049	3,046,430,168
Net Cash flows from operating activities	39	(2,187,973)	244,697,985
Cash flows from investing activities			
Purchase of Property ,Plant, Equipment and Intangible Assets	24 & 32	(190,099,577)	(188,359,840)
Net Cash flows from investing activities		(190,099,577)	(188,359,840)
Cash flows from financing activities			
Capital Grant Receipts		-	73,952,982
Net cash flows from financing activities		-	73,952,982
Net increase/(decrease) in cash & cash equivalents		(192,287,550)	130,291,127
Cash and Cash Equivalents at Beginning of the Year	20	647,772,459	517,481,332
Cash and Cash Equivalents at End of the Year	20	455,484,909	647,772,459

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

	Details	Original budget	Adjustments	Final budget	Actual Outcome	Performance Difference	Variance
		2024/2025	2024/2025	2024/2025	2024/2025	2024/2025	%
A	Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	
1	Recurrent Grants	988,256,000	158,504,729	1,146,760,729	1,146,760,729	0	100
2	Research Grants	80,703,000	-	80,703,000	88,575,458	(7,872,458)	110
3	Tuition and Other Related Fees	2,995,438,000	-	2,995,438,000	2,804,329,402	191,108,598	94
	Retained Earnings	300,000,000	-	300,000,000	190,099,577	109,900,423	63
4	Income generating Unit	24,908,000	182,000	25,090,000	39,026,709	(13,936,709)	156
5	Other Income	27,424,000	(182,000)	27,242,000	50,599,501	(23,357,501)	186
6	Finance income	10,000,000	-	10,000,000	8,713,976	1,286,024	87
	Total Income	4,426,729,000	158,504,729	4,585,233,729	4,328,105,352	257,128,377	94
B	Expenses			-			
7	Employee costs	2,788,569,000	77,587,000	2,866,156,000	2,696,967,433	169,188,567	94
8	Depreciation and amortization	168,894,000	(18,894,000)	150,000,000	147,980,080	2,019,920	99
9	Repairs and Maintainance Expenses	112,050,000	(5,000,000)	107,050,000	88,561,040	18,488,960	83
10	Contracted Services	138,500,000	(16,000,000)	122,500,000	115,927,961	6,572,039	95
11	General Expenses	285,290,000	34,975,000	320,265,000	283,889,526	36,375,474	89
12	Academic(Teaching, Research and Extensions)	532,225,000	(31,000,000)	501,225,000	419,650,508	81,574,492	84
13	Remuneration of Council	32,700,000	-	32,700,000	29,380,505	3,319,495	90
17	Provision for bad debts	68,501,000	116,836,729	185,337,729	288,807,746	(103,470,017)	156
	Capital Expenditure	300,000,000	-	300,000,000	190,099,577	109,900,423	63
	Total Expenditure	4,426,729,000	158,504,729	4,585,233,729	4,261,264,376	323,969,353	93
C	Surplus	-	-	-	66,840,976	-	

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Notes to the Statement of Comparison of Budget and Actual amounts for the year ended 30th June 2025

This budget statement relates to the approved Budget for Financial year 2024/2025 and was prepared on the same basis as per reporting and therefore requires no reconciliation.

1. The recurrent grants support from the National Government of Kshs. 1,146,760,729 was realized against planned amount of Kshs 1,146,760,729 thus registering 100% performance. This showed commitment from the National government to continue supporting the University.
2. Research Grants income was realized Kshs. 88,575,458 against a projection of Kshs. 80,703,000 resulting into a performance of 110%. The absorption was within expectations in receipt and usage of the funds by the academic staff engaged in research and proposal writing.
3. Tuition and related charges recorded Kshs. 2,804,329,402 against a target of Kshs. 2,995,438,000 resulting into a performance of 94% of the budget amounts. The performance was within the expectations.
4. Retained Earnings: the university utilized Kshs 190,664,828 against a target of Kshs. 300,000,000 resulting into a performance of 64% of the budget amounts
5. Income Generating Unit realized Kshs. 39,026,709 against a target of Kshs. 25,090,000 which is 156%. The performance was within the expectations.
6. Other Income realized Kshs. 50,599,501 against a target of Kshs. 27,242,000 giving a performance of 186%. This was boosted by recognizing management fee from research grants.
7. Finance Income: The university during the year, maintained deposit in interest earning facilities. Total interest earned was Kshs 8,713,976.
8. Employee costs recorded Kshs. 2,696,967,433 against a target of Kshs. 2,866,156,000 yielding 94% of the budget. This was achieved due to prudent budget management and employment practices.
9. Depreciation provision registered 99% against the budget. This largely depends on the level of Property, Plant & Equipment maintained in the year. There was a transfer of Kshs. 31m from work in progress to Equipment which increased the base for depreciation calculation. The details of this are contained in Note 24 of the financial statements.
10. Repairs and Maintenance recorded 83% performance of Kshs 88,561,040 against a budget of Kshs 107,050,000 for the year on account of improved cost management and scheduled annual work plan adherence.

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11. Contracted services registered a performance of Kshs 115,927,961 which is 95% of the budgeted figure of Kshs 122, 500,000. This was due to prudent cost management.
12. Use of goods and services recorded 89% of the budget. This was a result of prudent cost management on the part of the University.
13. Academic (Teaching, Research and Extensions) expenses registered 84% against the budget. This was low on account of school practice and industrial attachment which started in May 2025 and spilled over to July 2025. The surrenders had not been expensed by 30th June 2025.
14. Council Expenses registered 90% performance against budget. All the meetings were conducted as planned and therefore this was prudent utilization of the budget by the governance wing of the University.
15. The provision for bad debts was Kshs 288,807,746 in the year which is 156% of the allocated amount. The high increase is as a result of a third (2/3) of full provision of the impaired student debtors which have proved uncollectable over the years.
16. Capital Expenditure registered 63% against the budget. This was low on account of slow pace of implementation of major construction projects i.e. Engineering complex and swimming pool.

Budget Reconciliation (Fund Balance with Cash and Cash Equivalent)

Particulars	Amount (KSh)
Surplus for the Year (as per Statement of Financial Performance)	66,840,976
Adjustments for Non-Cash Items:	
Add: Depreciation and Amortization	147,980,080
Add: Provision for Bad Debts	288,807,746
Subtotal: Adjusted Surplus before Working Capital Changes	503,628,802
Changes in Working Capital:	
(Increase) Decrease in Receivables	(613,121,664)
(Increase) in Inventories	(3,902,586)
Increase in Trade and Other Payables	111,207,475
Net Changes in Working Capital	(505,816,775)
Net Cash Generated from Operating Activities	(2,187,973)
Cash Flows from Investing Activities:	
(Acquisition of Property, Plant & Equipment	(190,099,577)
Cash Flows from Financing Activities:	
Capital Grants Received	-
Net Cash (Used)/Generated in the Year	(192,287,550)
Add: Opening Cash & Cash Equivalents (FY 2023/2024)	647,772,459
Closing Cash & Cash Equivalents (as per Statement of Financial Position)	455,484,909

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19. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Masinde Muliro University of Science & Technology (MMUST) is established by and derives its authority and accountability from the Universities Act of 2012 (No 42 of 2012). The University is wholly owned by the Government of Kenya and is domiciled in Kenya. The University's principal activities are teaching, research, innovation, and extension services.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis. The asset valuation process was completed and the report prepared, thus the assets have been recognized in the financial statements. The financial statements were prepared in conformity with International Public Sector Accounting Standards (IPSAS), which allows the use of estimates and assumptions. IPSAS requires management to exercise judgment in the process of applying the University accounting policies. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the University. The level of rounding is to the nearest whole number.

The financial statements have been prepared in accordance with the PFM Act (2012), the State Corporations Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. ADOPTION OF NEW AND REVISED STANDARDS

- i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2025.**

There were no new and amended standards issued in the financial year.

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

Standard	Effective date and impact:
IPSAS 43: Leases	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p>

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Standard	Effective date and impact:
	The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></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>
IPSAS 45: Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
IPSAS 46: Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to

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Standard	Effective date and impact:
	<p>measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47: Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
<p>IPSAS 48: Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

iii. Early adoption of standards

The University did not early – adopt any new or amended standards in year 2024/2025.

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

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

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

The University 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 University.

Interest income

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

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the University's right to receive payments is established.

Rental income

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

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b) Budget information

The original budget for FY 2024/2025 was approved by the National Assembly in June 2024. 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 University upon receiving the respective approvals in order to conclude the final budget.

The University's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of cash flows has been presented under the notes to the Statement of Comparison of Budget and Actual amounts for the year ended 30th June 2025.

c) Taxes

Current income tax

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

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

The University is not registered for payment of corporation tax as it is exempted by virtue of it offering social services and established by the Government of Kenya.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable University and the same taxation authority.

Sales tax

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

- i. When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- ii. When receivables and payables are stated with the amount of sales tax included, The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) Investment property

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

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

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

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

e) Property, plant and equipment

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

f) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the University. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The University also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

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

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

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the University.

Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

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g) Intangible assets

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

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

h) Biological Assets

Biological Assets are animals that are kept by the University for the purpose of teaching and research in the furtherance of its core mandate. The products such as milk and eggs derived from such biological assets are sold and income thereof recognized as per the relevant accounting policy.

i) Research and development costs

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

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

j) Financial instruments

a) Financial assets

Initial recognition and measurement

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

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Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

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

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

b) Financial liabilities

Initial recognition and measurement

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

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

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Loans and borrowing

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

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

k) Inventories

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

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

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

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

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

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

l) Provisions

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

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

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

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m) Contingent liabilities

The University 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.

n) Contingent assets

The University 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 University 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.

o) Nature and purpose of reserves

The University creates and maintains reserves in terms of specific requirements. Capital reserves are meant for development and expansion of long term assets while revenue reserves are for accumulation of operating surpluses which are then used for reinvestment purposes. Revaluation reserves are for asset maintenance and impairments.

p) Changes in accounting policies and estimates

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

q) Employee benefits

Retirement benefit plans

The University provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which an University pays fixed contributions into a separate University (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. The University remits all contributions to the MMUST SRBS on time and no amounts are owing as at 30th June 2025.

r) Foreign currency transactions

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

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s) Borrowing costs

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

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

t) Related parties

The University regards a related party as a person or a University with the ability to exert control individually or jointly, or to exercise significant influence over the University, or vice versa. Members of key management are regarded as related parties and comprise the Directors/ Council, the Vice Chancellor and Senior Managers.

u) Service Concession Arrangements

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

v) Cash and Cash Equivalents

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

w) Comparative figures

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

x) 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, 2025.

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5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The University 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 University. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

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:

- a) The condition of the asset based on the assessment of experts employed by the University
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- c) The nature of the processes in which the asset is deployed
- d) Availability of funding to replace the asset
- e) Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available.

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.

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Notes to the Financial Statements (Continued)

F/No	Description	2024/2025	2023/2024
		Kshs	Kshs
6(a)	Recurrent Grant (GoK)		
	July	82,354,636	109,902,307
	August	82,354,636	109,902,307
	September	82,354,636	109,902,305
	October	82,354,636	109,902,307
	November	82,354,636	109,902,307
	December	82,354,635	109,902,306
	January	164,709,271	109,902,307
	February	82,354,636	109,902,307
	March	82,354,636	109,902,305
	April	82,354,636	109,902,307
	May	82,354,634	109,902,306
	June	158,505,101	109,902,307
	Sub total	1,146,760,729	1,318,827,678
6(b)	Recurrent Grant Receipts		
	Recurrent Grant Reported	1,146,760,729	1,318,827,678
	less accrued (Receivable)	-	109,902,307
	Cash received	1,146,760,729	1,208,925,371
7(a)	Research Grants	88,575,458	76,860,348
	Detailed reconciliation provided under Note (32)		
7(b)	Research Grants Receipts		
	Opening Balance	(84,894,110)	(54,889,185)

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F/No	Description	2024/2025	2023/2024
		Kshs	Kshs
	Less recognised in statement of Financial Performance	88,575,458	76,860,348
	Less Closing Balance	78,920,730	84,894,110
	Management income	11,106,580	4,834,970
	Total Research Grants Received	93,708,658	111,700,243
8(a)	Tuition and Related Charges		
	Tuition Fees	2,534,515,293	1,556,319,157
	Registration fees	784,600	1,144,000
	ID charges	4,250	1,250
	Activity fees	8,361,000	11,525,500
	Amenity fees	8,511,100	11,645,000
	Medical fees	14,942,600	20,240,831
	Students Organizational Fee	3,414,600	4,699,600
	Examination fees	38,234,000	50,821,585
	ICT levy	44,059,000	60,524,900
	Teaching Practice	6,000	-
	Field Trips	323,500	1,481,500
	Thesis	6,695,798	11,952,300
	Supervision	14,489,500	19,500,250
	Professional Insurance Indemnity	580,500	696,500
	Library Fees	26,154,335	36,056,600
	Graduation Fees	23,322,500	23,942,250
	Skill Laboratory Fee	1,682,900	1,375,100

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F/No	Description	2024/2025	2023/2024
		Kshs	Kshs
	KUCCPS Processing Fee	60,500	353,000
	Hospital Consumables	4,476,600	4,501,500
	Medical Insurance	103,500	152,500
	Appraisal Forms	1,000	3,000
	Psychiatry Case Presentation Forms	1,000	-
	Practical Fee /Clinical Placements	1,953,550	1,725,550
	Attachment	42,862,250	45,552,950
	Computer Laboratory Costs	3,533,000	3,227,000
	Laboratory Fees	764,000	2,144,800
	Board (KNDI)	1,000	-
	Training Fees	4,000	3,000
	Referral/Supplementary	12,594,000	13,147,900
	Damages	1,000	6,300
	Application fees	3,038,236	3,540,824
	Project fees	401,000	2,480,000
	Extended Supervision fee (Fee)	1,000	-
	Examination for revised thesis	28,500	27,500
	Lesson Plan	249,190	158,565
	Examination Fee - PHD	615,600	700,000
	Old students receipts	1,000	10,000
	Alumni	1,000	3,000

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F/No	Description	2024/2025	2023/2024
		Kshs	Kshs
	Field work fee	6,691,500	3,302,000
	Student smart card charges	301,500	575,100
	MMUST-Inst Ethical review committee	331,000	222,000
	CUE Levy Fund	233,000	348,000
	Total Tuition and Related Income	2,804,329,402	1,894,110,812
8(b)	Tuition and Related Charges Receipts		
	Tuition and related charges as per SFP	2,804,329,402	1,894,110,812
	Less: Increase in receivables	(446,859,690)	13,152,784
	Cash collected	2,357,469,712	1,907,263,596
9(a)	Income Generation Units		
	Farm income	204,576	374,503
	Catering	20,384,553	21,193,052
	MMUST FM	10,000	15,000
	Book Shop	236,450	319,950
	Rental Estate Income	513,986	2,131,364
	Estate sell of Grass	-	12,100
	Sale from production unit	15,958,739	3,113,485
	Hire of Venues / Trappers/ Equipment	1,718,405	68,000
	Total Income From IGU	39,026,709	27,227,454
9(b)	Income generating Units		
	Reported as per billings	39,026,709	27,227,454
	Less: Accrued	(19,170,881)	(12,586,223)
	Cash collected from IGU	19,855,828	14,641,231
10(a)	Other Income		

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F/No	Description	2024/2025	2023/2024
		Kshs	Kshs
	Accommodation	28,212,000	32,135,595
	Fines & Penalties	825,970	835,900
	Misc. Income	4,608,777	10,039,906
	Sale of Tender Documents	114,000	180,030
	Prize and awards	510,000	-
	Foreign Exchange gain/ loss	1,945,341	(6,612,912)
	Research Income	11,116,580	4,834,970
	Revenue from collaborations	2,984,312	1,449,115
	Library Income	149,700	-
	Workshop & Conferences	132,821	2,272,278
	Settled claim income	-	19,332,909
	Total Sundry Incomes	50,599,501	64,467,791
10(b)	Other Income Receipts		
	Billings as per GL	50,599,501	64,467,791
	Less: Accrued	(26,666,345)	(27,039,973)
	Cash collected from other income	23,933,156	37,427,818
11	Finance Income		
	Interest income	8,253,865	8,161,976
	Accrued interest	460,111	0
	Sub total	8,713,976	8,161,976
12(a)	Employee Costs		
	Basic salaries	1,322,128,296	1,178,711,726
	Pension contribution	228,358,635	209,043,627

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F/No	Description	2024/2025	2023/2024
		Kshs	Kshs
	CBA settlement expenses	12,626,274	3,441,409
	House Allowances	408,923,940	406,166,021
	Car Allowances	143,068,653	139,749,589
	Casual workers	8,430,661	7,033,731
	Passage and Baggage Allowances	619,931	166,080
	Part-time Payments	163,383,383	87,748,700
	Non- practising Allowance	5,446,871	2,950,000
	Telephone Allowance	15,033,638	13,256,352
	Risk Allowance	7,863,924	7,330,550
	Acting Allowance	2,496,382	3,091,413
	Extraneous Allowance	31,230,087	31,019,254
	Responsibility Allowance	32,332,306	28,540,321
	Emergency call Allowance	2,166,000	1,728,000
	Housing levy expense	31,724,166	22,693,816
	Leave Allowance	9,164,480	8,969,100
	Entertainment Allowance	26,399,456	23,979,626
	Special Duty Allowance	152,776	23,412
	Tool Allowance	23,745	24,180
	Domestic Servant and Gardener	1,950,968	2,161,613
	Other Personal Allowances	950,323	150,201
	Disturbance and Settlement Allowance	989,068	338,600

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F/No	Description	2024/2025	2023/2024
		Kshs	Kshs
	Stipend	40,000	480,000
	Gratuity expenses	49,148,361	45,439,747
	Management Allowance	1,300,000	1,545,161
	Professorial Allowance	3,320,000	3,968,445
	Uniform Allowance	50,000	60,000
	Medical Expenses	183,656,709	128,317,554
	Book Allowance	3,231,000	3,186,000
	Water and Electricity	195,000	231,774
	Salary Market Adjustment	562,400	-
	Total Personnel Emoluments	2,696,967,433	2,361,546,002
12(b)	Employee Costs payments		
	Opening Balance liability	124,678,711	120,397,981
	Expenses for the period	2,696,967,433	2,361,546,002
	Less: closing liability	(75,377,998)	(124,678,711)
	Actual payments	2,746,268,146	2,357,265,272
13	Depreciation and Amortization		
	Depreciation of Buildings	74,408,851	74,408,851
	Depreciation of Computers and appliances	10,109,455	9,146,141
	Depreciation of Furniture and Fittings	11,232,500	7,901,203
	Depreciation of Motor vehicles	4,451,750	5,188,620
	Amortization of Softwares	-	210,174
	Depreciation on Plant and equipment	39,065,937	37,563,030

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F/No	Description	2024/2025	2023/2024
		Kshs	Kshs
	Depreciation on Library Books and Journals	8,711,587	8,464,313
	Total Depreciation	147,980,080	142,882,332
14(a)	Repairs and Maintenance		
	Repair and Maintenance of Motor vehicles	13,789,369	8,662,398
	Maintenance of Plant, Furniture and Equipment	6,076,455	3,921,395
	Maintenance of Computers	9,784,559	5,474,154
	Maintenance of Buildings	54,662,227	17,165,916
	Maintenance of Play Grounds and Parks	3,674,690	1,127,171
	Maintenance of Fences and Walls	573,740	487,184
	Total Maintenance Expenses	88,561,040	36,838,218
14b)	Repairs and Maintenance Payments		
	Expenses for the year as per SFP	88,561,040	36,838,218
	Accrued expenses/ Prepayments	(23,519,548)	3,082,506
	Payments for the year	65,041,492	33,755,712
15(a)	Contracted Services		
	Cleaning Services	15,236,550	13,228,945
	Insurance Expenses	42,094,248	43,331,232
	Legal Expenses	9,930,699	-
	Rent and Rates	6,799,704	10,164,000
	Security Services	41,866,760	33,084,036
	Total Contracted Services	115,927,961	99,808,213
15b)	Contracted Services payments		
	Expenses for the year per SFP	115,927,961	99,808,213

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F/No	Description	2024/2025	2023/2024
		Kshs	Kshs
	Accrued Expenses/ Prepayments	(6,933,236)	2,019,132
	Payments for the year	108,994,725	101,827,345
16(a)	Use of Goods and Services/ Administration Expenses		
	Advertising and Publicity Expenses	2,589,918	1,729,409
	Audit fee	10,846,704	5,741,569
	Alcohol and drug abuse expenses	292,800	883,640
	Bank Charges -Finance cost	924,035	1,400,584
	Catering Expenses	19,493,284	13,011,240
	Contingency liability	26,360,510	19,413,465
	Corporate Social Responsibility (ESG)	9,260,640	6,656,884
	Couching and mentoring	2,902,412	1,330,210
	DRAMA Festivals	3,759,540	2,193,830
	Electricity	19,602,581	21,109,121
	External Travelling and Accommodation Expenses	2,968,600	5,553,628
	Fumigation Expenses	1,020,335	573,100
	IGU Expenses	17,256,498	4,925,556
	Inter-University Games	10,076,972	8,302,656
	Office Expenses	1,790,477	1,984,320
	Office Stationery	13,980,068	11,593,321
	Official entertainment	947,320	1,000,420
	Performance Contracting Costs	2,721,692	2,282,810
	Postal and Courier Expenses	810,478	680,738

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F/No	Description	2024/2025	2023/2024
		Kshs	Kshs
	Public Celebrations and Funerals	3,530,681	2,145,961
	Publishing and printing	780,000	1,968,800
	Purchase of Uniforms and Clothing	3,213,426	1,823,518
	Show and Exhibitions	1,003,510	969,900
	Special Projects	5,391,860	5,876,671
	Sports Equipment	4,326,047	1,497,260
	Taxes Paid	7,371,549	14,689,021
	Telephone Expenses	528,116	907,849
	Training and Staff Development Expenses	19,772,882	11,782,521
	Transport Operating Expenses	32,173,243	25,066,396
	Traveling and Accommodation	10,568,864	6,888,038
	Tender Expenses	1,405,360	1,028,620
	UMB EXPENSES	2,755,039	5,105,610
	University Choir	2,318,008	2,952,530
	Institutional planning expense	10,535,790	12,440,949
	Corruption mitigation expense	1,252,750	1,268,000
	Valuation Services	231,475	473,080
	Water and Conservancy	27,547,283	19,941,654
	Short consultancy expenses	1,578,779	-
	Total Use of Goods and Services/ Administration Expenses	283,889,526	227,192,879
16b)	Use of Goods and Services/ Administration Expenses		

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F/No	Description	2024/2025	2023/2024
		Kshs	Kshs
	Expenses for the year per SFP	283,889,526	227,192,879
	Accrued Expenses/ Prepayments	(19,065,788)	(7,529,721)
	Payments for the year	264,823,738	219,663,158
17(a)	Academic (Teaching, Research & Extension)		
	Affiliation fees	3,337,649	2,536,900
	Alumni expenses	753,050	1,409,600
	KNUT MMUST scholarship expense	215,824	385,468
	Botanical garden expense	712,230	202,763
	Careers week	2,490,564	1,490,240
	Commission for University Education Expenses	13,026,390	9,245,120
	Disability Mainstreaming expenses	3,840,400	889,750
	Donor funded research expenses	88,575,459	76,860,348
	Examination Expenses	14,054,159	13,643,350
	External examiners expenses	6,869,320	8,424,973
	Graduation Expenses	29,584,912	30,324,974
	HIV/AIDS Expenses	163,320	716,595
	Inaugural Lectures expenses	207,500	2,973,062
	Internet connectivity expenses	27,308,499	38,172,671
	ISO- QA Activities	4,775,519	4,457,682
	KUCCPS Processing Expenses	16,328,642	5,398,100
	Library expenses	2,763,865	1,895,839

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F/No	Description	2024/2025	2023/2024
		Kshs	Kshs
	MMUSO	9,368,670	7,543,120
	MMUST Merit Scholarship	86,000	440,000
	MMUST scholarship	8,759,617	3,916,350
	MMUST Talent Scholarship	4,188,315	3,930,800
	MMUST WORKSTUDY SUPPORT PROGRAMMES	9,188,388	6,973,568
	New Programmes and Curriculum Review	5,341,680	2,953,090
	PSSP Expenses	4,139,164	777,527
	Research Expenses	25,580,264	20,428,349
	Robotics Development Expenses	5,229,910	2,200,880
	Seminars and Conferences	9,186,314	6,507,954
	Senate Expenses	5,274,973	1,985,505
	Student Registration Expenses	3,218,030	2,149,500
	SGS Election & Training	5,165,088	5,039,810
	Students Practical Expenses	13,980,201	11,333,395
	Tamasha Expenses	2,915,260	1,368,500
	Teaching Material Expenses	21,329,105	10,651,271
	Teaching Practice and Field Attachment	36,138,529	42,996,104
	Thesis Supervision Expenses	29,566,958	8,419,276
	Student smart refunds expenses	1,100,000	-
	Publicity of Academic Programmes	2,845,440	2,583,220
	TVET Expenses	2,041,300	1,007,280

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F/No	Description	2024/2025	2023/2024
		Kshs	Kshs
	Total Academic(Teaching, Research and Extensions)	419,650,508	342,232,934
17(b)	Academic (Teaching, Research and Extensions) Payments		
	Expenses for the year per SFP	419,650,508	342,232,934
	Accrued Expenses/ Prepayments	(16,514,500)	(54,055,253)
	Payments for the year	403,136,008	288,177,681
18(a)	Remuneration of Council/Chancellor		
	Council Expenses		
	Council honoraria expenses	1,220,200	960,000
	Council travel expenses	6,472,875	7,221,683
	Council subsistence allowances	9,649,600	8,990,000
	Council training expenses	1,908,350	1,789,100
	Council catering expenses	988,280	1,316,506
	Council stationery expenses	199,995	140,000
	Council sitting allowances	7,945,900	9,468,000
	Council Medical expenses	995,305	1,000,000
	Total	29,380,505	30,885,289
18(b)	Remuneration of Council/Chancellor Payments		
	Expenses for the year per SFP	29,380,505	30,885,289
	Accrued Expenses/ Prepayments	(1,052,734)	1,210,684
	Payments for the year	28,327,771	32,095,973
19	Bad debts Provision		
	Provision for bad debts	288,807,746	177,216,352
	Provision for bad and doubtful debts		
	1-92 days Kshs 45,412,301 Nil provision	-	
	93-184 days Kshs. 96,939,871 Nil Provision	-	
	185-275 days Kshs. 41,984,391@5% Provision	-	2,099,220
	276-366 days Kshs. 39,504,149 @5% Provision	-	1,975,207

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F/No	Description	2024/2025	2023/2024
		Kshs	Kshs
	366-1095 days Kshs.135,296,883@5%Provision	-	6,764,844
	Over 4 years doubtful Kshs. 219,732,083@10%	-	21,973,208
	Bad debts Kshs 433,211,619 @2/3 provision	288,807,746	144,403,873
	Total Provision	288,807,746	177,216,352
20	Cash and Cash Equivalents		
	MMUST KCB 1101811269 (Deposit Recurrent)	159,242,187	63,780,388
	MMUST KCB Payments 1101922109(Tuition)	644,877	554,746
	MMUST BBK 8080317 IGU	7,511,341	11,287,716
	MMUST NBK 0100370554000 (Tuition)	1,647,103	976,584
	MMUST Coop Bank 01129033999900 (tuition)	2,239,466	9,900,555
	MMUST Equity Bank 050029463103	16,596,594	240,601,829
	MMUST Family Bank 078000012655	63,835,856	201,842,145
	MMUST KCB 1101811331 (payment)	9,897,604	13,373,437
	MMUST Standards Bank 0102098712400(research grants	4,105,057	4,937,721
	MMUST Standard Bank 8702098712400 (Research grants	149,505,743	96,349,140
	MMUST Diamond Trust Bank EURO 0092700001	19,402,095	4,168,199
	Fixed deposit	20,856,986	-
	Total Cash and Cash Equivalents	455,484,909	647,772,459
21	Receivables from Exchange Transactions		
	IGU Receivable	8,884,812	12,057,866
	Prepaid Expenses	5,889,392	4,889,392
	Interest Receivable	460,111	0
	Student Debtors	1,693,431,477	1,012,081,297

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F/No	Description	2024/2025	2023/2024
		Kshs	Kshs
	Less provision for bad debts	(536,572,037)	(247,764,291)
	Total Receivables from Exchange Transactions	1,172,093,755	781,264,264
	Aged Analysis		
	Under One year	845,613,825	118,901,601
	1-2 years	83,170,788	94,673,090
	2-3 years	125,812,862	82,636,189
	Over 3 years	654,068,317	732,817,676
	Less provision for bad debts	(536,572,037)	(247,764,291)
	Total	1,172,093,755	781,264,264
22	Receivables from Non-Exchange Transaction		
	Staff Imprest	41,941,398	19,189,758
	Salary advance	669,194	34,100
	GOK capitation receivables	-	109,902,307
	Investment in HELB Scheme	20,000,000	
	Total Receivables from Non-Exchange Transactions	62,610,592	129,126,165
23	Inventories		
	Clinical Drugs Stocks	4,711,635	1,904,275
	Dry Food Stock	256,337	453,414
	Estate Building Materials	6,584,673	4,682,054
	Stationery Central Stores	4,043,586	4,653,902
	Total Inventory and Stores	15,596,231	11,693,645
	Movement		
	Balance B/F	11,693,645	
	Add Purchases for the year	275,694,874	
	Less Issuance within the year (Usage)	271,792,288	
	Closing Balance	15,596,231	
24	Property, Plant and Equipment	5,687,024,825	5,672,289,716

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Note. The depreciation method used is straight line basis.

Property, Plant and Equipment										
a	2024/2025	Land	Buildings	Work in Progress	Plant & Equipment	Computers	Furniture	Library Books	Motor Vehicles	Total
	Depreciation Rate	0	0.025		0.2	0.33	0.125	0.25	0.25	
	Cost									
	As At 1 July 2023	2,826,760,000	2,910,944,872	288,526,148	440,250,972	205,844,970	158,233,591	42,700,686	230,436,274	7,103,697,513
	Additions	-	-	104,938,730	32,279,622	13,041,000	13,533,905	18,530,151	-	182,323,408
	Transfers(Solar system, Walk through scanner & Flood Light)			(31,097,450)	31,097,450					-
	Transfers (Perimeter wall, Foot Bridge, Milimani Guesthouse & ABA lift)		65,409,182	(65,409,182)						
	At 30 June 2024	2,826,760,000	2,976,354,054	296,958,246	503,628,044	218,885,970	171,767,496	61,230,837	230,436,274	7,286,020,921
	Additions	-	-	103,913,568	15,457,336	9,735,525	27,133,978	9,422,720	17,807,000	183,470,127
	Transfers(Solar system & Flood Light)		-	(5,049,368)	5,049,368					-
	At 30 June 2025	2,826,760,000	2,976,354,054	395,822,446	524,134,748	228,621,495	198,901,474	70,653,557	248,243,274	7,469,491,048
b	Depreciation and Impairment									
	As at 30 June 2023	-	(532,637,018)	-	(360,580,721)	(198,650,164)	(139,918,754)	(34,779,673)	(225,247,653)	(1,491,813,984)
	Charge for the year		(74,408,851)	-	(37,563,029)	(9,146,141)	(7,901,204)	(8,464,314)	(5,188,621)	(142,672,160)
	As at 30 June 2024	-	(607,045,869)	-	(398,143,750)	(207,796,306)	(147,819,958)	(43,243,987)	(230,436,274)	(1,634,486,144)
	Charge for the year		(74,408,851)	-	(39,065,937)	(10,109,455)	(11,232,500)	(8,711,587)	(4,451,750)	(147,980,081)
	As at 30 June 2025	-	(681,454,721)	-	(437,209,687)	(217,905,761)	(159,052,458)	(51,955,574)	(234,888,024)	(1,782,466,225)
	NBV At 30 June 2024	2,826,760,000	2,294,899,333	395,825,636	85,909,061	10,715,734	26,397,274	18,697,983	13,355,250	5,672,289,716
	NBV At 30 June 2025	2,826,760,000	2,294,899,333	395,822,446	86,925,061	10,715,734	39,849,016	18,697,983	13,355,250	5,687,024,823

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24 (a) Valuation

Land, buildings and Equipment were valued by in line with the National Assets and Liabilities Management Policy and Guidelines (Issued 30th June 2020). These amounts were adopted on 30th June 2024

24 (b) Property, Plant and Equipment at Cost

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

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	2,826,760,000	0	2,826,760,000
Buildings	2,976,354,054	681,454,721	2,294,899,333
Plant And Machinery	524,134,748	437,209,687	86,925,061
Motor Vehicles, Including Motorcycles	248,243,274	234,888,024	13,355,250
Computers And Related Equipment	228,621,495	217,905,761	10,715,734
Office Equipment, Furniture, And Fittings	198,901,474	159,052,458	39,849,016
Library Books	70,653,557	51,955,574	18,697,983
Work in Progress	395,822,446	0	395,822,446
Total	7,469,491,046	1,782,466,225	5,687,024,823

Property plant and Equipment includes the following assets that are fully depreciated:

	Cost or valuation	Normal annual depreciation charge
Plant and Machinery	328,805,062	39,065,937
Motor Vehicles including Motorcycles	230,436,274	4,451,750
Computers and Related Equipment	198,262,770	10,109,455
Office Equipment, Furniture and Fittings	109,041,474	11,232,500
Library Books	35,807,209	8,711,587
Total	902,352,789	73,571,229

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F/No	Description	2024/2025	2023/2024
		Kshs	Kshs
25	Biological Assets(Livestock)		
	Opening Balance	1,184,200	1,588,100
	Additions during the year	169,000	19,500
	Disposals for the year	-	
	Profit / (Loss) on revaluation	147,000	(423,400)
	Closing Balance	1,500,200	1,184,200
	Biological assets relate to livestock kept for teaching and research purposes.		
26	Butula Campus Development Project	18,779,592	12,150,142
27	Trade and Other Payables from Exchange Transactions		
	Accounts Payable	5,445,744	-
	Accounts recurrent Payables	68,396,366	10,459,828
	Insurance Claim	838,133	1,225,260
	Projects Retention Money	5,198,064	5,198,064
	With Holding Tax Payables	17,017,415	18,670,951
	Bank Staff Loans Deductions	30,948,157	32,228,934
	Other Staff Deductions	10,928,026	8,678,129
	PAYE	583,499	38,076,608
	Payroll Net pay	901,303	1,447,459
	NSSF	440,988	1,234,228
	SHIF	-	1,421,450
	Sacco Deduction	16,070,087	13,027,057

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F/No	Description	2024/2025	2023/2024
		Kshs	Kshs
	Staff Pension Contributions	1,106,171	25,274,376
	KUSU MMUST Chapter	-	462,367
	KUDHEIA MMUST Chapter	-	95,782
	UASU MMUST Chapter	-	1,210,145
	Provision for Part time lecturers	130,753	130,753
	Group life insurance fund	2,115,971	200,000
	Out Put Vat	7,199,762	7,198,762
	Withholding VAT @ 2%	903,048	2,388,435
	Withholding VAT @2% of 114	160,332	160,332
	Staff Tuition Deduction	6,858	6,858
	HELB Loan Deductions	40,351	16,471
	Provision for thesis supervision	(14)	(14)
	University fund control account	14,063,580	3,341,505
	Housing levy payable	854,243	5,647,374
	Quick pay returns	2,408,237	1,305,700
	Total Trade and Other Payables	185,757,074	179,106,814
	Aged analysis		
	Under One year	156,181,501	173,908,750
	1-2 years	24,377,509	5,198,064
	2-3 years	5,198,064	-
	Over 3 years	0	-
	Total	185,757,074	179,106,814

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F/No	Description	2024/2025	2023/2024
		Kshs	Kshs
28A	Refundable deposits from Customers (Current Liabilities)		
	Prepayments	516,781,794	380,037,698
	CDF Control	13,096,596	24,007,862
	HELB Control	2,994,743	1,655,501
	Direct deposit allocation fund acc.	9,618,533	26,632,934
	Total Refundable Deposits (Current Liabilities)	542,491,666	432,333,995
28B	Refundable deposits from Customers (Long Term Liabilities)		
	Caution Money	53,977,033	52,881,033
	Endowment Fund	700,000	700,000
	Total Refundable Deposits (Long Term Liabilities)	54,677,033	53,581,033
	Total Refundable Deposits	597,168,699	485,915,028
	Balance B/F	485,915,028	405,709,209
	Receipts for the year	152,143,840	53,030,423
	Payments for the year	(40,890,169)	(27,175,396)
	Closing Balance	597,168,699	485,915,028
	Aged Analysis		
	Under One year	154,221,735	78,498,247
	1-2 years	67,133,150	61,692,822
	2-3 years	72,645,318	56,862,746
	Over 3 years	303,168,496	288,861,212
	Total	597,168,699	485,915,028
29	Deferred Income		
	Research Grants & Donations	78,920,730	84,894,110

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S/N O.	FUNDING ORGANISATION	RESEARCHER (PI)	BALANCE B/F (01/07/24)	RECEIPTS FY 2024-2025	MANAGEMENT/ADMINISTRATION FEE	EXPENDITURE	BALANCE C/F
			KSHS	KSHS	KSHS	KSHS	KSHS
01	STS INTRAHEALTH INTER.(FUNZO KENYA)	VICTOR DINDA	96,800	-	96,800	-	-
02	NACOSTI (NATIONAL RESEARCH FUND)	STUDENT RESEARCH FUNDS	1,080,000	-	-	-	1,080,000
03	NACOSTI (NATIONAL RESEARCH FUND)		400	-	400	-	-
04	NATIONAL RESEARCH FUND-MULTI DISC	PROF OMOLO	9,297	-	9,297	-	-
05	NATIONAL RESEARCH FUND - UTAFITI	PROF OBIRI	478,615	-	84,615	394,000	-
06	NATIONAL RESEARCH FUND - NRF	NRF	584,200	-	-	15,158	569,042
07	NATIONAL RESEARCH FUND - NRF FY2019/2020	NRF	254,805	-	-	254,805	-
08	LUTHERAN WORLD FEDERATION (LWF)	MR.RONALD MICHEKA	2,836	-	2,836	-	-
09	UNITED NATIONS UNIVERSITY	DR. VITALIS OGEHAH	1,975	-	1,975	-	-
10	MACNIGHT - CIAT	PROF.HASSAN WERE	100	-	100	-	-
11	UNDP NDMA SYMPOSIUM	PROF CHINA/DORCAS MAINA	25,183	-	25,183	-	-
12	ASARECA	DR.JOHN MUOMA	2,783	-	2,783	-	-
13	INTER-CHILD DEVELOPMENT	PROF.SIMALA	45,810	-	45,810	-	-
14	AFRICNIC LTD	DR.JAMES KULUBI	3,146	-	3,146	-	-
15	INSTITUTE FOR ADVANCED .S.STUDIES		22,026	-	22,026	-	-
16	PEJABA		61,257	-	61,257	-	-
17	UNESCO(TWAS)	PROF WILIAM SHIVOGA	777	-	777	-	-
18	UNESCO SCIENCE	DR.CELINE	2,491	-	2,491	-	-
19	UNESCO(TWAS)		417	-	417	-	-
20	UNESCO(UNITED NATIONS SCIENCE CULTURE)	DR.Omulkher	106,163	-	106,163	-	-
21	African Mathematic Millenium science		263	-	263	-	-
22	J HUTTON INSTITUTE		3,003	-	3,003	-	-
23	UNIVERSITY OF ST. ANDREWS	PROF HASAN WERE	1,318,892	-	-	766,420	552,472
24	DANISH REFUGE COUNCIL	MR.RONALD MICHEKA	46,357	-	46,357	-	-

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S/N O.	FUNDING ORGANISATION	RESEARCHER (PI)	BALANCE B/F (01/07/24)	RECEIPTS FY 2024-2025	MANAGEMENT/ ADMINISTRATION FEE	EXPENDITURE	BALANCE C/F
			KSHS	KSHS	KSHS	KSHS	KSHS
25	UNIVERSITY OF CALIFORNIA	MR RAFAEL O ODONGO	7	-	7	-	-
26	ROMININYI OLUFEMI BOLANLE	DR.CATHERINE AURA	1,611	-	1,611	-	-
27	University of Cambridge (project 2)	DR.ANTHONY SIFUNA	352,078	-	86,182	265,896	-
28	University of polymouth	DR.KILUVA	1,179,588	-	58,979	-	1,120,609
29	NACCOSTI(NATIONAL COMM FOR SCI TECH AND INNOVATION)		3,975	-	3,975	-	-
30	KARLO (KENYA AGR & LIVE STOCK ORG)	DR.ANTHONY SIFUNA	1,848	-	1,848	-	-
31	IAEA (ATOMIC PROJECT)	DR.KONYOLE	109,557	-	109,557	-	-
32	WHOLE GENOME SEQ WORKSHOP	DR.ANTHONY SIFUNA	1,848	-	1,848	-	-
33	GLOBAL RESEARCH FUND(SOUTHAMPTON)	PROF OBIRI/KALEB	192,923	-	192,923	-	-
34	USN-EYE FX PROJECT(NOREC)- EXCHANGE PRO.	OPTOMETRY DEPT	268,910	1,730,359	121,115	1,320,000	558,154
35	INTERNATIONAL PLANT GEN RESOURCE CENTRE		223	-	223	-	-
36	Western college		831,250	-	831,250	-	-
37	COPENHAGEN UNIVERSITET- HEALTHYINSECT PROJECT	DR.KONYOLE	902,120	1,047,740	909,170	1,040,690	-
38	ROYAL ACADEMY OF ENGINEERING	PROF.SABUNI	17,059	-	17,059	-	-
39	INTERNATIONAL FOUNDATION FOR SCIENCE (IFS)	PROF.ORATA	159,555	-	13,555	146,000	-
40	UNIVERSITY OF EDINBURG	DR.KILUVA	526,157	-	26,308	-	499,849
41	HEPSSA SPOKE-TUK	PROF.SABUNI	270,727	-	270,727	-	-
42	KYAMBOGO UNIVERSITY- UGANDA	DR.ROSE OPIYO	4,712,050	1,456,282	1,026,068	988,000	4,154,264
43	BRANDENBURG UNIVERSITY	DR.C.AURA	105,268	-	7,268	98,000	-
44	UNIVERSITY OF CAMBRIDGE (PROJECT 1)	PROF HASSAN WERE	8,029	-	8,029	-	-
45	INTERNATIONAL FOUNDATION FOR SCIENCE (IFS)	EMMILY NGENO- R .ONGULU	78,347	-	78,347	-	-
46	FINN CHURCH AID-KENYA	RONALD MICHEKA	423,444	-	423,444	-	-
47	MINISTERIUM DER FINANZE-STEMIC SPONSOR	DR.C.AURA	30,290	-	30,290	-	-
48	ADDENBROOKES CHARITABLE TRUST	DR.ANTHONY SIFUNA	797,382	8,711,195	486,038	5,894,386	3,128,153

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			KSHS	KSHS	KSHS	KSHS	KSHS
49	NATIONAL RESEARCH FUND-NRF	DR.MUGENI	108,000	-	-	-	108,000
50	AFRICAN RESEARCH EXCELENCE FUND-AREF PROJECT	DR.ANTHONY SIFUNA	187,152	-	187,152	-	-
51	INTERNATIONAL NETWORK OF WOMEN IN SCIENCE-INWES	DR.A OKOTH	38,624	-	38,624	-	-
52	GLOBAL AFFAIRS CANADA-BIOSAFETY AND BIOSECURITY	FIDELIS MAMBO	2,488,481	10,213,462	364,077	11,683,349	754,419
53	BAT CONSERVATION INTERNATIONAL	DR.KANDA-PHD STUDENT	19,637	-	19,637	-	-
54	IMMUNIFY LIFE-GUY NEWING	DR.TECLA SUM	1,538,666	-	687,118	-	851,548
55	UNIVERSITY OF BRISTOL-PARC PROJECT	DR.FRED LISOUZA	2,735,858	-	249,487	-	2,486,371
56	ROBERT BOSCH-STIFTUNG-CMARN PROJECT	DR.NICODEMUS NYANDIKO	1,879,687	-	314,442	669,108	896,137
57	IMPERIAL UNIVERSITY -LONDON	DR.ANTHONY SIFUNA	4,601,009	3,931,056	613,700	3,448,880	4,469,485
58	NATIONAL RESEARCH FUND	MMUST-CLIMATE CHANGE SUMMITT	142,500	-	-	-	142,500
59	BIOINNOVATE AFRICA-ICIPE KENYA	PROF.V.MAURICE OMOLO	533,328	4,459,165	222,958	1,698,172	3,071,363
60	MANCHESTER METROPOLITAN UNIVERSITY	PROF.W SHIVOGA/PROF. F.ORATA	1,380,628	-	219,678	1,160,950	-
61	AFRICAN CENTRE FOR TECHNOLOGY STUDIES (ACTS)	DR. OGEMAH	2,765,665	-	-	2,092,670	672,995
62	IDRC/NRF	PROF.V.MAURICE OMOLO	6,788,353	4,499,970	224,999	1,741,755	9,321,569
63	STEMPOWER GALLOUPES	DR.MAXWEL MAGETO	1,006,603	-	-	417,800	588,803
64	ROYAL SOCIETY OF CHEMISTRY	PROF F. ORATA	453,074	-	812	452,262	-
65	ICIPE-DUDU RSIF PROJECT	DR.P. OGUTU/H.MABWI	2,318,102	1,880,707	94,035	3,814,278	290,495
66	NATIONAL RESEARCH FUND-NRF	PAMOJA CALL RESEARCH PROJECTS-PROF MUOMA	744,896	-	-	-	744,896
67	ADDENBROOKES CHARITABLE TRUST	CGHP WORKFORCE PROJECT-DR KOKONYA	3,228,870	1,646,902	82,379	4,793,392	0
68	CALIFORNIA ACADEMY OF SCIENCE	DENNIS OCHIENO/JAIRUS ANALE	330,522	-	-	330,522	-
69	LUTHERAN WORLD FEDERATION (LWF)	RONALD MICHEKA,DR.D BARASA & MUDOGO	189,810	370,200	55,010	505,000	-
70	CENTRO INTERNACIONAL DE AGRICULTURA TROPICAL (CIAT)	DR.N NYANDIKO	3,987,122	4,227,736	211,387	7,633,499	369,973

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			KSHS	KSHS	KSHS	KSHS	KSHS
71	IDRC-CANADA	PROF.MARTIN WANJALA	29,008,508	-	-	8,480,297	20,528,211
72	KENYATTA UNIVERSITY-ERASMUS	PROF.LYDIA WAMOCHA/ROSE SHIKURI	3,297,174	4,045,515	202,276	5,362,581	1,777,833
73	KINGS COLLEGE LONDON-BRITISH COUNCIL	DR ROSE OPIYO/DR. DOROTHY RAMBIM	-	2,429,449	121,472	2,307,120	856
74	RAINBOW FOR AFRICA UK (RAINBOW 4A UK)	DR.ANTHONY SIFUNA/GODFREY MUTAKHA	-	515,564	25,778	440,056	49,730
75	AFRICAN SOCIETY FOR LABORATORY MEDICINE	MR.JAMES WAKUNGWI SAKWA	-	251,486	16,486	235,000	-
76	NATIONAL CANCER INSTITUTE OF KENYA	DR.GREGORY SAKWA	-	1,477,000	73,850	1,221,000	182,150
77	UNIVERSITY OF ESSEX	DR.DAVID BARASA	-	432,324	21,624	410,700	(0)
78	COMPETENCE NETWORK-CoNeMeSA	PROF. GEORGE LAWI	-	2,728,418	136,421	1,354,003	1,237,994
79	NUTRITIONAL KNOWLEDGE, ALTITUDE,BELIEFSN AND PERCEPTIONS (KABP)	DR. JANE NALIAKA SITUMA	-	743,964	37,198	704,000	2,766
80	RAINING OF TRAINERS (TOT) PROGRAM -LWF	DR. RONALD MICHIEKA	-	598,500	29,925	150,000	418,575
81	INTERTIONAL CONSULTIAM OF MICROBEAN PROJECT BETWEEN KENYA CHILE AND MEXICO	DR. PATRICK OKOTH	-	125,308	6,308	119,000	-
82	DESIGNING SOCIALITY IN AI PROJECT - BRUNNEL UNIVERSITY	DR. Dorothy Rambin	-	1,403,117	70,156	1,332,961	-
83	IPPC PROJECT- AGHA-KHAN	DR. EVELYNE MOREMA	-	1,120,089	56,005	1,064,084	-
84	CHP- WHO	DR. JOSEPH CHOGE	-	5,689,926	284,496	5,182,093	223,337
85	ISRA - Bill gates Foundation	Prof. Muoma	-	1,867,416	93,371	915,000	859,045
86	LUTHERAN WORLD FEDERATION	Mr. Ronald Michieka	-	19,174,335	953,722	6,206,300	12,014,313
87	AFRICAN POPULATION AND HEALTH RESEARCH CENTRE	DR.Omulkher	-	187,950	9,398	178,552	-
88	BRANDENBURG UNIVERSITY	DR. JASPER ONDULO,PHD	-	266,759	13,338	253,421	-
89	EUROPEAN UNION ERASMUS+(E)	DR. Edward K. Okaya	-	2,954,874	147,744	1,034,300	1,772,830.30
90	FRANKFURTER STRASSE	UNKNOWN- PI		3,513,054.00	-	-	3,513,054.00
91	MANAGEMENT HEALTH SYSTEMS	UNKNOWN- STUDENT		8,839.00			8,839.00
	TOTAL RESEARCH GRANTS		84,894,110	93,708,658	11,106,580	88,575,459	78,920,730

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30	Employee Benefit Obligation				
	Gratuity		76,225,072	61,754,589	
	CBA Arrears		-	-	
	Total		76,225,072	61,754,589	
	Balance B/F		61,754,589	49,443,678	
	Provision for the year		49,148,361	45,439,747	
	Payments for the year		(34,677,878)	(33,128,836)	
	Closing Balance		76,225,072	61,754,589	
Description	Defined Contribution Plan	Post-employment medical benefits	Other Benefits	(Current FY)	(Comparative FY)
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	0	0	0	76,225,072	61,754,589
Non-Current Benefit Obligation	0	0	0	0	0
Total Employee Benefits Obligation	0	0	0	76,225,072	61,754,589

Retirement benefit Asset/ Liability

The Entity operates a defined contribution benefit scheme for employees on permanent and pensionable terms from July 1, 2003. The scheme is administered by Octagon Pensions Services Limited while KCB Bank Ltd is the custodian of the scheme. Employees contribute at the rate of 10% of the monthly basic salary while the employer contributes 20% of the monthly basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred. Being a defined contribution benefits plan, the Scheme does not have to do an actuarial valuation every year.

The University also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. 2,160 per employee per month.

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31	Butula Campus Research fund	1,220,408	7,849,858
	Opening balance	7,849,858	13,886,290
	Payment for the period	6,629,450	6,036,432
	Closing Balance	1,220,408	7,849,858
32	Capital Development Grants		
	MMUST- Capital		33,750,000
	Donation of equipment	-	-
	Butula campus Movement	6,629,450	6,036,432
	Acquisition of land	-	
	Total Capital Grant	6,629,450	39,786,432
33	Changes in revenue reserves		
	Details		
	Tuition fees and related charges	0	
	Other Debits	(35,779,294)	(53,612,758)
	Other Credits	(200)	949,874
	Total	(35,779,494)	(52,662,884)

34. Prior Year Adjustment

The Statement of Changes in Net Assets for the year ended 30th June 2025 reflected an amount of Kshs. 35,779,294. This adjustment refers to transactions affecting students opening balances for prior periods. The nature of the business of the University warrants corrections in student's accounts when necessary to reflect the correct reality of student lives. We have provided the detailed schedules and journal vouchers for such adjustments.

35. Underspent Imprest

Underspent imprest amounting to Kshs. 5,312,128 represents funds advanced to staff for official duties but not fully utilized during the year ended 30th June 2025. In line with the University's Finance Regulations and Procedure Manual, the unused amounts are surrendered and banked back to the University accounts. These amounts are therefore recognized as cash inflows under operating activities in the Statement of Cash Flows. A detailed schedule of underspent imprest has been provided for review.

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36. Prepayments from customers

Prepayments represent amounts received in advance from students for fees or services, where sufficient information is not yet available to allocate the payments to specific accounts. These amounts are recorded as liabilities until proper identification or supporting documentation is obtained, at which point they are applied to the relevant fees or services.

Description	2024/2025	2023/2024
	Kshs	Kshs
Tuition fees	516,873,594	380,037,698
Total Prepayments	516,873,594	380,037,698

37. Contingent Liabilities

The University had a number of cases that were in court touching on various issues. The University discloses these liabilities herein for proper information.

				COUNSEL	
1.	Nairobi ELRCC/512/2019 Prof. Fredrick Oduho vs. PSC & 9 Others	Employment/Labour contract dispute: The Claimant sued the University and others for unfair/unlawful termination of employment.	Judgment entered for the Plaintiff against the University. We are awaiting a copy of the full Judgment.	Kitiwa & Partners Advocates LLP ACTIVE	Advocate instructed to file a Notice of Appeal as well as apply for Stay of Execution.
2.	Kakamega HCCC/77/2007 Midland Emporium Ltd. vs. HAIDCo & MMUST	Commercial contract dispute: The Plaintiff sued the University alleging it supplied building material to the University and wasn't paid for the same.	Ruling 16.07.2025	Munyao, Muthama & Kashindi Advocates ACTIVE	Litigation ongoing.
3.	Kakamega ELCC/257/2015 David Keli Kiilu & Others vs. MMUST & Others	Land ownership dispute: The Claimants sued the University over ownership of the former ASK land.	Mention 10.07.2025	Shitsama & Company Advocates ACTIVE	The Management to respond to the county's interest to an entitlement of 5 acres which they said were allocated to them for the development of a Sports Complex.
4.	Kitale ELC/48/2019 Mude Hussein & 5 others vs. MMUST & 5 Others	Land ownership dispute: The Plaintiffs sued the University over ownership of land where part of Turkana University College stands.	Mention 15.07.2025.	Kitiwa & Partners Advocates LLP ACTIVE	Litigation is ongoing.
5.	Kisumu COACA/E087/2021 Prof. Charles Chunge vs. MMUST	Employment/Labour contract dispute: Claimant sued the University for interfering with his employment.	Awaiting a Hearing date.	Federation of Kenya Employers (FKE) ACTIVE	Litigation ongoing.
6.	Kakamega ELRC/E009/2024	Employment/Labour dispute: The Claimant alleges impropriety and	Judgment 14.08.2025	Senior Legal Officer - MMUST	Awaiting delivery of Judgment.

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	Johnson Litiema vs. Vice Chancellor (MMUST) and Council Chairperson (MMUST)	misconduct in the appointments of the Respondents to the positions they currently hold and seeks their removal thereof.		ACTIVE	
7.	Kakamega MCELRC/E036/2024 Florence Agola vs. MMUST	Employment/Labour contract dispute: Claimant alleges unfair termination from service.	Mention 07.08.2025	Senior Legal Officer - MMUST ACTIVE	Litigation ongoing.
8.	Kakamega MCELRC/E041/2024 Leah Moraa Kerina	Employment/Labour contract dispute: Claimant alleges unfair termination from service.	Mention 20.08.2025	Senior Legal Officer - MMUST ACTIVE	Litigation ongoing.
9.	Kakamega HCCA/E032/2024 Mocam Security Services Ltd vs. MMUST	Labour contract dispute:	Taxation 08.07.2025	State Counsel - Kakamega	Judgment was delivered on 29.05.2025 against the University.
10.	Kakamega ELRCC/E039/2024 Fidelis Arambe Mambo vs. MMUST	Employment/Labour contract dispute: Claimant sued the University for unfair termination from service.	Mention 13.08.2025	Senior Legal Officer - MMUST ACTIVE	Litigation ongoing.
11.	Kisumu SMCCC/E178/2025 Vincent Muhambe Lodede vs. MMUST	RTA – Personal Injury Claim Claimant sued for damages arising from a traffic accident involving a MMUST vehicle.	Judgment delivered	Matter referred to CIC Insurance Group Limited	Insurance to advice.
12.	Kisumu SMCCC/E310/2025 Evans Onyango Obadha vs. MMUST	RTA – Personal Injury Claim Claimant sued for damages arising from a traffic accident involving a MMUST vehicle.	Judgment 08.07.2025	Matter referred to CIC Insurance Group Limited	Insurance to advice.
13.	Kakamega MCCC/E012/2024 Mary Ambotse vs.	RTA – Personal Injury Claim Claimant sued for damages arising from a traffic accident involving a	Mention 29.07.2025	Matter referred to Insurance	Insurance to advice.

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	MMUST	MMUST vehicle.			
14.	Eldoret SMCCC/E423/2025 Ann Wanjiru Kimani vs. MMUST	RTA – Personal Injury Claim Claimant sued for damages arising from a traffic accident involving a MMUST vehicle.	Mention 22.07.2025	Matter referred to CIC Insurance Group Limited	Insurance to advice.
15.	Bungoma ELRCC/E008/2024 Joseck Simiyu Prichani vs. MMUST	Employment/Labour dispute: Claimant sued the University for alleged failure to pay dues upon expiration of his contract.	Judgment delivered.	State Counsel - Kakamega	State Counsel - Kakamega to advice.
16.	Lodwar CCC/E004/2024 Loogis Eyanae Ekitela (Suing as Legal Representative and Administrator of the Estate of Loobei Loogis – Deceased Minor) vs. MMUST	RTA – Personal Injury Claim Claimant sued for damages arising from a traffic accident involving a MMUST vehicle.	Mention 08.07.2025	Matter referred to Insurance company	Insurance to advice.
17.	Kakamega ELRCC/E018/2025 Moses Onyango vs. MMUST	Employment/Labour dispute: Claimant sued the University for failure to renew his contract of employment that had expired.	Hearing 24.09.2025	Senior legal Officer – MMUST ACTIVE	Litigation ongoing.
18.	Kakamega ELRCC/E003/2024 Dr. Patrick Odanga Wanguche vs. MMUST	Employment/Labour contract dispute: Claimant sued the University for failure to pay him Emergency Call and Medical Risk Allowance arrears.	Matter dismissed for lack of merit.	State Counsel – Kakamega HELD IN ABEYANCE	Claimant has filed a Notice of Appeal in the Court of Appeal against the Judgment issued on 6 th March, 2025. State Counsel – Kakamega to advice.

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38. Related Party Disclosures

Details	2025	2024
Council Remuneration	29,380,505	30,885,289
Chancellor Expense	0	0

39. Cash Generated from Operations

Description	2024/2025	2023/2024
	Kshs	Kshs
Surplus for the year before tax	66,840,976	(28,946,159)
Adjusted for:		
Depreciation	147,980,081	142,882,332
Non-cash grants received	0	0
Contributed assets	0	0
Impairment	0	0
Gains and losses on disposal of assets	0	0
Contribution to provisions	288,807,746	177,216,352
Contribution to impairment allowance	0	0
Working capital adjustments		
Increase in inventory	(3,902,585)	2,692,655
Increase in receivables	(613,121,664)	(92,467,076)
Increase in deferred income	(5,973,380)	30,004,925
Increase in payables	(19,089,730)	(80,856,568)
Increase in payments received in advance	136,270,645	94,171,524
Net cash flow from operating activities	(2,187,973)	244,697,985

40. Financial Risk Management

The University's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The University's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The University 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 University's financial risk management objectives and policies are detailed below:

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(i) Credit risk

The University 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 University's management based on prior experience and their assessment of the current economic environment.

Financial Risk Management

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

30th June 2024	Fully Performing	Past Due but not impaired	Past due and impaired	Total
	Kshs.	Kshs.	Kshs.	Kshs.
Financial Assets				
Receivables from Exchange Transactions	781,264,223			781,264,223
Receivables from Non-Exchange Transactions	129,126,165			129,126,165
Cash at Bank	647,302,143			647,302,143
Gross financial assets	1,557,692,531	-	-	1,557,692,531
30th June 2025	Fully Performing	Past Due but not impaired	Past due and impaired	Total
	Kshs.	Kshs.	Kshs.	Kshs.
Financial Assets				
Receivables from Exchange Transactions	1,172,093,755			1,172,093,755
Receivables from Non-Exchange Transactions	62,610,592			62,610,592
Cash at Bank	455,484,909			455,484,909
Gross financial assets	1,690,189,256	-	-	1,690,189,256

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the University's directors, who have built an appropriate liquidity risk management framework for the management of the University's short, medium and long-term funding and liquidity management

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requirements. The University manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Trade payables		185,757,074		185,757,074
Current portion of borrowings		0		0
Provisions		0		0
Deferred income		78,920,730		78,920,730
Employee benefit obligation		76,225,072		76,225,072
Total		340,902,876		340,902,876
As at 30th June 2024				
Trade payables		179,106,814		179,106,814
Current portion of borrowings		0		0
Provisions		0		0
Deferred income		84,894,110		84,894,110
Employee benefit obligation		61,754,589		61,754,589
Total		325,755,513	0	325,755,513

(iii) Market risk

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

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

The University'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.

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

a) Foreign currency risk

The University has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The University manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

Year ended 30th June 2024	US\$	Total
	Kshs.	Kshs.
Financial Assets		
Trade Receivables.		910,390,388
Trade Payables		(819,520,399)
Borrowings		0
Net Exposure		246,095,324
Year ended 30th June 2025	US\$	Total
	Kshs.	Kshs.
Financial Assets		0
Trade Receivables.		1,234,704,347
Trade Payables		(939,291,983)
Borrowings		0
Net Exposure		295,412,364

b) Interest rate risk

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

Management of interest rate risk

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

Financial Risk Management

Sensitivity analysis

The University analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in

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particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

Using the end of the year figures, the sensitivity analysis indicates no impact on the statement of financial performance. This is due to the fact that at the end of the financial year there was no investment that would be affected by fluctuations in the interest rate.

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the University's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The University considers relevant and observable market prices in its valuations where possible.

b) Financial instruments not measured at fair value

Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

iv) Capital Risk Management

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

Description	2024/2025	2023/2024
	Kshs	Kshs
Revaluation Reserve	2,327,057,497	2,326,910,497
Retained Earnings	3,323,599,655	3,292,538,135
Capital Reserve	823,140,969	816,511,519
Total Funds	6,473,798,121	6,435,960,151
Total Borrowings		0
Less: Cash and Bank Balances	(455,484,909)	(647,772,459)
Net Debt/(Excess Cash And Cash Equivalents)	6,018,313,212	5,788,187,692
Gearing	0	0

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41. Related Party Balances

Nature of related party relationships

Entities and other parties related to the University 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 the University, holding 100% of the University's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the University, both domestic and external.

Other related parties include:

- i) The National Government;
- ii) Ministry of Education
- iii) Commission for University Education
- iv) MMUST Council
- v) Turkana University College

42. Events after the Reporting Period

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

43. Ultimate and Holding University

The University is a State Corporation under the Ministry of Education. Its ultimate parent is the Government of Kenya.

44. Currency

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

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20. APPENDICES

Appendix 1: IMPLEMENTATION STATUS OF AUDITOR GENERAL'S RECOMMENDATIONS

The following is the summary of issues raised by the Auditor General and management comments on the status of implementation. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

AUDIT ISSUE	AUDITORS OBSERVATION	MANAGEMENT ACTION	Focal Person	Status	Timeline
BASIS OF QUALIFIED OPINION					
1. Long Outstanding Students Debtors	<p>The statement of financial position reflects receivables from exchange transactions balance of Kshs.781,264,223 which is net of provision for bad debts totalling Kshs.247,764,291 as disclosed in Note 22 to the financial statements. Included in the receivables balance is an amount of Kshs.1,012,081,297 relating to students debtors, out of which a balance of Kshs.540,473,294 is in respect to students debtors which had been outstanding for more than 365 days as at 30 June, 2024.</p> <p>In the circumstances, the recoverability of the student debtors balance of Kshs.1,012,081,297 could not be confirmed.</p>	<p>Towards realization of these debts, the university has employed the following strategies;</p> <p>(I) Establishment of the MMUST-HELB Revolving Loan Fund This fund is aimed at benefiting students who have graduated but have fee balances and therefore cannot collect their certificates to go and look for employment opportunities. Subsequently, the Management signed a MOU with HELB which has established a revolving fund to help our students who have graduated to clear their fees. Terms and conditions for the applicants has been adopted and HELB are ready for rollover of the scheme. Management has already made the payment of seed capital to the fund and supplied HELB with the details of potential beneficiaries.</p> <p>(II) Enforcement of the Semester Studies and Fee Payment Policy Only students who have fully paid the required fees are granted access to University services</p> <p>(III) Proposal for Write-off of Irrecoverable Debts The University identified 7,126 student accounts with arrears of KShs. 520,920,832 for write-off and sought approval from the Ministry. The Ministry, through letter Ref. MOE/SDHER/11/1/VOL.VI/91, advised the University to correct accounting errors arising from wrong billing using IPSAS 3 on</p>	<p>Finance Officer</p> <p>DVC A&F</p> <p>VC</p>	<p>Ongoing</p> <p>Continuous</p>	<p>31.12.2025</p> <p>31.03.2026</p>

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AUDIT ISSUE	AUDITORS OBSERVATION	MANAGEMENT ACTION	Focal Person	Status	Timeline																				
		<p>Accounting Policies as well as Changes in Accounting Estimates and Errors. Management is reanalyzing student debtor accounts in line with this advisory and will thereafter seek the Ministry's approval to write off balances not conforming to to this accounting standard.</p> <p>The University reaffirms its commitment to resolving the long-outstanding student debtor issue through the above interventions.</p>																							
<p>2. Unresolved Prior Year Matters</p>	<p>In the audit report of the previous year, several issues were raised under the Report on Financial Statements and the Report on Lawfulness and Effectiveness in Use of Public Resources. However, the Management has not resolved the issues or given any explanation for the delay in resolving the issues. We acknowledge the audit observation</p>	<p>Management states that the University has appeared before Parliament Investment Committee (PIC) thrice. The first was in 2018 where the reports for FY 2008/2009 to 2014-2015 were discussed and various recommendations for the six (6) financial years submitted to the University for implementation. The University implemented the same as per the recommendations. In March 2024, the University appeared again before PIC for reports for financial years 2018/2019, 2019/202 and 2020/2021 where the issues were discussed. The PIC has not tabled the report in the House for adoption and as such we have not received the recommendations or resolutions on the reports. Some of the Issues presented at the March 2024 PIC are given below:</p> <table border="1" data-bbox="920 1034 1675 1423"> <thead> <tr> <th>S/No.</th> <th>FY</th> <th>Issue</th> <th>Status after Appearance</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>2018/2019</td> <td>Inaccuracy of the Statement of Financial Position</td> <td>Resolved awaiting Report</td> </tr> <tr> <td>2.</td> <td>2018/2019</td> <td>Unsupported Expenditure in the Statement of Financial Performance</td> <td>Resolved awaiting Report</td> </tr> <tr> <td>3.</td> <td>2018/2019</td> <td>Unexplained Prior Year Adjustments</td> <td>Resolved awaiting Report</td> </tr> <tr> <td>4.</td> <td>2018/2019</td> <td>Unsupported Adjustment of</td> <td>Resolved</td> </tr> </tbody> </table>	S/No.	FY	Issue	Status after Appearance	1.	2018/2019	Inaccuracy of the Statement of Financial Position	Resolved awaiting Report	2.	2018/2019	Unsupported Expenditure in the Statement of Financial Performance	Resolved awaiting Report	3.	2018/2019	Unexplained Prior Year Adjustments	Resolved awaiting Report	4.	2018/2019	Unsupported Adjustment of	Resolved	<p>VC Finance Officer</p>	<p>Resolved</p>	
S/No.	FY	Issue	Status after Appearance																						
1.	2018/2019	Inaccuracy of the Statement of Financial Position	Resolved awaiting Report																						
2.	2018/2019	Unsupported Expenditure in the Statement of Financial Performance	Resolved awaiting Report																						
3.	2018/2019	Unexplained Prior Year Adjustments	Resolved awaiting Report																						
4.	2018/2019	Unsupported Adjustment of	Resolved																						

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AUDIT ISSUE	AUDITORS OBSERVATION	MANAGEMENT ACTION				Focal Person	Status	Timeline
			022	Fiscal Responsibility- Wage Bill	awaiting PIC Report			
		3.	2021/2 022	Outstanding Imprests	Resolved awaiting PIC Report			
		4.	2022/2 023	Long Outstanding Student Debtors	Resolved awaiting PIC Report			
		5	2022/2 023	Delayed implementation of Projects	Resolved awaiting PIC Report			
		6	2022/2 023	Non-Compliance with Implementation of E-Procurement	Resolution is continuous			
		7.	2022/2 023	Non-Adherence to the law of ethnic diversity of staff	Resolved awaiting PIC Report			
		8.	2022/2 023	Misallocation of Expenditure	Resolved awaiting PIC Report			
		All the items on the basis of opinion for the 5 years were satisfactorily answered on the floor of the house.						
<p>3. Ownership of Turkana University College Land</p>	<p>Available Information indicates that the Turkana University College which is a constituent college of Masinde Muliro University of Science and Technology sits on land valued at Kshs. 80,000,000. The land which was originally titled under Mount Kenya University who were the previous owners is yet to be transferred to Masinde Muliro University of Science and Technology for onward transfer to Turkana University College. As at the time of the audit in November, 2024 there</p>	<p>The University management has executed all documents of land transfer to Turkana University College (TUC). TUC has filled the required documents with the Chairman of National land commission and the collector of stamp duties. They have also cleared outstanding land rates with Turkana County.</p>				VC	Resolved	

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	was no evidence provided from the Registrar of Lands on the progress of land registration in Favor of Turkana University College.				
<p>4. Failure to Use Market Survey Price Index</p>	<p>Review of the procurement records provided by Management revealed that, there was no evidence that the head of procurement unit had used market survey price index, which is intended to guide procurement decisions and ensure items are procured at prevailing market prices. This was contrary to Regulation 91(4) of the Public Procurement and Asset Disposal Regulations, 2020, which states that, before any decision to award a procurement under a request for quotation, the head of the procurement function shall by way of professional opinion make a recommendation based on a market survey. In the circumstances, Management was in breach of the law.</p>	<p>As observed in the Audit report, the University had not conducted a market survey price index in the financial under Audit. Market survey price index was subsequently undertaken in the FY 2024/2025. We confirm that, procurement decisions are now guided by the updated market survey.</p> <p>We avail herewith the Market Survey report for the year 2024/2025.</p>	Procurement Office	Resolved	
<p>5. Delay in Appointment of University Chancellor</p>	<p>Review of records provided for audit revealed that during the year under review, the University operated without a Chancellor, after the expiry of the term of the immediate former Chancellor in December, 2022. The University hierarchy was therefore not properly constituted which hindered strategic decisions and leadership. This was contrary to Section 38 (1)(a) of the Universities Act, 2012 which provides that every university shall have a Chancellor, who shall be appointed, in the case of a public university, by the President in accordance with the procedure set out in the Second Schedule. In the circumstances, Management was in breach of the law.</p>	<p>The term of the then Chancellor Dr. Peter Muthoka ended on 13th December, 2022. In a letter dated 14th November, 2022 to the Cabinet Secretary Ministry of Education, a request to renew his term was made. This did not happen as anticipated. In the absence of the Chancellor, we have been having Graduations presided by Pro-Chancellor.</p>	Council VC	Ongoing	

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AUDIT ISSUE	AUDITORS OBSERVATION	MANAGEMENT ACTION	Focal Person	Status	Timeline
<p>6. Excess Wage Bill</p>	<p>The statement of financial performance as disclosed in Note 12(a) to the financial statements reflects an amount of Kshs.2,361,546,002 relating to employee costs. The amount represents 70% of the University's total revenue for the year of Kshs.3,389,656,060. This is contrary to Regulation 26(1)(a) of the Public Finance Management (National Government) Regulations, 2015, which states that expenditure on the compensation of employees shall not exceed 35% of total revenue.</p> <p>In the circumstances, the University was in breach of the law</p>	<p>The Management has put in place the following measures to mitigate the excess wage bill;</p> <p>i) Allocation of four (4) courses per Lecturer per Semester up from the previous three (3) courses per Lecturer per semester. This action will have a significant reduction on part-time employee costs in the Academic Year 2024/2025.</p> <p>ii) The Management has frozen employment of low cadre (grades 1-4) employees and outsourced Cleaning and Security Services.</p>	<p>DVC A&F VC</p>	<p>Resolved</p>	
<p>7. Non-Adherence to the Law on Ethnic Diversity of Staff</p>	<p>Analysis of the payroll and staff list provided for audit review revealed that during the year under review, the University had 949 employees, both teaching and non-teaching and on permanent and pensionable terms. However, out of the total number, 623 employees or 66% were from one ethnic community. This is contrary to Section 7(2) of the National Cohesion and Integration Act, 2008, which provides that no public establishment shall have more than one third of its staff from one ethnic community.</p> <p>In the circumstances, the University was in breach of the law.</p>	<p>The University acknowledge the Auditors findings that 66% of our employees were from one ethnic community contrary to Section 7 (2) of the National Cohesion and Integration Act, 2008. Whereas the top management, academic staff and senior administrative positions have a fair distribution in terms of ethnicity, the skewed distribution is observed in the lower cadre of staff. This is attributed to the fact that, jobs at this level attracts staff from the locality.</p> <p>In mitigating this, the University has frozen employment of staff in Grade 1-4, who form the majority of the dominant ethnic group. Most of the functions undertaken by this category has been outsourced (i.e. Cleaning and security services). Management has continued to adhere to the National Cohesion and Integration Act, 2008 in the new recruitments.</p>	<p>VC DVC A&F Registrar Administration</p>	<p>Progressive</p>	
<p>8. Non-Adherence to One Third Basic Salary Rule</p>	<p>The statement of financial performance reflects an amount of Kshs.2,361,546,002 in respect of compensation of employees which, as disclosed in Note 12(a) to the financial statements, includes Kshs.1,178,711,726 being basic salaries of permanent employees. However, review of the Integrated Payroll and Personnel Database (IPPD)</p>	<p>We acknowledge the Auditors findings on the matter. The four (4) employees net pay was negatively affected by the newly introduced statutory deductions (i.e. Affordable Housing Levy, and SHIF). The affected staff had binding contracts with financial institutions through payroll resulting in them earning a net pay less than one – third of basic salary.</p> <p>Management has advised the concerned staff to renegotiate the terms</p>	<p>Registrar DVC A&F VC</p>	<p>Resolved</p>	

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	<p>as at 30 June, 2024 revealed that four (4) employees were earning net salaries that were less than one-third of their basic salaries. This is contrary to Section 19(3) of the Employment Act, 2007 which provides that total deductions from salaries of employees shall not exceed two-thirds of their respective basic salaries.</p> <p>In the circumstances, Management was in breach of the law.</p>	<p>of their loans so that their net pay remains within the one third of basic rule.</p>			
<p>9. Effectiveness in Management of the Donor Funded Research Grants</p>	<p>The statement of financial performance reflects an amount of Kshs.76,860,348 in respect of research grants as disclosed in Note 7(a) to the financial statements. It was observed that Management issues research funds as imprest to the principal investigators as and when required, and the control of the issued funds is handled by the principal investigators, which are in turn accounted for as surrendered imprests. However, there was no documented policy or service level agreement between the University and principal investigators involved in research work provided for audit review, indicating the role of the University in oversight of the donor funded expenditure. In the circumstances the effectiveness of the management of the research grants amounting to Kshs.76,860,348 could not be confirmed.</p>	<p>We acknowledge the audit observations with regard to weak controls over Donor Funded Research Expenses as raised by the audit.</p> <p>i) The University has research policy which was approved in 2017 and in use even though it is under review. The process of review of this policy is at the tail end awaiting approval.(Appendix 9)</p> <p>ii) Risks associated with donor funded research grants are well managed through agreements between the donor and the University through Financing Agreements which spell out how the funds should be administered and accounted for. In addition, the Management has put in place a grants management office that oversees the administration of the research grants.</p> <p>iii) The research policy has outlined the roles played by the management and the principal investigator. The Management has to ensure that only received funds are disbursed as per the objectives and activities of the funded project. The approvals are done through the Office of the Deputy Vice chancellor in charge of Planning, Research and innovation. In addition, the PIs make reports on quarterly and annual basis to the DVC PRI and the donors.</p> <p>iv) The funds are disbursed through the normal University Financial System which is under Management control 100%. The financial processes are infused with controls to guard against any misappropriations</p>	<p>DVC PRI Registrar PRI Grants coordinator</p>	<p>Resolved</p>	

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AUDIT ISSUE	AUDITORS OBSERVATION	MANAGEMENT ACTION	Focal Person	Status	Timeline
<p>10. Unutilized Annual Leave Days</p>	<p>Review of the University's Human Resource records revealed that six hundred and seventeen (617) officers, comprising of board of Management six-teen (16), teaching staff, one hundred and sixty-nine (169) and non-teaching staff, four hundred and thirty-two (432) officers have not been consistently taking their annual leave, some dating back to 2015 leave year. This was contrary to the directive by Head of Public Service Circular and Section 6.3 of the Human Resource Policy and Procedure Manual,2022.</p> <p>In the circumstances, Management was in breach of law.</p>	<p>The University in a memo dated 5th November 2024, notified all staff to proceed on Annual Leave by the 31st December 2024, failure to which those with unutilized leave days will be deemed to have forfeited the unutilized leave days in line with the Government circular from the Head of Public Service. This instruction was effected in the Leave Management System and all staff have current leave days as at January 2025.</p>	<p>DVC A&F Registrar administration</p>	<p>Resolved</p>	
<p>11. Delayed Construction of Olympic Size Swimming Pool and Associated Works</p>	<p>The University awarded a contract for the proposed construction of Olympic size swimming pool and associated works to a local firm at a contract sum of Kshs.78,200,692.</p> <p>The contract period was 52 weeks starting from 29 July, 2021 and ending 28 July, 2022. Due to the additional works not in the original bill of quantities, the contractor was given an extension period to complete the work by 15 March, 2024 with a revised contract sum of Kshs.93,719,181. However, the audit inspection conducted on 26 September, 2024 revealed the following:</p> <p>I. As at the time of inspection only 77% of the work had been done whereas the University had paid to the contractor a total of Kshs.65,122,906 or 69.49% of the contract sum.</p> <p>II. The contract period had lapsed and the contractor was on site without an extension letter.</p>	<p>When the Auditor inspected the construction site on 26th September 2024, the contractor had a valid extension contract expiring on 31st October 2024. Unfortunately, the document was not availed to the Auditors. We regret the error and have since availed the necessary documents for verification.</p> <p>There was also a valid performance bond and insurance expiring on 29th November 2024 which was also inadvertently not availed and has since been availed to the OAG for verification.</p> <p>Due to the delayed completion of the contract, both parties agreed to mutually terminate the contract. All the remaining works listed below are being re-tendered on the e-GP platform.</p> <ul style="list-style-type: none"> ● Installation of pumps and filters for main pool. ● Floor finishes for buildings (Pavilion, canteen and changing rooms). ● Placement of roofing sheets on VIP pavilion. ● Laying of terrazzo on the terraces. ● Landscaping works. ● Electro- mechanical works. ● Routing 3 phase incoming power line. 	<p>VC DVC A&F Estates Manager</p>	<p>Resolved</p>	

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	<p>III. The performance bond and insurance of the project had already lapsed.</p> <p>IV. Works relating to the construction of baby pool, roofing of the VIP spectator lounge, landscaping, parking shade and pavements, tiling of the pool, painting of window and gate fixing had not been done.</p> <p>In the circumstances, the University may not have obtained value for money from the project.</p>				
<p>12. Failure to Carry Out Safety and Health Audits</p>	<p>Review of the work place safety documents provided for audit verification revealed that, there were no safety and health audits carried out by the University during the year under review. This is contrary to Section 11(1) of the Occupational Safety and Health Act,2007, which requires that the occupier of a workplace shall cause a thorough safety and health audit of his workplace to be carried out at least once in every period of twelve months by a safety and health advisor who shall issue a report of such an audit containing the prescribed fee and shall send a copy of the report to the Director.</p> <p>In the circumstances, Management was in breach of law and health and safety of the University staff, students and other stakeholders may have been compromised.</p>	<p>We appreciate and acknowledge the observations made by the Auditors and wish to respond as follows; The University Management engaged the Department of Occupational Safety and Health in the Ministry of Labour to conduct the Occupational Safety and Health (OSH) Audit through their accredited consultants in the Financial Year 2024/2025. Subsequently, on 19th March 2025, the University received a Certificate of Registration of a workplace. (Certificate No. KKG/0026624/03/25).</p>	<p>DVC A&F Registrar Administration</p>	<p>Resolved</p>	

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AUDIT ISSUE	AUDITORS OBSERVATION	MANAGEMENT ACTION	Focal Person	Status	Timeline
<p>13. Long Outstanding Staff Debtors</p>	<p>The statement of financial position reflects receivables from non- exchange transactions balance of Kshs.129,126,165, which as disclosed in Note 23 to the financial statements includes an amount of Kshs.19,189,758 relating to outstanding staff imprest. This amount includes a balance of Kshs.2,118,960 owed by staff who have since left employment and whose recovery is doubtful, and a balance of Kshs.17,070,798 which was due for surrender as at 30 June, 2024 but was not surrendered, and whose subsequent clearance dates were not provided for audit review.</p> <p>This was contrary to Regulation 93(5) of the Public Finance Management (National Government) Regulations, 2015 which provides that a holder of a temporary imprest shall account or surrender the imprest within seven (7) working days after returning to duty station.</p> <p>In the circumstances, Management was in breach of the law.</p>	<p>We acknowledge the audit observation that total imprests outstanding as at 30th June 2024 was Kshs 19,189,758. Management wishes to report that, as at the close of the subsequent FY - 30th June 2025 a total of Kshs 16,756,798 of these imprests had been cleared through accounting and recovery leaving a balance of Kshs 2,261,160.</p> <p>This balance comprises of: Exited staff ---Kshs 2,133,960 Deceased staff --- Kshs 127,200</p> <p>A board paper to the University council seeking approval for a write-off of Kshs 127,200 being un-accounted imprests outstanding from deceased staff has been done ready for tabling to council.</p> <p>Management communicated to staff who left employment through demand letters but none of the affected former staff responded. Having considered the risk of loss of public funds, Management has forwarded these cases to EACC for enforced collection.</p>	<p>VC DVC A&F Finance Officer Legal Officer</p>	<p>Ongoing</p>	

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AUDIT ISSUE	AUDITORS OBSERVATION	MANAGEMENT ACTION	Focal Person	Status	Timeline
<p>14. Weaknesses in Internal Audit Function</p>	<p>14.1. Late Submission of Internal Audit Work Plan Review of the records from the Internal Audit unit of the University revealed that the work plan for the financial year 2023/2024 was submitted and approved by the audit committee on 28 August, 2023 against the stipulated deadline of 15 February, 2023. This was contrary to Regulation 170(2) of the Public Finance Management (National Government) Regulations, 2015 which requires that, the annual work plan developed in paragraph (1) shall be –(a) submitted to the audit committee by 15th February each financial year; and (b) approved by the audit committee and shared with the Accounting Officer of that entity, in sufficient time for conclusion in the budget of that entity. Management Response and Action Taken The Auditor’s observation is acknowledged. We wish to respond that around the time of expected Audit Committee Meeting and approval of the Work Plan, the outgoing Council (6th Council) of the University was making exit preparations and it was difficult to fix a sitting. The current (7th Council) was inaugurated on 29th June 2023 and the Audit Committee held its first meeting on 25th August 2023 when the 2023/2024 work Plan was approved. See evidence of excerpt of minutes and the work Plan.(Appendix 14.1) The Chief Internal Auditor endeavors to comply with the law by ensuring that going forward, the Audit Work Plan is approved by 15th February of each financial year and factored in the overall budget of the University.</p> <p>14.2. Lack of Performance Appraisal of the</p>	<p>The Auditor’s observation is greatly appreciated.</p> <p>1.We wish to respond that around the time of expected Audit Committee Meeting and approval of the Work plan, the outgoing Council (6th Council) of the University was making exit preparations and it was difficult to fix a sitting. The current (7th Council) was inaugurated on 29th June 2023 and the Audit Committee held its first meeting on 25th August 2023 when the 2023/2024 work plan was approved.</p> <p>The Chief Internal Auditor endeavors to comply with the law by ensuring that going forward, the Audit Work Plan is approved by 15th February of each financial year and factored in the overall budget of the University.</p> <p>2.We wish to report that, the appraisal criteria for the effectiveness of Internal Audit Function had not been developed. However, we wish to inform, that Internal Audit Function has since developed an assessment criterion in compliance with the new Global Internal Audit Standards (GIAS) 2024 and will be deployed by the University Council Audit Committee in the assessment of the Function's independence, performance and the Competency and comment on the effectiveness of the unit in the annual report as expected effective 2024/2025 going forward.</p> <p>The Internal Audit Unit has prepared and put in place all relevant instruments, Charter, Manuals etc in readiness for professional peer review of the function as per the new Global Internal Audit Standards (GIAS) 2024 which took effect on 9th January 2025.</p> <p>The external assessment was done at the end of 2024/2025 financial year.</p> <p>The Head of Internal Audit Unit and the Audit Committee are</p>	<p>VC Senior Internal Auditor</p>	<p>Resolved</p>	

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AUDIT ISSUE	AUDITORS OBSERVATION	MANAGEMENT ACTION	Focal Person	Status	Timeline
	<p>Internal Audit Function Review of the records and reports revealed that, the Audit Committee did not carry out annual review of the independence, performance and competency of the internal audit unit and comment on their effectiveness in the annual report. In addition, the internal audit unit did not go through a professional assessment on its effectiveness done by a professional body or recognized institution which should be done once every three (3) years but not more than five (5) years. This has never been done since the inception of the University. This was contrary to Regulation 166 (1) (2) and (3) of the Public Finance Management (National Government) Regulations, 2015.</p> <p>14.3. Lack of Fraud Reporting Mechanism/ Whistle blowing It was noted that, the University has no mechanism where fraud can be reported by staff or any other person in confidence and without exposing the identity of the person reporting, besides what the internal audit may come to know and initiate an investigation. This is contrary to clause 3.3.3 of the Kenya Gazette No.40 dated 15 April, 2016 on Audit Committee guidelines, which requires that the audit committee should review arrangements by which staff of the entity or any other person may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters.</p> <p>In the circumstances, the effectiveness of the University's internal audit function could not be confirmed.</p>	<p>committed to ensure that there is compliance with the Law and GIAs 2024.</p> <p>The auditor is requested to review the assessment instruments (see instruments listed below) and note the progress achieved</p> <p>Revised and Developed Instruments Revised and approved Audit Committee Charter 2025 Revised Internal Function Charter The Internal Audit Manual 2025 The Internal Audit Strategic Plan 2024/2025 -2027/2028 The Internal Audit Unit Quality Assurance and Improvement Program (GAIP)</p> <p>3. Management has since developed a Whistle Blowing Policy in which anonymous whistle blowing mechanisms have been provided to ensure security and confidentiality of information on fraud. Management is in the process of putting in place a web-based channel and Toll-free telephone line (Hot line). The Audit Committee and the Head of Internal Audit Unit commits to ensure a robust fraud reporting mechanism for sharing of information on potential threats to the property and other university resources.</p>			

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AUDIT ISSUE	AUDITORS OBSERVATION	MANAGEMENT ACTION	Focal Person	Status	Timeline
<p>15. Unaccounted for Motor Vehicle</p>	<p>Review of the ownership documents relating to assets provided for audit verification revealed that, a motor vehicle, Nissan NU41 make, was recorded in the fixed asset register. However, physical existence of the motor vehicle was not confirmed. In the circumstances, the effectiveness of the University's assets management could not be confirmed.</p>	<p>The motor vehicle in reference was allocated to Kaimosi University College the then Constituent College of the University. Management wish to confirm that, the Motor has now been brought back to the University.</p>	<p>DVC A&F Transport Officer</p>	<p>Resolved</p>	
<p>16. Weaknesses in the Information Communication Technology (ICT) Internal Control Environment</p>	<p>Review of the University's ICT environment revealed that, the University has an Enterprise Resource Planning (ERP) system. However, the entire University ICT infrastructure had no Antivirus software in place and licensed office suits package during the year under review. Further, physical inspection conducted in August, 2024 on key ICT installations that houses the main database of the University revealed that the register that is supposed to monitor any staff or individual authorized or otherwise to carry maintenance and checks was not updated, the last entry being in April, 2024. In the circumstances, the effectiveness of the University's ICT internal controls environment could not be confirmed.</p>	<p>The university management approved the purchase of anti-virus licenses and Licensed office (Evidence attached: Appendix 16) and these were installed. Furthermore, we have installed active pfSense 2.7.2 firewall in our network for intrusion detection system and Backup and disaster recovery system. We acknowledge that the server room access register was not signed by the visitors accessing the server room, however, i) We have established and reinforced signing of register for the staff accessing the server room. ii) Installed CCTV system for monitoring and Physical door locks. iii) We have migrated our servers to the new server room in the Main Administration block (ABA 202A) which has better conditions, adequate cabinet for more servers. Therefore, the integrity of our information system has not been compromised.</p>	<p>DVC A&F ICT Manager</p>	<p>Resolved</p>	


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Vice Chancellor
Date:

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Appendix II: CAPITAL PROJECTS COMPLETION STATUS AS AT 30TH JUNE 2025

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Swimming Pool	96,493,273	78,692,678	82%	25,000,000	12,218,229	AIA
2	Engineering Complex	716,991,230	301,769,062	42%	95,000,000	80,673,248	GoK Dev Grants
3	Library at Butula Campus	19,020,990	18,779,592	99%	10,000,000	6,629,450	GoK Dev Grants

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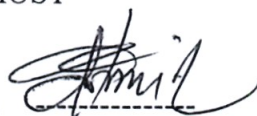
Appendix III: Transfer from Other government Entities

Breakdown of Transfers from the State Department of University Education				
	FY 2024/25			
a.	Recurrent Grants			
	MMUST			
		<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>	<u>Indicate the FY to which the amounts relate</u>
		July	82,354,636	2024/2025
		August	82,354,636	2024/2025
		September	82,354,636	2024/2025
		October	82,354,636	2024/2025
		November	82,354,636	2024/2025
		December	82,354,635	2024/2025
		January	164,709,271	2024/2025
		February	82,354,636	2024/2025
		March	82,354,636	2024/2025
		April	82,354,636	2024/2025
		May	82,354,634	2024/2025
		June	158,505,101	2024/2025
		Sub total	1,146,760,729	
b.	Development Grants			
	MMUST			
		<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>	<u>Indicate the FY to which the amounts relate</u>
			Nil	
		<u>TOTAL</u>	<u>0</u>	

The above amounts have been communicated to and reconciled with the parent Ministry.

Finance Officer
MMUST

Sign



Head of Accounting Unit
State Dept. of University Education

Sign-----