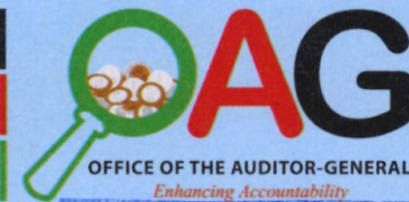



REPUBLIC OF KENYA



 THE NATIONAL ASSEMBLY PAPERS LAID		
REPORT	DATE: 08 APR 2026	DAY: WEDNESDAY
TABLED BY:	HON. DIDO RAO, MP ON BEHALF OF LOM	
CLERK-AT THE-TABLE:	J. LEMERELLE	

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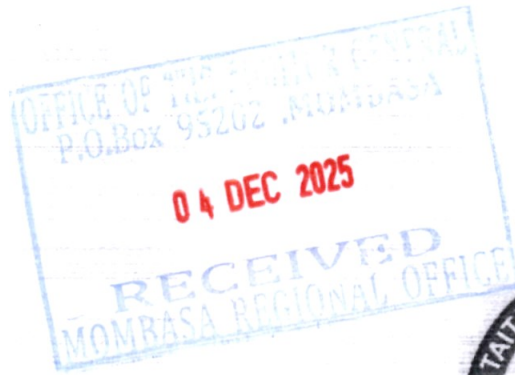
THE AUDITOR-GENERAL

ON

TAITA TAVETA UNIVERSITY

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

Revised 30th June 2025



TAITA TAVETA UNIVERSITY

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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Taita Taveta University

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1. Acronyms, Abbreviations and Glossary of Terms

A: Acronyms and Abbreviations

CEO	Chief Executive Officer
IPSAS	International Public Sector Accounting Standards
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
SC	State Corporations
VC	Vice Chancellor
TTU	Taita Taveta University
KUCCPS	Kenya Universities and Colleges Central Placement Service
KENET	Kenya Education Network Trust
CEMEREM	Centre of Excellence for Mining, implementing Environmental Engineering and Resource Management
IGU	Income Generating Units
CUE	Commission for University Education
NSSF	National Social Security Fund
HELB	Higher Education Loans Board

B: Glossary of Terms

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

Comparative Year - Means the prior period.

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Annual Report and Financial Statements for the year ended June 30, 2025

2. Key Entity Information and Management

(a) Background information

Taita Taveta University was initially established as a Campus of JKUAT in 2008, became a Constituent College of Jomo Kenyatta University of Agriculture and Technology via Legal Notice Number 156 of 18th October, 2011, and was elevated to a fully-fledged University through award of the Taita Taveta University Charter on 7th October, 2016. Over the years of TTU's establishment and operations, the University Council, Management, staff and students have collectively embraced a transformative journey aimed at positioning the University as a strategic player in national and regional development, and an academic centre of excellence with a special focus on Mining, Mineral Processing and Natural Resource Management. Progressively, Taita Taveta University has accordingly established itself as the University of Mining, Applied Sciences and Entrepreneurship. The University hosts the Centre of Excellence in Mining, Environmental Engineering and Natural Resource Management (CEMEREM) supported by the DAAD of Germany.

(b) Principal Activities

The principal activity of Taita Taveta University is teaching, research and community outreach. The vision, mission and core values that underpin our principal activity are as outlined below;

Vision Statement

An educated and empowered society in sustainability of minerals and other resources.

Mission Statement

Provide quality education, training, research and community service in sustainable management of minerals and other resources.

Core Values

- i) **Result Oriented**- budgeting and planning is geared towards achieving desired results with minimum expenses
- ii) **Quality**- All work is done to ensure products and services of the highest quality are achieved.
- iii) **Innovativeness**- in the face of many challenges, innovation is championed to ensure set targets are achieved
- iv) **Transparency and accountability** – All dealings should be open and accountable to stakeholders
- v) **Professionalism and ethical conduct** - staff are required to uphold the highest professional and ethical standards in their assignment.

(c) Key Management

Taita Taveta University day-to-day management falls under the following three key organs:

- Vice Chancellor/CEO
- Deputy Vice Chancellor (Administration, Finance & Planning) – Divisional Head
- Deputy Vice Chancellor (Academic, Research & Outreach) – Divisional Head

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(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	Prof. Fred Simiyu Barasa
2.	Deputy Vice Chancellor (Academic, Research and Outreach)	Prof. Christine Akoth Onyango
3.	Deputy Vice Chancellor (Administration, Finance and Planning)	Prof. Kiptanui Jonah Arap Too
4.	Registrar (Academic, Research & Outreach)	Prof. Justin Maghanga
5.	Director (Administration, Planning and Development)	CHRP Chrisantose Odhiambo
6.	Director of Finance	CPA Peter Kisombe
7.	Head of Procurement	Mr. Simon Kamos Ndiwa

(e) Fiduciary Oversight Arrangements

Taita Taveta University has a Council whose membership and various Committee membership is as follows:

A.	University Council	Date of Appointment	Designation
1.	Prof. Isaac M. Mbeche	8 th July, 2022	Chairperson
2.	Mr. Joseph Kiarri - Representing PS, TheNational Treasury and Economic Planning	10 th May, 2017	Member
3.	Dr. David N. Watene - Representing PS, State Department for Higher Education and Research, Ministry of Education	22 nd March, 2024	Member
4.	Dr. Mary Njoki Ndiba	8 th August, 2022	Member
5.	Ms. Jayne Kanini Mwanza	8 th July, 2022	Member
6.	Mr. Nashon Edward Oluoch Nyona	8 th July, 2022	Member
7.	Mohamed Nahida Athman	24 th November, 2023	Member
8.	Rabia Mere Salim	26 th January, 2024	Member
9.	Prof. Fred Simiyu Barasa	25 th March, 2021	Vice Chancellor/ Secretary

Taita Taveta University**Annual Report and Financial Statements for the year ended June 30, 2025**

B.	Finance, Development and General-Purpose Committee	Date of Appointment	Designation
1.	Ms. Mohamed Nahida Athman	24 th November, 2023	Chairperson
2.	Mr. Joseph Kiarii - Representing PS, The National Treasury and Economic Planning	10 th May, 2017	Member
3.	Dr. David N. Watene - Representing PS, State Department for Higher Education and Research, Ministry of Education	22 nd March, 2024	Member
4.	Dr. Mary Njoki Ndiba	8 th August, 2022	Member
5.	Prof. Fred Simiyu Barasa	25 th March, 2021	Vice Chancellor/Secretary

C.	Audit, Risk and Governance Committee	Date of Appointment	Designation
1.	Mr. Nashon Edward Oluoch Nyona	8 th July, 2022	Chairperson
2.	Mr. Joseph Kiarii - Representing PS, The National Treasury and Economic Planning	10 th May, 2017	Member
3.	Dr. David N. Watene - Representing PS, State Department for Higher Education and Research, Ministry of Education	22 nd March, 2024	Member
4.	Ms. Jayne Kanini Mwanza	8 th July, 2022	Member
5.	CPA. Henry Nyakundi	HoD Internal Audit	Ex-officio Member/Secretary

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D.	Human Resource and Development Committee	Date of Appointment	Designation
1.	Ms. Jayne Kanini Mwanza	8 th July, 2022	Chairperson
2.	Ms. Rabia Mere Salim	26 th January, 2024	Member
3.	Dr. David N. Watene - Representing PS, State Department for Higher Education and Research, Ministry of Education	22 nd March, 2024	Member
4.	Dr. Mary Njoki Ndiba	8 th August, 2022	Member
5.	Prof. Fred Simiyu Barasa	25 th March, 2021	Vice Chancellor/Secretary

E.	Sealing Committee and Resource Mobilization Committee	Date of Appointment	Designation
1.	Ms. Rabia Mere Salim	26 th January, 2024	Chairperson
2.	Mr. Joseph Kiarii - Representing PS, The National Treasury and Economic Planning	10 th May, 2017	Member
3.	Dr. David N. Watene - Representing PS, State Department for Higher Education and Research, Ministry of Education	22 nd March, 2024	Member
4.	Mr. Nashon Edward Oluoch Nyona	8 th July, 2022	Member
5.	Prof. Fred Simiyu Barasa	25 th March, 2021	Ex-officio Member/Secretary

(f) Entity Headquarters

Taita Taveta University
 Main Campus (off Voi-Mwatate Road)
 P. O. Box 635 – 80300
VOI, KENYA.

(g) Entity Contacts

Telephone: (254) 0662 322234
 E-mail: vc@ttu.ac.ke
 Website: www.ttu.ac.ke

Taita Taveta University

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(h) Entity Bankers

1. Central Bank of Kenya
P. O. Box 60000 - 00200
Nairobi, Kenya

2. Kenya Commercial Bank Ltd
Voi Branch
P. O. Box 137 - 80300
Voi, Kenya

3. Equity Bank Ltd
Voi Branch
P. O. Box 325 - 80300
Voi, Kenya.




(i) Independent Auditors

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


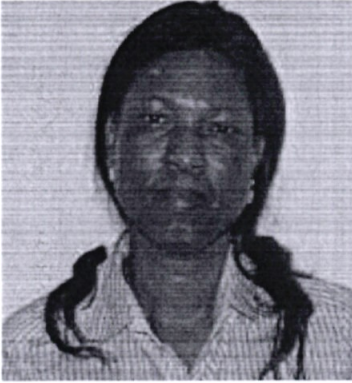

(j) Principal Legal Adviser

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

3. The University Council

<p>1. Prof. Isaac M. Mbeche</p> 	<p>Born: 1952</p> <p>PhD in Management Science (University of Lancaster UK); MA (University of Nairobi); B.Ed. (Science) University of Nairobi. He has vast Experience of over 40 years at various levels of Higher education sector as an Administrator, an accomplished Academician with published Academic work and student supervision. He has been the Deputy Vice Chancellor (Student Affairs) of The University of Nairobi since 2011 and is a member of many organizations both Locally and Internationally. He is the Chairperson of Taita Taveta University Council.</p>
<p>2. Dr. David N. Watene</p> 	<p>Born: 1967</p> <p>PhD (Education Administration and Management - Maasai Mara University); M.Ed. (Education Administration & Planning); B.Ed. (Arts) (Accounting & Economics), University of Nairobi. He has vast experience of over 31 years at various levels of Education sector as an education administrator and manager/supervisor, Senior Education Officer, Assistant Director, Senior Assistant Director and currently Director of Education in the Directorate of Higher Education. He represents PS-State Department for Higher Education and Research, Ministry of Education.</p>
<p>3. Mr. Joseph Kiarui</p> 	<p>Born: 1966</p> <p>Bachelor of Commerce (BCom), Accounting Option, University of Nairobi (UoN). He has over 20 years' experience in Public Finance Management. He is currently working in the National Treasury and is a member of the Institute of Certified Financial Analysts (ICFA). He represents the PS - The National Treasury.</p>

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<p>4. Dr. Mary Njoki Ndiba</p> 	<p>Born: 1960</p> <p>Bachelor of Social Work from Miles College, Birmingham, Alabama, Master of Social Work (MSW) and PhD, Catholic University, Washington DC USA. She has twenty (21) Years of experience in the areas of social advocacy, social research and counselling (academic and clinical environment). She has a wide experience in strategy, consultancy and Academic work. She is a member of Finance, Development and General Purpose Committee and Human Resource Development Committee of Council.</p>
<p>5. Ms. Jayne K. Mwanza</p> 	<p>Born 1965.</p> <p>MBA (Human Resource Management) Kenyatta University (KU), Bachelor of Arts (B.A) Degree, University of Nairobi (UoN) and Higher Diploma in Human Resource Management, Kenya Polytechnic. She worked as the Assistant Registrar in charge of Examinations and Admissions Jomo Kenyatta university of Agriculture and Technology (JKUAT) and at University of Nairobi (UoN). She has over 20 years working experience in Human Resource Management and currently works as Chief Executive Officer, Rock Global Ltd. She is the Chairperson of Human Resource Development Committee and a member of Audit, Risk and Governance Committee of Council.</p>
<p>6. Mr. Nashon Oluoch Nyona</p> 	<p>Born: 1961</p> <p>MSC in Food Science (Thesis option), Alabama A & M University U.S.A and BSC (Honours) Food science & Technology from the same University. He has been a Graduate Assistant, Lecturer and currently a Managing Director Lule Autoworld and Construction Company Ltd where he has served since 1998. He has a span of over 40-year experience. He is the Chairperson of Audit, Risk and Governance Committee and a member of Sealing and Resource Mobilization Committee of Council.</p>

<p>7. Ms. Mohamed Nahida Athman</p> 	<p>Born 1985</p> <p>Master of Business Administration, Strategic Management, University of Nairobi. Bachelor’s Degree in Hotel and Hospitality Management Moi University. Diploma in Disaster Management, Centre for Disaster Management and Humanitarian Assistance. Currently pursuing two PhDs, one in Economics at Moi University (Writing Thesis) and the other one in Strategic Management at Pwani University. Currently working as the Managing Partner at Nagburry Global Consulting LLP. She worked as the County Executive Committee Member (CECM), County Government of Kilifi and has held other leadership positions at the same County. She is the Chairperson of the Finance, Development and General Purpose Committee of Council.</p>
<p>8. Ms. Rabia Mere Salim</p> 	<p>Born 1983</p> <p>Currently pursuing a Master of Business Administration (University of Nairobi), Bachelor of Science – Business Administration (USIU – Africa, Nairobi). She is a Financial/Economic advisor who plays key roles in improving strategic leadership in investor management, business development and relationship management and also identifying solutions to the economic problems affecting institutions and providing advice to both governments and private sector on policy development. She currently works as the Head – Partnerships & Networking at Mombasa Investment Corporation (MIC) – Mombasa County Government. She was also the Ag. Chief Officer – Tourism at Mombasa County Government. She has also worked as the Economic Advisor at Kilifi County Government. She is the Chairperson of Sealing and Resource Mobilization Committee of Council.</p>

9. Prof. Fred Simiyu Barasa






Born: 1960

PhD in Comparative and International Education (University of Natal); MA(Ed.) and B.Ed. (Sc) – Kenyatta University; Has previously served as the Executive Director/CEO of the African Council for Distance Education (ACDE); Manager (Academic Program Development and Management at the African Virtual University (AVU); Director, College of Distance Education (Egerton University); Dean, School of Education, Arts and Theology (Kabarak University); Dean, Faculty of Education and Human Resources (Egerton University), and Chairman, Department of Educational Foundations. He has also served as Deputy Principal (Administration, Finance and Planning), TTUC as well as Deputy Vice Chancellor (Administration, Finance and Planning), TTU.

He is currently the Vice Chancellor and Secretary to the Council.

4. Key Management Team

<p>1. Prof. Fred Simiyu Barasa</p> 	<p>Vice Chancellor Accounting Officer/ Chief Administrative and Academic Head of the Institution</p> <p>PhD, Comparative and International Education, University of Natal, RSA</p>
<p>2. Prof. Christine Atieno Onyango</p> 	<p>Deputy Vice Chancellor (Academic, Research and Outreach) Head of Division and responsible for Academic, Research and Outreach functions of the institution.</p> <p>PhD in Food Science and Post-Harvest Technology, Jomo Kenyatta University of Agriculture and Technology.</p>
<p>3. Prof. Kiptanui Jonah Arap Too</p> 	<p>Deputy Vice Chancellor (Administration, Finance and Planning) Head of Division and responsible for Administration, Finance and Planning functions of the University.</p> <p>PhD in Civil Engineering specialised in Geotechnical Engineering, Kyoto University, Japan.</p>

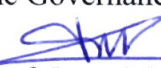
5. Chairman's Statement

The financial year 2024/2025 marks the thirteenth year of our stewardship over financial and other resources entrusted to us. Conscious of our mandate and guided by our motto of "Home of Ideas", we endeavour to prudently manage resources at our disposal in addition to offering the highest quality of service to our clients and all stakeholders. Taita Taveta University continues to ensure strict financial discipline, focused execution of the management agenda and resolute pursuit of agreed strategies.

The Financial Year ended 30 June, 2025 saw the University continue implementing various Government initiatives towards effective and efficient service delivery that includes on-boarding of all services into E-CITIZEN Platform and introduction of New Funding Model now at the second year of implementation. The FY 2024/2025 presented great opportunities for development and growth but also significant financial shortfall challenges. However, the resources allocated and received have been instrumental in facilitating infrastructure and human resource development, and in particular the support towards personnel emolument commitments. Ongoing infrastructural projects include: construction of Phase II and III of the state-of-the art Centre for Mining, Fuels and Mineral Processing Engineering; construction of the Central Administration office block at the Main Campus; and construction of the office and classroom block at Taveta. This infrastructural development once completed will go a long way in meeting Taita Taveta University core mandate of Education, research and community outreach. On the Human Resource capital, Taita Taveta University is privileged to have qualified Management team and staff who are committed to the growth of Taita Taveta University. The University is supporting staff pursuing PhD, Master and Bachelor degree study programmes within Kenya and the globe. These Human resource capacity building Strategies will go a long way in enhancing better service delivery to Taita Taveta University fraternity and the community at large. With all the developments ongoing, the University has continued to deliver on its core mandate of academic programmes prudently while maintaining and securing her assets.

Despite the development and growth achievements highlighted above, Taita Taveta University faced and still faces many challenges. Inadequate funding from the exchequer, near constant recurrent and capital funds allocated to the University and low staffing levels for both academic and administrative staff are among the challenges experienced. As Taita Taveta University transits and implements Commission for University Education (CUE) Regulations, Universities Standards and Guidelines on increasing staffing levels, construction of a Modern Library, expansion of office and classroom space, equipping and modernizing laboratories and workshops, construction of a Security Access Control Gate and supply of clean water through connection to the Mzima Springs pipeline, will continue being the University's highest priority.

In planning and budgeting, the University takes into account the Bottom Up Economic Transformation Agenda (BETA), Medium Term Planning, Sustainable Development Goals (SDGs) and Vision 2030 among other National priorities. The University Council is committed to continuous improvement in the Governance and Management of Taita Taveta University.


Prof. Isaac Meroka Mbeche, PhD
Chairman of the Council.

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Annual Report and Financial Statements for the year ended June 30, 2025

6. Report of the Chief Executive Officer

The financial year 2024/2025 has been an eventful year that presented new challenges and opportunities, underpinned by the second phase in implementation of the New Student Centred Funding Model for universities. However, over the said period, the University has managed to meet its core mandate of teaching, research and community outreach through numerous strategic interventions and activities despite inadequate recurrent capitation, increasing food prices, a hike in teaching/learning materials and operational expenses, as well as reduction in capital funds. In the period under review, the University continued to make significant progress towards attaining certification on International Organization for Standardization (ISO) 9001:2026, implementation of Phase II of the Centre of Excellence for Mining, implementing Environmental Engineering and Resource Management (CEMEREM) project at Taita Taveta University in collaboration with German Universities.

Additionally, the University continued with steady execution of other projects undertaken in partnership with the University of Helsinki (TAITAGIS), implementing Climate Smart Agriculture projects supported by the International Center for Tropical Agriculture which is part of the Alliance of Bio-diversity international and CIAT (ABS-CIAT). The project is geared towards promotion of climate-smart crop technologies in Taita Taveta County and to expose farmers to available crop varieties and their production technologies. The crops that are being promoted are dry land legumes, beans, bananas, and forages. These are commercially released varieties that are suitable for the targeted agro-ecological zones of Taita Taveta County.

The University undertook various austerity measures aimed at cost reduction and cost containment. We appreciate the support and goodwill of the University Council and the Government of Kenya. Despite the challenges, they have continued to support our innovative ideas and Taita Taveta University has made good progress on all fronts.

Financial Performance

In the FY 2024/2025, Taita Taveta University received from the Government of Kenya a total of KES. 355,451,602.15 for recurrent expenditure and it included KES.31,807,910 for CBA 2021-2025 arrears. The University was able to generate Revenue from Exchange transactions totalling KES.484,156,736 comprising of Income from rendering of services of KES.462,479,758, Income from other Services of KES.15,005,946 and Income from Other Activities of KES.6,871,032. The income from rendering of services include funds being disbursed to the University in form of Government Scholarship through University Fund estimated at KES. 192,917,720, through Higher Education Loans Board (HELB) estimated at KES.108,135,205.75 and Household fees being paid by the parents/guardians estimated at KES.161,426,832. Additionally, the University was able to generate KES.39,741,922 from donor funded projects such as CEMEREM at KES.36,460,367.45 and ABS-CIAT at KES.3,281,555.

During the year under review, the University realized a surplus of KES.92,855,669 an improvement as compared with a deficit of KES. 52,970,808 in the FY 2023/2024. The improvement is attributed to the implementation of the New Funding Model introduced by the Government of Kenya and that resulted to full implementation of the Differentiated Unit Cost (DUC) model of costing each

Taita Taveta University

Annual Report and Financial Statements for the year ended June 30, 2025

Academic Programme. Additionally, the University Management has been at the forefront in developing and rolling out new Academic Programmes such as Bachelor of Education Arts and Bachelor of Science Civil Engineering that enabled the University to record increased student numbers in the period under review as compared with the previous financial year of 2023/2024. It is the Universities expectation that the financial performance will greatly improve in the subsequent years as more Academic Programmes are scheduled for introduction from the next September, 2025. In spite of the above performance, there is a general delay in releasing of funds for Government Scholarships and Tuition HELB Loan hence posing challenges to realization of the envisaged activities and other University operational needs. In order to address this revenue shortfall, the University is implementing several strategies including; introduction of additional new academic programmes, greater and diversified engagement with stakeholders, implementing planned commercialization of University facilities, expansion of postgraduate programmes and ongoing restructuring of University administrative structures to achieve leanness and enhance efficiency, and the review of academic programs curriculum to enhance relevance, eliminate overlaps and ensure alignment with revised guidelines and standards by the Commission for University Education (CUE).

During the year under review, TTU closed the financial year with total pending bills of KES. 400,312,449 arising from unpaid supplier invoices, unpaid part time teaching claims, other service providers' dues, provision for retention, student fees overpayments, payroll provisions including June 2025 salaries that were unpaid as at 30th June, 2025 due to delayed release of Scholarships and Tuition HELB Loan for students under the New Funding Model. The bulk (32.2%) of pending bills (KES.128,955,807) is Part-Time Lecturer's arrears arising as a consequence of significant understaffing for academic staff resulting from insufficient recurrent capitation to recruit additional staff. The other main contributor is pending Employee Benefit Obligation that accounted for another (22.7%) of pending bills at (KES.93,070,071) and this arose mostly from the reduced recurrent capitation allocated to the University over the years which is inadequate to cover all the personnel costs. Though the financial resources are limited as compared with the daily University financial needs, TTU management is committed to reducing the pending bills over time with the numerous strategies of revenue mobilization it has deployed, including the introduction of new programmes which are not capital intensive.

To cater for the current and projected new student numbers, and in line with Government policy of prioritizing completion of ongoing projects during the period under review, the University focused on completion of the construction and equipping of the Mining and Mineral Processing Centre (MMPE) Complex, the Central Administration Office Block and the Office and Classroom Block at Taveta as the major on-going projects which are aimed at increasing the number of laboratories, engineering workshops, teaching and office space to improve teaching, research and work environment. To ensure quality of teaching and learning, the University has continued to systematically revise and update its academic programs and develop new niche areas in line with identified national priorities especially the Bottom up Economic Transformation Agenda.

The financial year ended 30th June, 2025 saw the University implement key reforms being spearheaded by the Executive Office of the President through the Head of Public Service and

Taita Taveta University
Annual Report and Financial Statements for the year ended June 30, 2025

Secretary to the Cabinet and the parent Ministry of Education geared towards strengthening Governance and improving on Reporting and Accountability. The new reforms introduced includes 100% roll out of E-CITIZEN services in payment of student fees and other charges and roll out of the New Student Centred Funding Model. The University continue implementing austerity measures including prioritizing on critical expenditure to mitigate the spiraling costs without corresponding increase in revenue. During the period under review, the University Management continued to engage the Line Ministry and the National Treasury in order for the University's budget allocation to be reviewed upwards to a level that may more reasonably be able to cater for the growing needs of the University. Further the University continued to experience significant water shortage and was forced to continue relying on private water boozers for water supply for both consumption and cleaning. Accordingly, the call for Government support to help us actualize the plans to connect the University to the reliable Mzima Springs water supply is still of highest priority.

This fiscal year, the Management Team identified protecting and strengthening the balance sheet, increasing IGU income, efficient and transparent debtors' and creditors' management, strategic capital expenditure as well as strengthening and diversifying international collaborations in research and development as its key priorities. However, the institution still relied largely on the Bank Overdraft facility currently capped at KES.50 Million to ensure that service provision was offered to clients uninterrupted. As at 30th June 2025 the Bank overdraft stood at KES.32,243,695. The University management is committed to reducing the bank overdraft with time.

Further, during the period under review, TTU complied with all the statutory requirements. All payments for taxes deducted from staff salaries and suppliers, NHIF contributions, NSSF and PAYE were remitted on time to the relevant authorities. However, some delays in remitting some staff salary deductions and June 2024 statutory deductions was experienced due to delay in receipt of June, 2024 capitation and deficit arising from reduced Government capitation against rising costs.

TTU has no major financial improbity as per internal audit/TTU Council Audit, Risk and Governance Committee, external auditors, or other National Government Agencies providing oversight. Additionally, there are no governance issues among the Council members and top management including conflict of interest.

Conclusion

The University is grateful to the Government of Kenya and the Ministry of Education for the continued support. The Taita Taveta University community will continue to work hard to meet targets as set in the Strategic Plan and mandate as provided in the Universities Act 2012 and its amendments and the Taita Taveta University Charter. In addition, the University takes into Bottom Up Economic Transformation Agenda (BETA), Medium Term Plan (MTP), Sustainable Development Goals (SDG) and Vision 2030 among other National priorities in planning and budgeting.



.....
Prof. Fred Simiyu Barasa, PhD

Vice Chancellor

7. Statement of Performance against Predetermined Objectives for FY 2024/2025

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the Accounting Officer to include in the financial statement, a statement of the national government entity’s performance against predetermined objectives.

Taita Taveta University (TTU) has six strategic pillars and underlying strategic objectives within its Strategic Plan for the FY 2023- 2028. These strategic pillars are as follows:

Pillar 1: Excellence in Teaching, Research, and Outreach: To increase research, academic & engagement capacity and impact;

Pillar 2: Improving campus Facilities and the Learning Environment: To provide high quality infrastructure to support teaching & Learning and provide sustainable and reliable water supply;

Pillar 3: Enhancing Student Experience and Student Affairs: To promote the health and well-being of students including strengthening of Sports, Culture and Art and strengthen the capacity of TTU alumni unit;

Pillar 4: Human Resources Development: To attract and retain optimum number of qualified staff to meet the current and future needs;

Pillar 5: Resource Mobilization: To strengthen the financial management and resource policies and strategies;

Pillar 6: Strategic Management, Leadership, and Corporate Governance: To strengthen TTU’s institutional and governance organs for decision making; to strengthen the strategic partnerships and networking and to Strengthen TTU’s corporate identity and visibility in the region and internationally.

Taita Taveta University develops its annual work plans based on the above 6 pillars. Assessment of the Council’s performance against its annual work plan is done on a quarterly basis by way of quarterly performance contract progress reports, and on annual basis by way of annual performance contract evaluation report and annual Council Performance Evaluation conducted by the State Corporations Advisory Committee (SCAC).

The University largely achieved its performance targets set for the FY 2022/2024 period for its six strategic pillars, as indicated in the table below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1: Excellence in Teaching, Research, and Outreach	Increase research and publication annually	Thirty (30) new publications in refereed journals.	Produce 30 new publication refereed journals as follows; SSI (11), SAEES (8), SBESS (11) and SME (5)	35 No. publications in referred journal published

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Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
	Enhance Research Infrastructure	Hosting/attendance of conferences.	Enhance personal/institutional networks through: attendance of conferences and sign MoUs and research collaborations with other institutions and organizations Holding of Conference	TTU undertook outreach and sensitization of farmers on farmers' field school approach and on-farm rice experiment. Development of one (1) prototype innovation for the mining and engineering was done. TTU undertook one (1) study on dynamic of housing, preference and rental rates in Voi to aid decision making under the big 4 agenda
	Improve the quality and assessment in teaching, learning & curriculum	Training report	Knowledge development and capacity Building	Hosted two (2) researchers from partner Universities in German so as to enhance postgraduate supervisory skills of academic staff.
	Increase engagement activities with industry, alumni, and community	Program for the virtual open day Program and notice of the capacity building Report of the Capacity building.	promote community outreach programmes by Organizing one (1) virtual open day for students	Virtual open day held on 31/03/2023 1No. Capacity building workshops was conducted for artisanal miners
Pillar 2: Improving campus Facilities and the Learning Environment.	To increase coverage of physical telecommunic	Expansion of telecommunication and ICT infrastructure	Extension of the Fibre backbone to the new Centre of Mines Building and internet access through Wi-Fi to the	700 meters of Fibre Optic connection to Centre of Mines

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Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
	ation and ICT infrastructure		School of Education, School of Agriculture, Earth & Environmental Sciences (SAEES) and Internal Audit.	completed. Wifi access points erected at School of Education, SAEES & Internal Audit Department
	To provide effective and secure information systems to support business process automation	-No of modules rolled out -User Department's ERP Sign-off Register	Activation and implementation of all ERP Modules Continual training and technical support to staff on ERP implementation	Training of academic staff on the ERP Examinations Module conducted. ERP system was completed and handed over by the consultant
Pillar 3: Enhancing Student Experience and Student Affairs.	Enhance cross cutting mainstreaming issues	List of counselled students/attendees Committee appointment letters	a) Conduct one (1) online group counselling session on digital platform b) Appoint a Disability mainstreaming Champion/Focal Person. c.) Establish/reconstitute a functional gender committee and train members on gender equality d) Sensitize staff and students on Alcohol and Drug Abuse(ADA) e) Allocate resources for implementation of HIV and NCD interventions e) Put in place mechanisms to mitigate against technological hazards, terrorism, fire and natural disasters by i) Maintaining an armed police presence from the Critical Infrastructure Police Unit to respond to emergencies f). Submit in the prescribed format the Annual Report on measures taken and progress	ADA Prevention, Gender, Disability, Road Safety, HIV Prevention Mainstreaming Committees have been established Sensitization on ADA was conducted and students counselled on post covid issues Armed Police attached to the University

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Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
			achieved in the realization of National Values and Principles of Governance.	
	Enhance internship, and placement of students	List of students engaged	Engage 74 youths under internship (5) and attachment (69) arrangements	TTU engaged 74 youths under internship and attachment arrangements
Pillar 4: Human Resources Development.	Conduct a competence and training needs assessment	skills gap analysis and staff training need assessment report	Undertaking of institutional skills gap analysis and carrying out of staff training need assessment	TTU has conducted and presented the skills gap analysis report to the Administration Division Management for consideration
Pillar 5: Resource mobilization.	Enhance income generated from Research and Development projects.	Funding from Research and Development enhanced and diversified Report on the training.	Conduct one (1) follow up training for staff on Leadership and Governance in Research Management	TTU received Funding from different agencies e.g. CEMEREM, TAITAGIS, TAITARICE, TAITA Banana, TAITA Pasture and TAITA Soil
Pillar 6: Strategic Management, Leadership, and Corporate Governance	Improve /enhance Service delivery	Displayed and customized SDC	Display the Citizens' Service Delivery Charter (3"x4") at key service point's i.e. Main Administration Block Reception, Library and Academic Building Reception in both English and Kiswahili Customize the charter to unique needs and convenient access of the customers by, providing mechanisms for sign language, providing audio recordings and uploading the Charter on the University's online platforms	Service Delivery Charter displayed in both English and Kiswahili languages SDC customized in sign language, audio recordings and in braille

8. Corporate Governance Statement

The University is overseen by a University Council that is appointed by the Cabinet Secretary for Education through the powers conferred by section 36(1) of the Universities Act, 2012. In the Financial year 2024/2025, the University had a fully constituted Council with a Chairman and Eight (8) members, including the Vice Chancellor who is also the Council Secretary. The Council representation comprised of four (4No) female (44%) and five (5No) male (56%).

The Council operates through a Council Charter that defines its roles and responsibilities as well as functions and how committees are structured. The roles and functions of the Council include, but not limited to:

- i. Determine the University's mission, vision, purpose and core values.
- ii. Review, evaluate and approve, on a regular basis, long-term plans for the University.
- iii. Review, evaluate and approve the University's budget and financial forecasts.
- iv. Review, evaluate and approve major resource allocations and capital investment.
- v. Ensure that the procurement process is cost-effective and delivers value for money.
- vi. Ensure that effective processes and systems of risk management and internal controls are in place.
- vii. Ensure that effective processes and systems of risk management and internal controls are in place.
- viii. Review, evaluate and approve the overall University structure, the assignment of senior management responsibilities and plans for senior management development and succession.
- ix. Review, evaluate and approve the remuneration structure of the University.
- x. Adopt, implement and monitor compliance with the University's Code of Conduct and Ethics.
- xi. Review on quarterly basis the attainment of targets and objectives set out in the agreed performance measurement framework with the Government of Kenya.
- xii. Subject to the provisions of the Act and after consultation with the Senate, to make regulations governing students' welfare and academic matters.
- xiii. Approve the budget.
- xiv. Approve regulations governing the recruitment, conduct and discipline of the staff of the University

The University usually undertakes Induction, training and development for both new and existing Council members and the Council's performance is evaluated annually by the State Corporations Advisory Council (SCAC). The Council also holds its meeting as per the approved work-plan and within the set number of meetings per year, unless special meeting authorized in writing by the Cabinet Secretary for Education.

Additionally, the appointment of Council members' overlaps to ensure that there is succession planning in place for effective execution of Council Mandate and the Board is remunerated as per the rates approved by the Salaries and Remuneration Commission (SRC).

The Council Secretary keeps a record of conflicts of interest declared, for accountability purposes, and as a rule of good practice on appointment and on regular intervals or any time when circumstances

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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. Conflict of interest register is always availed during meetings and conflict of interest, if any, are declared.

The University Council regularly, through the Audit, Risk and Governance Committee, undertakes a governance audit of the University geared towards ensuring that the University conforms to the highest standards of good governance and in compliance with the relevant Laws and regulations.

Furthermore, all the University Council Committees that comprise of Finance, Development and General Purposes Committee, Human Resources Development Committee, Audit, Governance and Risk Management Committee and Sealing and Resource Mobilization Committee have clearly defined membership and terms of reference as per their respective mandates.

The Council confirms that the financial statements give a true and fair view of the state of financial affairs of the University as at June 30, 2025. The Council further confirms the accuracy and completeness of the accounting records maintained by the University, which may be relied upon in the presentation of the financial statements, as well as on the accuracy of the systems of internal controls.

Nothing has come to the attention of the Council to indicate that the University will not remain a going concern for at least twelve months from the date of this statement. The Council thanks the Staff for their dedication and hard work in the last financial year.

The Annual Report and Financial Statements were submitted to the Full Council for consideration and were duly approved on 04/07/2025.

9. Management Discussion and Analysis

University's Operational and Financial Performance

During the financial year 2024/2025, the University registered a surplus of KES.92,855,669 as compared to a deficit of KES. 52,970,808 registered in Financial 2023/2024, deficit of KES.65, 459,300 recorded in the financial year 2022/2023, deficit of KES.6, 011,438 reported in the financial year 2021/2022, deficit of KES.60,678,914 reported in the financial year 2020/2021 and a surplus of KES.6,011,438 reported in the financial year 2019/2020. During the year under review, the University recorded total revenue of KES. 879,550,261 compared to KES. 628,005,404 recorded in 2023/2024 Financial Year. The improvement is attributed to the New Funding Model introduced by the Government of Kenya that saw the full implementation of the Differentiated Unit Cost (DUC) model of costing each Academic Programme and the introduction of Bachelor of Education Arts and Bachelor of Science Civil Engineering that enabled the University to record increased student numbers as compared with the previous financial year of 2023/2024.

Despite the hard economic times faced in the country the management is optimistic that the University Budgetary allocation especially for ongoing and proposed development projects will be enhanced by the Government through the Ministry of Education in the subsequent budget cycle. Additionally, as part of increasing revenues, the Management has developed and submitted additional new Academic Programmes to Commission of University Education (CUE) for accreditation and already some are at the final stages of approval before they are made available for selection by potential students in the subsequent KUCCPS placement.

Revenues

Government Capitation

Taita Taveta University being a Government owned entity, receives recurrent and development capitation to finance its operations. In 2024/2025, the University received a total of KES.355,451,602.15 for recurrent and nil for development expenditure.

Research Grants

The University works in partnership with International Donors in implementing research and development projects that are aimed at building the capacity of students and staff. The key research projects implemented in the financial year 2024/2025 include: the Centre of Excellence for Mining, Environmental Engineering and Resource Management (CEMEREM) in partnership with the University of Applied Sciences Dresden (HTWD) and the Technische Universitat Bergakademie Freiberg (TU BAF) these German Universities funded by DAAD, the TaitaGIS project undertaken in partnership with the University of Helsinki funded by the Finland Government, (ABS-CIAT) domiciled in the School of Agriculture & Earth Sciences aimed at promotion of appropriate Climate-Smart Crop Innovations in Taita Taveta County through farmer field schools in partnership with other stakeholders including County Government of Taita Taveta Department of Agriculture and KALRO and a Project code named UPLIFT-AG also domiciled in the School of Agriculture and is geared towards Universities Promoting Linkages for Impactful Training, Innovation and Technology Transfer (UPLIFT) in Agriculture (UPLIFT-AG)

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A total of KES.39,741,922 was received from the International Partners in the financial year 2024/2025.

Student Fees

The University raised fees from students' and other Income Generating Activities totalling KES.462,479,758 during the year under review and accounts for 52.6% of the total revenue. These comprise of fees from Government sponsored students and Self-sponsored students (Module II). The funds were prudently spent in meeting the University operations.

Other Incomes

Included under this category are incomes from accommodation, catering services and Income Generating Units (IGUs). A total of KES. 21,876,978 was raised in the year under review and accounts for 2.5% of total revenue.

Expenses

Employee Costs.

Employee costs accounted for 67% of the total University recurrent and development expenditure and 65.7% in the comparative period.

Operating and Administrative expenses

This accounts for 33% of the total recurrent and development expenditure as compared with 30.8% in the comparative period. Included under this category are:

- i. Expenditure relating to research grants projects
- ii. Expenditure on Income Generating Activities
- iii. Repair and Maintenance expenses
- iv. Teaching and Office running expenses
- v. Transport and Travel expenses
- vi. ICT expenditure
- vii. Medical expenses
- viii. Council expenses

Key projects and investment decisions the entity is planning/implementing.

In the current Financial Year 2024/2025 the Government of Kenya did not allocate any funds for the ongoing and stalled development projects.

However, in the quarter ended 30th June, 2025, the key projects that were under continued implementation were:

- i. Construction of Proposed Administration Block at Taita Taveta University Main Campus (TTU/T/01/2017/2018).
- ii. Completion and Equipping of Administration and Classroom Block at Taveta Facility (TTU/T/02/2017/2018).
- iii. Proposed Construction and Equipping of the Mines, Fuels and Mineral Processing Labs Phase III Main Campus (TTU/OT/01/2019-2020).
- iv. Continued Farming activities at Ngerenyi farm to boost Internally Generated Revenue.

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Entity's compliance with statutory requirements

TTU, through the budgetary allocation by the Government of Kenya through the parent Ministry, always strives to comply with all the statutory requirements, although the said allocation usually falls short of the operational requirements. All payments for taxes deducted from staff salaries and suppliers, SHIF contributions, PAYE and Housing Levy are always remitted on time to the relevant authorities.

However, some delays in remitting some staff salary deductions was experienced due to a deficit arising from reduced Government capitation against rising costs and non-remittance of all the funds due from Universities Fund and Higher Education Loans Board (HELB) for Scholarships and Tuition HELB Loans to students under the New Funding Model as at 30th June, 2025.

Major Risks facing the entity

Taita Taveta University like any other institution is exposed to a variety of risks associated with day-to-day operations. The University risks have been classified under three broad categories as Financial Risks, Operational Risks and Regulatory Risks.

a. Financial Risks

- i. **Credit risk-** This is risk related to outstanding fees balances from students who might default on their contractual obligations to pay school fees on time, which may result in financial loss to the University. As at 30th June, 2025 the credit risk exposure associated with student fees was an accumulated gross amount of KES 213,788,890. The huge amount mostly relates to delayed release of the Government Scholarship & Tuition Loan for Semester Two for First and Second Years cohort 2023 and 2024 under the New Funding Model.
- ii. **Funding Risk** - Is risk associated with relatively low Capitation over the years from the Government which has posed a challenge on implementation of University's core mandate. To mitigate this risk the University has developed new Academic Programmes to enhance student enrolment for increased Appropriation-In-Aid. To this end more than twenty (20) Academic Programmes have been developed and paid for between June 2022 and 30th June, 2025. A number of them have already been accredited and launched while other are at various stages in the process of accreditation by the Commission for University Education and subsequent placement by KUCCPS.
- iii. **Supplier and Service Provider risk-** Taita Taveta University main suppliers of services are part time Lecturers and suppliers of goods and services like Hospitals and Catering. The University faces a risk of discontinued services because of delay of payments to suppliers as a result of cash flow and budgetary constraints. Management however, has developed agreed payment plans to most of these suppliers and continues to engage in negotiations with respective suppliers and to work towards clearing all pending bills.

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b. Operational Risk

i. Project Completion Risk

The University projects under construction are key to realizing the vision and mission of the University. However, in the financial year 2024/2025 the Government of Kenya, through parent Ministry of Education did not allocate any funds towards completion of the ongoing projects. Lack of budgetary allocation in the current year and budget cuts witnessed in the previous financial years has resulted to implementation deadlines not being met and may lead to more unanticipated costs such as contractual penalties arising from delays in paying for certified works. Management is and has continuously engaged the Line Ministry, the National Treasury and the Universities Fund Board (UFB) to increase funding to the University as Kenya's strategic and priority Institution for Mining and Mineral Processing, for the purpose of completing the projects in time.

ii. Human Resource Risk

In the year under review, the University started the implementation of the signed 2021-2025 Collective Bargaining Agreement (CBA) and other internal CBAs. There is a risk of recurrence for industrial unrest in-case the Government fails to release the funds meant for full implementation of the CBA.

Further, inadequate budgetary allocation has restricted replacement and recruitment of additional key staff to support the activities under the mandate of the University, especially as resulting from the new academic programmes and increased number of students hence resulting in reliance on part time lecturers and accumulation of unpaid part time dues.

c. Regulatory Risks

i. Policy Risk

Taita Taveta University is a public University among other Kenyan Public and Private Universities competing for student populations who complete Secondary schools every year. Changes in placement policy by Government and KUCCPS may disadvantage smaller universities with respect to operational, capacity, human resource and facility development.

In particular, the placement Policy that allows students to transfer from one university to the other after they have already been placed by KUCCPS usually works to deplete numbers from younger universities. However, the University has initiated marketing campaigns and continues to market the University as a destination of quality education, research and community outreach through increased and diversified academic programmes, town hall meetings, radio shows and print media. In this respect, Management has continued to develop attractive market programs and currently, the University has submitted seven programs to the Commission for University Education for accreditation.

Additionally, a new legislation under Affordable Housing Act, 2024 introduced 1.5% Housing Levy that is charged at the rate of 1.5% of the gross salary of an employee and the employer is required to contribute and remit by 9th of the following Month a matching amount to the employees' deductions. Also transition from the defunct National Health Insurance Fund (NHIF) whose contributions was capped at KES.1,700 to Social Health Insurance Fund (SHIF) deducted at the rate of 2.75% from

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Employee's Gross Monthly Wages represents another significant policy change in Kenya's Healthcare System in recent times. The new changes therefore have a ripple effect in reducing staff disposable income resulting from increased SHIF contributions and might force some to get into the a third rule on wages and also results to increased expenditure on personnel costs.

Material arrears in statutory/financial obligations

As at 30th June, 2025 the University has total pending bills of KES. 400,312,449 arising from unpaid supplier invoices, unpaid part time teaching claims, other service providers' dues, provision for retention, hospital bills, Bank Overdraft, , salary deductions which had not yet been paid by close of the year, Asset Based Finance KCB Loan and student fees Prepayments (see note 25,26, 27,28 and 29 for more details). The bulk of pending bills (KES. 128,955,807) translating to 32.2% is for Part-Time Lecturer's arrears followed by Employee benefits obligations of KES.93,070,071 constituting 23.2% of the total pending bills. Though the financial resources are limited as compared with the daily University financial needs, the University Management is committed to reducing the pending bills over time through;

- i. Increased allocation for the pending bill budget in the current and subsequent financial years' budgets.
- ii. Annual pending bill payment plan on a first in first out (FIFO) basis.
- iii. Agreed payment Plan with the University Academic Staff Union (UASU) to reduce the part time bills.
- iv. Submitted the pending bills with evidence to the National Pending Bills Verification Committee in February, 2024.
- v. Continued engagement with the Parent Ministry and The National Treasury for special allocations to pay pending bills and ongoing projects.

This fiscal year, the Management Team identified protecting and strengthening the balance sheet, increasing IGU income, efficient and transparent debtors' and creditors' management, strategic capital expenditure as well as strengthening and diversifying international collaborations in research and development as its key priorities. However, the institution still relied largely on the Bank Overdraft facility currently capped at KES.50 Million to ensure that service provision was offered to clients uninterrupted.

TTU has no major financial improbity as per internal audit/TTU Council Audit, Risk and Governance Committee, external auditors, or other National Government Agencies providing oversight.

Additionally, there are no governance issues among the Council members and top management including conflict of interest.

10. Environmental and Sustainability Reporting

Taita Taveta University exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on the six pillars: Excellence in Teaching, Research, and Outreach; Improving campus Facilities and the Learning

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Environment; Enhancing Student Experience and Student Affairs; Human Resources Development; Resource Mobilisation; and Strategic Management, Leadership, and Corporate Governance.

Below is an outline of Taita Taveta University's policies and activities that promote sustainability.

i) Sustainability strategy and profile

TTU's strategic plan 2023 -2028 aims at strengthening the capacity of TTU to provide relevant and responsive higher education on sustainable development in the areas of mining and natural resources management. Besides offering Undergraduate and Postgraduate courses on Mining and Mineral processing engineering, TTU established the Centre of Excellence in Mining Environmental Engineering and Resource Management (CEMEREM).

In the year under review, the University actively engaged in partnerships and collaborations with other institutions of higher learning, research organizations, industry and the private sector in ensuring sustainability of the programmes. To this end, the University implemented a total of six research funded projects that were funded by different strategic partners aimed at building the capacity of students and staff.

ii) Environmental performance

The University acknowledges that her activities have an impact on the environment. It is for this reason that the University has an Environment policy that clearly indicates the University's commitment to environmental sustainability. Whereas the University is located in a semiarid climate zone, through the Policy the University has been able to maintain her Grounds in an environmentally sensitive way (Landscaping and Tree planting) having regard to the protection of natural habitats and local Wildlife. The University is on the journey of creating a micro climate within the University by creating a mini forest cover through tree planting.

In the year under review the University actively participated in the National Tree Growing campaign and managed to plant over 15,000 trees within the University compound and some at the Mwamusha water catchment area.

iii) Employee Welfare

Gender Ratio

The University has several policies in place to cater for its employee's welfare including its Chapter Collective Bargaining Agreements (CBAs) and the Human Resource Manual which specifically guide its recruitment and management of staff welfare in terms of ensuring representation of all genders and other special groups. In addition, the University has a specific clause in its advertisement encouraging the Women and people living with disability to apply and an additional mark for women and people living with disability.

Stakeholder Engagement

As a practice all the policies developed by the University have a clause entrenched to ensure engagement of various stakeholders that the proposed policy shall govern.

Improving skills and managing careers, appraisal and reward systems

The University conducted a skills gap analysis to establish the skills gap amongst its staff. The Implementation of the identified gaps is ongoing. The University has developed and implemented competitive terms and conditions of service for its employees for use to attract employees with specialized skills. The University has also developed and implemented a continuous exit questionnaire to help in obtaining views on the existing gaps for future corrective action as well as improvements.

Compliance with the requirements of the Occupational Safety and Health Act of 2007;

The University has set up a committee that will advise on all work place safety related issues as well as prepare the University for the Health Safety Inspection. Additionally, the University has acquired the following annual insurance covers for its staff in addition to regular sensitization of its members on work place safety and hazards;

- i) Work Injury Benefits Act Insurance
- ii) Group Personal Accident
- iii) Group Life Assurance

The HR Manual also outlines various obligations of employees and the University as far as safety at work place or during work is concerned.

iv) Market place practices-

Taita Taveta University continuously works to ensure the following practices are done with utmost professionalism for the betterment of society;

a) Responsible competition practice.

The University Management ensures responsible competition practices:

Anti-corruption – The Management ensures the staff, students and customers are treated fairly, equally and in accordance with established policies and procedures that govern every activity within the University. The Management adheres to national laws and regulations in regard to preventing corruption within the University and has established relevant committees not only to prevent corruption but also how whistle blowers can report cases of real or suspected corruption. It regularly submits quarterly reports to the Economic and Anti-Corruption Commission (EACC). The University Management has displayed at conspicuous places messages that the University is a ‘Corruption Free Area’.

Responsible political involvement – The University Management has established policies and mechanisms that do not allow partisan politics among staff or students within her compound. The staff are allowed to join and participate in union activities that are registered and formally recognized by the University while students are allowed to elect officials to the Students’ Governing Councils on an annual basis.

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The University Management adheres to rules of fair competition and respect for competitors. It believes in the principles of equal opportunities for employees, students and customers as well as affirmative action as enshrined in the Constitution of Kenya and related laws and regulations.

b) Responsible Supply chain and supplier relations

The University Management adheres to the principles of fair and cordial business dealings with its business partners as guided by various laws, regulations and policies. The university has customer service delivery charter and quality management system that promotes good business practices that is cascaded from the top to the lower levels.

The University suppliers are given equal opportunity and reasonable time to participate in tenders for supply and delivery of goods, works and services in an open, fair and transparent manner and in strict adherence to the Constitution of Kenya, Public Procurement and Asset Disposal Act, 2015 and attendant Regulations, 2020. The terms and conditions of the contracts entered between the University and the suppliers are honoured and respected; where there's a dispute or misunderstanding, a dispute resolution mechanism is used to find an amicable solution. Supplier invoices for payment of goods, works and services are settled upon inspection and acceptance that they are of the right quality and quantity.

c) Responsible marketing and advertisement

The University Management strives to promote its unique programmes to the customers that enhances trust and build a strong brand through print, electronic media and social media. The advertisements are honest and trustworthy, and geared towards forging a strong bond with the target customers.

d) Product stewardship

The management has established a mechanism for open communication with customers through provision of telephone, postal and email address. When customer rights are infringed, there are customer boxes and complaint registers in the University for them to report and seek redress accordingly. The University has a quality management system and service delivery charter that outlines procedures to safeguard customer rights and interests.

e) Corporate Social Responsibility / Community Engagements

Taita Taveta University continues to embrace Corporate Social Responsibility in day to day activities. The University has a self-regulating model that helps it to be socially accountable—to itself, its stakeholders, and the public at large. By practicing corporate social responsibility, Taita Taveta University is conscious of the kind of positive impact we are creating on all aspects of society, including economic, social and environmental.

Taita Taveta University staff and students have participated in activities that have directly benefited the society while boosting its brand. We continue to forge a stronger bond between employees, students and community to enhance cooperation for the good of the society.

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11. Report of the Directors

The Council submit their report together with the financial statements for the year ended June 30, 2024, which show the state of the Taita Taveta University affairs.

i) Principal activities

The principal activities of the Taita Taveta University are Teaching, Research and Community Outreach.

ii) Results

The results of the Taita Taveta University for the year ended June 30, 2024 are set out on page 1 to page 53.

iii) Council

The members of the University Council who served during the year are shown on page ix to xi.

iv) Auditors

The Auditor General is responsible for the statutory audit of the Taita Taveta University in accordance with Article 129 (4) of The Constitution of Kenya, Section 89 of the Public Finance Management (PFM) Act, 2012 and Public Audit Act, 2015.

By Order of the Board



Prof. Fred Simiyu Barasa, PhD,
Vice Chancellor/Secretary to the Council

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12. Statement of Directors Responsibilities

Section 89 of the Public Finance Management Act, 2012 and cap 446 section 14 of the State Corporations Act, require the Council Members to prepare financial statements in respect of Taita Taveta University, which give a true and fair view of the state of affairs of the Taita Taveta University at the end of the financial year/period and the operating results of the Taita Taveta University for that year/period. The Council Members are also required to ensure that the Taita Taveta University keeps proper accounting records which disclose with reasonable accuracy the financial position of the Taita Taveta University. The Council Members are also responsible for safeguarding the assets of the Taita Taveta University.

The Council Members are responsible for the preparation and presentation of the Taita Taveta University financial statements, which give a true and fair view of the state of affairs of the Taita Taveta University for and as at the end of the financial year (period) ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Taita Taveta 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 Taita Taveta University; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Council Members accept responsibility for the Taita Taveta University 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 and the State Corporations Act, 2012. The Council Members are of the opinion that the Taita Taveta University financial statements give a true and fair view of the state of Taita Taveta University transactions during the financial year ended June 30, 2024, and of the Taita Taveta University financial position as at that date. The Council Members further confirm the completeness of the accounting records maintained for the Taita Taveta University, which have been relied upon in the preparation of the Taita Taveta University financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Council Members to indicate that Taita Taveta 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 Taita Taveta University Annual Report and Financial Statements were approved by the Council on 04/07/2025.



Prof. Isaac Meroka Mbeche, PhD
Chairperson of the Council



Prof. Fred Simiyu Barasa, PhD
Vice Chancellor/Accounting Officer

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14. Statement of Financial Performance for the year ended 30 June 2025


	Note	FY.2024/2025	FY.2023/2024
REVENUE		KES	KES
Revenue from non-exchange transactions			
Transfers from Ministries, Departments and Agencies (MDAs)	6	355,451,602	364,854,060
Donor Funded Projects/Donations	7	39,741,922	45,528,352
Total (a)		395,193,525	410,382,412
Revenue from exchange transactions			
Income from Rendering of Services	8	462,479,758	201,932,926
Income from Other Services Rendered	9	15,005,946	10,618,611
Income from other activities	10	6,871,032	5,071,456
Total (b)		484,356,736	217,622,992
Total revenue (a+b)		879,550,261	628,005,404
EXPENDITURE			
Employee Costs	11	524,251,572	463,113,667
Maintenance Costs	12	3,338,643	2,433,892
Use of Goods and services	13	180,805,157	153,395,637
Council Activities	14	13,469,670	11,945,346
Finance Cost	15	8,241,624	6,898,448
Depreciation and amortization expense	16	48,753,778	42,374,445
Total expenses		778,860,443	680,161,434
Deficit		100,689,818	(52,156,031)
Increase in provision for Doubtful debt	18(b)	(7,834,149)	(795,558)
Loss on Foreign Exchange Transaction	30	-	(19,219)
NET LOSS BEFORE TAX		92,855,669	(52,970,808)
Tax expense		-	-
Total Surplus/(Deficit) for the year		92,855,669	(52,970,808)

The notes set out on pages 9-63 form an integral part of these Financial Statements.

The Financial Statements set out on pages 1-8 were signed on behalf of the Council by:


Prof. Fred Barasa, PhD.
Vice Chancellor


CPA Peter Kisombe
Director of Finance
ICPAK Member No. 10342


Prof. Isaac Meroka Mbeche, PhD
Chairman of the Council

Date: 03/12/2025

Date: 03/12/2025

Date: 03/12/2025

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON TAITA TAVETA UNIVERSITY 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 Taita Taveta University set out on pages 1 to 55, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in of net assets, statement of cash flows and statement of comparison of budget and actual amounts for

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Taita Taveta University 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), the Taita Taveta University Charter of 7th October, 2016, the Universities Act, 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Encroached University Land

The statement of financial position and Note 23 to the financial statements reflect property, plant, and equipment balance of Kshs.3,412,455,871, which includes land revalued at Kshs.1,392,215,496. The reported land balance includes additions of Kshs.185,000,000 for the year. However, review of the valuation report dated 25 June, 2025 prepared by an external consultant revealed that a portion of the land had been encroached upon by squatters who had erected permanent and semi-permanent structures on the land. No evidence was provided to confirm any action taken by Management to secure the affected land.

In the circumstances, the accuracy and ownership of property, plant and equipment balance of Kshs.185,000,000 could not be confirmed.

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

Material Uncertainty Related to Going Concern

The statement of financial position reflects total current liabilities of Kshs.379,125,068, which exceeds total current assets of Kshs.238,446,650, resulting in a negative working capital of Kshs.140,678,418 (Kshs.259,952,427 in 2023-2024).

In the circumstances, the ability of the University to meet its financial obligations as and when they fall due is in doubt and the continued existence of the University into foreseeable future could not be confirmed.

My opinion is not modified in respect of this matter.

Emphasis of Matter

The statement of comparison of budget and actual amounts reflects final revenue budget and actual amounts on a comparative basis of Kshs.852,756,553 and Kshs.734,973,223 respectively, resulting in revenue shortfall of Kshs.117,783,330 or 14% of the budget. Similarly, the statement reflects total expenditure of Kshs.717,373,426 against actual revenue of Kshs.734,973,223, resulting in under absorption of Kshs.17,599,797 or 2.4% of the actual revenue.

The underfunding and under absorption affected implementation of planned activities and may have impacted negatively on service delivery to the citizens.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the prior year's audit report, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. Review of the status during audit of the university in 2024/2025 revealed that the following five (5) issues remained unresolved:

No.	Audit Issue
1	Cash and Cash equivalents
2	Unsupported prior year adjustment
3	Unapproved over-expenditure
4	Non-compliance with the law on ethnic composition
5	Stalled construction projects

Other Information

The Management is responsible for the Other Information set out on page iv to xxxiii which comprise of Key Entity Information and Management, the University Council, Key Management Team, Chairman's Statement, Report of the Chief Executive Officer, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors and Statement of Directors 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. Stalled Projects

The statement of financial position and Note 23 to the financial statements reflect property, plant and equipment balance of Kshs.3,412,455,871. The balance includes work in progress of Kshs.414,141,891 in respect of incomplete and ongoing construction projects. However, audit of work in progress records revealed that the University had several construction projects that have remained incomplete beyond their contractual periods as follows:

1.1 Construction of Proposed Administration and Classroom Block (Main Works) – Taveta Campus

The contract was awarded to a contractor through Contract No. TTU/C/02/2017/2018 at a contract sum of Kshs.87,531,993 to be implemented in two phases within two (2) financial years.. The project started on 23 October, 2017 and was expected to be completed on 21 December, 2019. As at 30, June, 2025 a total of Kshs.76,173,382 had been paid towards the project. However, as at the time of audit inspection in October, 2025, the project was at 82% completion level despite lapse of the contract period.

1.2 Construction of Administration Block – Taita Taveta Main Campus

The contract was awarded to a contractor at a contract sum of Kshs.280,870,539, with an approved variation of Kshs.64,707,304. The contract commenced on 21 December, 2017 and was expected to be completed on 22 December, 2018. As at 30, June, 2025 a

total of Kshs.258,672,071 had been paid towards the project. However, as at the time of audit inspection in October, 2025, the project was at 73% completion level, and only Kshs.12,487,000 had been committed for the financial year 2024/2025 to facilitate further work.

1.3 Proposed Construction and Equipping of Mines, Fuels and Mineral Processing Laboratory – Phase 3 (Taita Taveta Main Campus)

The contract was awarded to a contractor through contract No. TTU/OT/01/2019-2020 dated 10 March, 2020 at a contract sum of Kshs.98,857,624. The contract commenced on 16 March, 2020 and was expected to be completed on 30 June, 2021. As at 30, June, 2025, a total of Kshs.73,112,535 had been paid towards the project. However, as at the time of audit inspection in October, 2025, the project was at 56% completion level despite lapse of the contract period.

In the circumstances, value for money on the expenditure on the stalled projects could not be confirmed.

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. Failure to Conduct Legal Compliance Audit

Review of Board minutes and other supporting records revealed that the University did not conduct a legal compliance audit during the year under review. In addition, no evidence of compliance reports filed with the responsible Cabinet Secretary and the State Corporations Advisory Committee (SCAC) on statutory obligations was provided for audit verification. This was contrary to Mwongozo Code of Governance for State Corporations, 2025 Governance Parameter 8.4, which requires Boards to; (a) ensure that a legal compliance audit is carried out at least annually to establish adherence to laws, rules, regulations, and standards; (b) implement recommendations arising from the legal compliance audit report; (c) carry out a comprehensive and independent legal audit at

least once every two years; and (d) file quarterly compliance reports on statutory obligations with the responsible Cabinet Secretary and SCAC.

In the circumstances, the level of compliance with applicable laws, rules, regulations, and statutory obligations by the University could not be confirmed.

2. Lack of Change Management Framework and Documentation for the Enterprise Resource Planning System

Review of the internal control records established that the University had not developed a formal change management policy or documented procedures to guide the review, approval, and implementation of system changes within the Navision Enterprise Resource Planning (ERP) University system.

There was also no evidence of a designated change management committee or equivalent governance structure responsible for assessing the technical, operational, and security implications of proposed system changes. In addition, Management did not provide critical change management documentation, including authorized change approvals, change management registers and test scripts. As a result, changes to the system, including enhancements, patches, and configurations, were implemented without structured evaluation, approval, or post-change review, and the audit could not confirm whether such changes were properly tested or formally accepted by end users prior to deployment.

In the circumstances, integrity and control of the University's Navision Enterprise Resource Planning system could not be confirmed.

3. Lack of an Approved Business Continuity and Disaster Recovery Plan

Review of system of controls revealed that Management of the University had not developed, approved, or tested a business continuity or disaster recovery plan for the Navision Enterprise Resource Planning system. ICT Policy requires the entity to develop an ICT disaster recovery plan to safeguard the availability and integrity of the University's resources and information. The absence of formal continuity and recovery frameworks heightens the risk of prolonged service outages, data loss, and reputational damage in the event of infrastructure failure, cyber incidents, or other disruptions.

In the circumstances, the University's ability to ensure continuity of critical ICT services and timely recovery in the event of a disruption could not be confirmed.

4. Weak Input and Validation Controls in the Navision Enterprise Resource Planning System

Review of the Navision Enterprise Resource Planning (ERP) system established that the system lacked adequate input validation and data integrity controls across various modules creating vulnerabilities that could be exploited by attackers or lead to inaccurate reporting. The following anomalies were identified:

- i. **Missing or Blank Fields:** Several records contained empty with zero entries in key fields such as student ID, name, transaction references, phone numbers, indicating absence of mandatory field validation.
- ii. **Duplicate Entries:** Multiple records had identical student IDs or card numbers were appearing more than once, suggesting that the system lacks uniqueness in identification of records.
- iii. **Invalid Data Formats:** Certain date fields and numerical fields contained alphanumeric or inconsistent values (e.g., "0", "null", or non-date text), implying no format enforcement.
- iv. **There was weak validation on ID numbers** as they had more digits than required with some accepting alphabetical letters.
- v. **Unrestricted Data Input:** The system allowed manual edits without validation checks or drop-down controls, creating opportunities for erroneous or malicious data entry.

In the circumstances, the University servers may be at a high risk of attacks putting the university data at risk of loss or manipulation.

5. Inadequate Surveillance and Weak Security Controls in the Data Centre

Audit of Closed-Circuit Television monitoring controls revealed that coverage of critical areas was inadequate. Specifically, the data centre was not under active surveillance. This gap exposes the University data centre to heightened security risks, as unauthorized activities within and around these areas may go undetected.

In the circumstances, the effectiveness internal controls and security systems at the data centre could not be confirmed.

6. Inadequate Personnel in Established Positions

Review of human resource records provided for the period under review revealed that the University had a total of two hundred and thirty-nine (239) employees in post as at 30 June, 2025, which is significantly below the approved staff establishment of six hundred and seventeen (617) positions. This reflects an understaffing gap of three hundred and seventy-eight (378) positions.

In the circumstances, the ability of the University to deliver on its mandate 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 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 continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern 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

05 December, 2025

Taita Taveta University

Annual Report and Financial Statements for the year ended June 30, 2025

During the financial year 2024/2025, the University registered a surplus of KES. 92,855,669 as compared to a deficit of KES.52,970,808 registered in 2023/2024 Financial Year hence strengthening the University's sustainability in implementation of its planned activities and operations.

The great improvement is attributed to the New Funding Model introduced by the Government of Kenya and rolled out as from September, 2023 that saw the full implementation of the Differentiated Unit Cost (DUC) model of costing each Academic Programme and the introduction of Bachelor of Education Arts and Bachelor of Science Civil Engineering that enabled the University to record increased student numbers as compared with the previous financial year of 2023/2024.

The University Management has developed an elaborate 3 year plan to manage and mitigate against the negative working capital, as shown in the Statement of Financial Position. In this front, the University Management continues to revamp its Revenues by introducing new niche Academic Programmes apart from seeking for additional funding from the Government of Kenya, through the Ministry of Education. Additionally, the University has put in place other measures for enhanced revenue collection and cost reduction such as:

i). Rationalizing utilization of human resource capacity through consolidation of job descriptions and re-deployments.

ii). Commercializing university facilities to generate additional revenue.

iii). Enhancement of university consultancy services as well as Research and Development Projects Funding.

iv). Effective marketing and positioning of the University as a preferred destination for teaching and learning.

V). The University Management has mandated the use of NHIF accredited facilities as a first line for medical services for staff; these releases designated referral hospitals for referral cases only. This has served to reduce high medical bills thus releasing working capital.

vii). The University has progressively been recruiting qualified academic staff and those who have been out on studies are coming back which will reduce the units being taught by part time lecturers hence reducing the cost of part time lecturers.

Based on all the above strategies, the University Management confirms that the University will continue remaining as a going concern.


Taita Taveta University
Annual Report and Financial Statements for the year ended June 30, 2025


15. Statement of Financial Position as at 30 June 2025

Description	Note	2024/2025	2023/2024
		KES	KES
CURRENT ASSETS			
Cash and cash equivalent	17	18,142,447	27,759,221
Receivables from Exchange transactions	18	206,123,227	58,500,548
Receivables from Non Exchange transactions	19	-	30,404,505
Prepayments	20	4,587,980	3,313,378
Inventories	21	6,414,997	6,534,855
Biological Assets	22	3,178,000	1,545,500
Total (a)		238,446,650	128,058,006
NON CURRENT ASSETS			
Property, Plant and Equipment	23	3,412,455,871	3,197,911,459
Intangible Assets-Software	24	17,714,131	19,587,259
Total (b)		3,430,170,002	3,217,498,718
TOTAL ASSETS (a+b)		3,668,616,652	3,345,556,724
LIABILITIES			
CURRENT LIABILITIES			
Trade and other Payables from exchange transactions	25	229,819,565	215,089,013
Bank Overdraft	26	32,243,695	45,423,366
Employee benefit obligation	27	93,070,071	102,573,654
KCB Bank Loan (Asset Based Finance)	28	3,738,964	-
Payment received in Advance	29	20,252,774	24,924,400
Total Current Liabilities		379,125,068	388,010,433
NON-CURRENT LIABILITIES			
KCB Bank Loan (Asset Based Finance)	28	21,187,381	
Total		21,187,381	-
NET ASSETS			
Capital/Development grants/Fund	page 4	1,623,510,801	1,438,510,801
Retained Earnings	page 4	(505,557,894)	(598,413,562)
Revaluation Reserve	page 4	2,150,351,296	2,117,449,052
Total Net Assets		3,268,304,203	2,957,546,291
TOTAL NET ASSETS AND LIABILITIES		3,668,616,652	3,345,556,724

The financial statements set out on pages 1-8 were signed on behalf of the Council by:


 Prof. Fred Barasa, PhD.
Vice Chancellor


 CPA Peter Kisombe
 Director of Finance
ICPAK Member No. 10342


 Prof. Isaac Meroka Mbeche, PhD
Chairman of the Council

Date: 03/12/2025

Date: 03/12/2025

Date: 03/12/2025

Taita Taveta University
Annual Report and Financial Statements for the year ended June 30, 2025

16. Statement of Changes in Net Assets for the year ended 30 June 2025

Description	Capital/Development grants/Fund	Retained Earnings	Revaluation Reserve	Total
	KES	KES	KES	KES
<i>Year ended 30-06-2025:</i>				
As At 30 June 2024	1,438,510,801	(598,413,562)	2,117,449,052	2,957,546,290
Surplus / (Deficit) for the period		92,855,669		92,855,669
Additions in the year: Donation of Isanga Iwishi Land recognized	185,000,000			185,000,000
Prior Year Revaluation Adjustments (Land)			43,400,000	43,400,000
Depreciation			(10,497,756)	(10,497,756)
As At 30 June 2025	1,623,510,801	(505,557,894)	2,150,351,296	3,268,304,203
				-
As at 1st July 2023	1,431,010,801	(531,392,291)	2,131,803,703	3,031,422,213
Surplus / (Deficit) for the period	-	(52,970,808)	-	(52,970,808)
Additions in the year	7,500,000		-	7,500,000
Prior Year Adjustments(old debts write off)		(14,050,464)		(14,050,464)
Depreciation	-		(14,354,651)	(14,354,651)
As At 30 June 2024	1,438,510,801	(598,413,562)	2,117,449,052	2,957,546,290

In the year under review there was a valuation exercise undertaken on the donated 1000 acres Isanga Iwishi Land to determine the deemed cost for the initial recognition in the University Assets register as per IPSAS 17 (26-29). Additionally, the prior year revaluation adjustment on land is related to Ngerenyi Land whose value had erroneously been omitted on the Current Land value as at 30th June, 2024 compared with net book value during the computation of the revaluation gain/loss during the year ended 30th June, 2024 as shown in Appendix VI.

Taita Taveta University
Annual Report and Financial Statements for the year ended June 30, 2025

17. Statement of Cash Flows for the year ended 30 June 2025

Description		2024/2025	2023/2024
	Note	KES	KES
Cash flows from operating activities			
Receipts			
Transfer from Ministries, Departments and Agencies (MDAs)	6	385,856,107	334,449,555
Donor Funded projects/Donations	7	39,741,922	45,528,352
Income from rendering of services	8	290,567,711	183,683,007
Income from other services rendered	9	11,927,696	10,618,611
Income from other activities	10	6,967,515	4,499,305
Total Receipts		735,060,951	578,778,829
Payments			
Employee costs	11	527,178,300	427,422,675
Maintenance costs	12	3,070,444	2,433,892
Use of Goods and services	13	132,581,751	121,487,893
Council activities	14	13,469,670	11,945,346
Finance costs	15	8,241,624	6,898,448
Pending bills		32,831,637	15,524,284
Total Payments		717,373,426	585,712,537
Net cash flows from operating activities		17,687,525	(6,933,708)
Cash flows from investing activities			
Purchase of property, plant, equipment (WIP)	23	-	(17,387,457)
Purchase of property, plant and Equipment-Computers	23	(3,379,498)	(403,077)
Purchase of property, plant and Equipment-Motor vehicle		(1,086,800)	(612,900)
Purchase of property, plant and Equipment-Plant, Machinery & Equipment	23	(4,684,830)	(894,710)
Purchase of property, plant and Equipment-Furniture & fittings	23	(3,055,194)	(635,500)
Purchase of software-GEOSERVE		-	(183,464)
Net cash flows used in investing activities		(12,206,322)	(20,117,108)
CASH FLOWS FROM FINANCING ACTIVITIES			
Exchequer capital grants		-	20,487,583
Repayment of borrowings		(1,918,306)	
Net Cash flows used in Financing Activities		(1,918,306)	20,487,583
Net Increase (Decrease) in cash and cash equivalents		3,562,897	(6,563,233)
Cash and cash equivalents at 1 July , 2024		(17,664,145)	(11,100,912)
Cash and cash equivalents at 30 June, 2025		(14,101,248)	(17,664,145)

Taita Taveta University has used direct cash flow method of presentation as prescribed by PSASB for all entities under the IPSAS Accrual basis of accounting.

The amount of KES.32,831,637 reported under payments above is for payment of pending bills for both use of goods and services invoiced in the periods but paid during the year under review and whose expenditures had been accrued in the previous financial years.

Taita Taveta University
Annual Report and Financial Statements for the year ended June 30, 2025

18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025

Particulars	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization	Notes
	KES	KES	KES	KES	KES		
REVENUE	A	B	C = (a+b)	E	F = (D-E)	F = e/d	
<u>AIA (a)</u>							
Fees for Services Rendered-Students (Household)	116,000,000	-	116,000,000	97,504,166	18,495,834	84.1%	i
New Funding Model Fees - Scholarships & HELB Loans	251,490,690	71,371,255	322,861,945	193,063,545	129,798,400	59.8%	i
IGU's (Catering, Farm, Clinic)	15,000,000	-	15,000,000	18,807,482	(3,807,482)	125.4%	ii
	382,490,690	71,371,255	453,861,945	309,375,193	144,486,752	68.2%	
<u>G.O.K Grants & subsidy (b)</u>							
Recurrent Capitation	323,643,693	-	323,643,693	354,048,197	(30,404,504)	109.4%	iii
CBA Arrears		31,807,910	31,807,910	31,807,910	-	100.0%	iii
Total Recurrent grant	323,643,693	31,807,910	355,451,603	385,856,107	(30,404,504)	108.6%	
Development							
Development-University Contribution from AIA	1,880,000	-	1,880,000	-	1,880,000	0.0%	iv
<u>Total Development Revenue(AIA)</u>	1,880,000	-	1,880,000	-	1,880,000	0.0%	
<u>Other Revenues (d)</u>							
CEMEREM Project funds	32,243,005	-	32,243,005	36,460,367	(4,217,362)	113.1%	v
ABS - CIAT	5,000,000	-	5,000,000	3,281,555	1,718,445	65.6%	vi
UPLIFT - AG	4,600,000	-	4,600,000	-	4,600,000	0.0%	vii
AIML	1,600,000	-	1,600,000	-	1,600,000	0.0%	vii
	43,443,005	-	43,443,005	39,741,922	3,701,083	91.5%	
Total Recurrent Revenue	749,577,388	103,179,165	852,756,553	734,973,223	117,783,331	86.2%	

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EXPENSES							
Use of Goods and Services	226,640,091	(1,880,000)	221,083,768	132,581,751	88,502,017	60.0%	viii
Employee Costs	469,107,297	75,593,323	544,700,620	527,178,300	17,522,320	96.8%	viii
Remuneration of Directors/Council	14,700,000	(1,000,000)	13,700,000	13,469,670	230,330	98.3%	viii
Repair and Maintenance	14,250,000	-	14,250,000	3,070,444	11,179,556	21.5%	viii
Finance Costs	4,000,000	-	4,000,000	8,241,624	(4,241,624)	206.0%	ix
Payment of Pending Bills	19,000,000	34,142,164	53,142,164	32,831,637	20,310,527	61.8%	x
Total Expenditure	747,697,388	105,059,165	850,876,553	717,373,426	133,503,127	84.3%	
Surplus/Deficit for the Period	1,880,000	(1,880,000)	1,880,000	17,599,797	(15,719,796)		
Development Expenditure							
Completion of Installation of ERP System/On-boarding	980,000	-	980,000	-	980,000	0.0%	xi
Isangawishi Land Title Processing & Fencing Project	900,000	-	900,000	-	900,000	0.0%	xi
Total Development Expenditures	1,880,000	-	1,880,000	-	1,880,000	0.0%	
Total Expenditure	749,577,388	105,059,165	852,756,553	717,373,426	135,383,127	84.1%	

Budget notes

1. Commentaries on significant under-utilization (below 90% of utilization) and any over-utilization (IPSAS 24.14)
 - i. The University recorded an under collection in fees for services rendered being paid through Households and Government Scholarships and Tuition HELB Loans of 84.1% and 59.8% respectively as compared with the final budgeted revenues as a result of delayed release of New Funding Model funds that enables student fee payments through grants and contribution from upkeep loans they receive from HELB.
 - ii. The University had projected to collect KES.15,000,000 in Income Generating Units (IGUs) but realized a total of KES.18,807,482 resulting to a performance of 125.4%. The good performance is attributed to increased workshops and conferences held at the University premises by external stakeholders and the 7th graduation ceremony conducted in the month of August, 2024.
 - iii. The University received all the expected recurrent capitation totalling KES. 385,856,107 that comprises of recurrent capitation of KES.323,643,693 for financial year 2024/2025 , KES.30,404,504 June 2024 recurrent capitation which were cash in transit as at 30th June, 2024 hence then reported as receivable in the previous financial year 2023/2024 and CBA 2021-2025 funds of KES.31,807,910.
 - iv. The University contribution of KES.1,880,000 to support some development projects was not realized due to delayed release of New Funding Model Funds from University Fund and HELB.

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- v. The University continue to get support from donors and other development partners and in the year under review the budgeted amount of KES.36,460,367 for CEMEREM Project against projected KES.32,243,005 resulting to a performance of 113.1%.
 - vi. The University, through donor support, is implementing a Project named (ABS-CIAT) domiciled in the School of Agriculture & Earth Sciences aimed at promotion of appropriate Climate-Smart Crop Innovations in Taita Taveta County through farmer field schools in partnership with other stakeholders including County Government of Taita Taveta Department of Agriculture and KALRO. In the year under review the University received a total of KES.3,281,555 out of the projected KES.5,000,000 hence realizing a utilization of 65.6%.
 - vii. TTU in the current FY.2024/2025 in the year under review did not receive any funds from UPLIFT-AG project and Artificial Intelligence and Machine Learning projects.
 - viii. Due to limited financial resources the University continued with austerity measures hence the amount budgeted for use of goods and services, employee costs, remuneration of Directors and repairs and maintenance during the period under review only realized a utilization of 60.0%, 96.8%, 98.3% and 21.5% respectively.
 - ix. The University continues to rely on KCB Overdraft facility to support its key operations and in the year under review it incurred a total of KES.8,278,523 on debit interests against the earlier projected KES.4,000,000 hence realizing an over utilization at 206%.
 - x. The University continues to prioritize on settlement of pending bills despite the financial challenges and in the year under review it settled pending bills totalling KES.32,831,637 against an allocation of KES.53,142,164 resulting to an under-utilization of 61.8%. The other planned payments for pending bills were not settled due to delayed release of NFM funds.
 - xi. The University incurred nil expenditure on capital projects due to non-receipt of NFM funds on which some proceeds were to meet expenses of ERP completion and Fencing of Isanga Iwishi land.
2. Explanation of changes between original and final budget indicating whether the difference is due to reallocations or other factors, (IPSAS 24.29). In the year under review the changes are due to budget virement undertaken as at 30th June, 2025.
 3. A reconciliation of Deficit as per the statement of financial performance to statement of Comparison of budget and actual amounts is as shown below:

Budget Reconciliation

Description	Amount KES.
Surplus as per statement of Financial performance	92,855,669
Add: Depreciation	48,753,778
Add: Accrued Employee cost	93,070,071
Add: Accrued Use of goods & services	40,444,452
Less: Current debtors	(216,858,386)
Add: Provision for Increase in Bad Debts	(7,834,149)
Less: Pending bills paid	(32,831,637)
Surplus as per statement of Comparison of Budget and actual amounts	17,599,796

19. Notes to the Financial Statements

1. General Information

Taita Taveta University is established by and derives its authority and accountability from University Act 2012. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. Taita Taveta Universities' principal activity is teaching, research and community outreach.

Taita Taveta University was initially established as a Campus of JKUAT in 2008, became a Constituent College of Jomo Kenyatta University of Agriculture and Technology via Legal Notice Number 156 of 18th October, 2011, and was elevated to a fully-fledged University through award of the Taita Taveta University Charter on 7th October, 2016.

2. Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of Taita Taveta University.

The financial statements have been prepared in accordance with the PFM Act, 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. New and amended standards and interpretations in issue effective in the year ended 30 June 2024.

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 2023.*

Standard	Effective date and impact:
IPSAS 43	<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 cash flows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>In the Year under review, this standard is not applicable to Taita Taveta University.</i></p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</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> <p><i>In the Year under review, this standard is not applicable to Taita Taveta University.</i></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</p>

Standard	Effective date and impact:
	<p>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 additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>In the Year under review, this standard is not applicable to Taita Taveta University.</i></p>
<p>IPSAS 46 Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>In the Year under review, this standard is not applicable to Taita Taveta University.</i></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><i>In the Year under review, this standard is not applicable to Taita Taveta University.</i></p>

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Notes to the Financial Statements continued....

Standard	Effective date and impact:
IPSAS 48- Transfer Expenses	<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><i>In the Year under review, this standard is not applicable to Taita Taveta University.</i></p>
IPSAS 49- Retirement Benefit Plans	<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> <p><i>In the Year under review, this standard is not applicable to Taita Taveta University.</i></p>

iii. Early adoption of standards

Taita Taveta University has not early – adopted any new or amended standards in the financial year.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

Taita Taveta University recognizes revenues from fees, sales 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 entity 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 Taita Taveta 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 realised 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

Taita Taveta 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 by Taita Taveta University 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.

Rental income

Taita Taveta University recognizes rental income arising from operating leases on the University properties and accounts for it on a straight-line basis over the lease terms and included in revenue on accrual basis.

b) Budget information

Taita Taveta University's original budget for FY 2023-2024 was approved by the National Assembly on July 2022. Subsequent revisions due to Supplementary Budget No.II as communicated to the University through Principal Secretary, Ministry of Education, State Department of Higher Education and Research 24th June, 2024 respectively were made to the approved budget in accordance with specific approvals from the National Treasury, Ministry of Education and the TTU Council.

Taita Taveta 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 financial performance has been presented under section 18 of these financial statements.

c) Taxes

Taita Taveta University withholds all taxes due to the government from chargeable service providers, suppliers and employees and remits it to the Kenya Revenue Authority as per the statutory guidelines.

d) Property, plant and equipment

Taita Taveta University's 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.

e) Intangible assets

Intangible assets acquired by Taita Taveta University 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 done at a rate of 25% on a reducing balance method as per the Taita Taveta University Finance and Accounting Manual 2021.

f) Financial instruments

i. Financial assets

Trade and other receivables

Taita Taveta University recognizes trade and other receivables are at fair values less allowances for any uncollectable amounts. Trade and other receivables are assessed for

impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

ii. Financial liabilities

Taita Taveta University recognizes and measures interest bearing 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.

g) Inventories

Taita Taveta University measures Inventory 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.

h) Provisions

Taita Taveta University recognizes provisions when the University has a present obligation (legal or constructive) as a result of a past event if 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.

i) 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.

j) 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 Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

k) Nature and purpose of reserves

Taita Taveta University maintains reserves in terms of specific requirements. The University maintains the following Reserves; capital development replacement reserve that accumulates all development funds received from the MOE for projects, Accumulated/Retained Earnings Reserve fund that accumulates all surplus or deficit for the University and Revaluation Reserve fund that caters for any revaluation gain or loss.

l) Changes in accounting policies and estimates

Taita Taveta 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.

m) Employee benefits

Retirement benefit plans

Taita Taveta University provides retirement benefits for its employees. The University has a Defined contribution plans where the employee and employers contribute to the retirement of the employee on a monthly basis. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. The plan is in such a manner that permanent and pensionable employees contributes 10% of their basic salary and the University contributes 20% to the fund on a monthly basis. Employees on contract terms receive a gratuity at the end of the contract period at a rate of 31% of total gross basic salary for the contract period. In addition, the University Remits Employee and employer NSSF contributions for all employees. The pension funds are managed by a board of trustees.

n) Foreign currency transactions

Taita Taveta University accounts for transactions in foreign currencies at the ruling rate of exchange on the date of the transaction. Payment of KENET and receipt of cash and some payment of funds to foreign countries for CEMEREM project are treated as such. Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

o) Related parties

Taita Taveta University regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over her, or vice versa. Members of key management are regarded as related parties and comprise the Council Members, the Vice chancellor, the Deputy Vice Chancellors, Director (Administration, Planning and development), Registrar (Academic, research and outreach), Director (Finance) and the Head of procurement.

p) 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 various commercial banks at the end of the financial year. For the purposes of these financial statements for Taita Taveta University, cash and cash equivalents also include short term cash imprests and advances to authorised University officers which were not surrendered or accounted for at the end of the financial year.

q) Comparative figures

Where necessary, Taita Taveta University amends or reconfigures comparative figures for the previous financial year to conform to the required changes in presentation.

r) Subsequent events

Taita Taveta University do not have events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2025.

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of Taita Taveta University 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 outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. Taita Taveta University estimates the provision for doubtful debts to be at 5% of debtors amounts and depreciates its assets based on reducing balance method at the following rates;

Land	0%
Buildings	2%
Motor vehicles	20%
Furniture & fittings	12.5%
Computers	20%
Plant, Machinery & Equipment	10%

Taita Taveta University has a policy on provision for doubtful debts. The University applied the policy in raising provisions and are disclosed in Note 18. Taita Taveta University gives provision of bad debts at 5% of its debtors at a particular time.

6. Transfers from Ministries, Departments and Agencies (MDAs)

Name of the Entity sending the grant	Amount recognized to Statement of Financial performance	Amount deferred under deferred income	Amount recognised in capital fund.	Total transfers 2024/2025	Prior year (2023/2024)
	KES	KES	KES	KES	KES
State department for University Education	355,451,602.15	-		355,451,602	341,949,555
Total	355,451,602.15	-	-	355,451,602	341,949,555
FY.2023/2024					
State department for University Education	364,854,060	30,404,505	7,500,000	341,949,555	364,854,060
Total	364,854,060.00	30,404,505	7,500,000	341,949,555	364,854,060

The amount recorded above to have been received from the State Department for University Education fully reconciles to the amount recorded by the State Department for University education as per reconciliation at appendix III.

7. Donor Funded projects/ Donations

Description	2024-2025	2023-2024
	KES	KES
CEMEREM	36,460,367	37,093,094
Taita GIS	-	978,618
ABS-CIIAT	3,281,555	3,749,474
UPLIFT_AG	-	3,707,165
Total	39,741,922	45,528,352

8. Income from Rendering of Services

Description	2024/2025	2023/2024
	KES	KES
Tuition Fees	425,994,650	151,226,260
Residential Fees	11,183,580	7,208,260
ID/Registration Fees	1,207,152	1,393,430
Examination Fees	6,412,247	10,498,838
Medical Fees	3,261,704	6,568,767
Internet Fees	2,762,019	3,970,210
Computer Fees	1,629,030	2,956,679
Library Fees	1,894,190	2,650,389
Field Trip/Attachment	2,976,301	5,470,832
Student Activity Fees	1,117,495	2,388,590
TTUSO	451,640	765,400
C.U.E Quality Assurance	1,130,750	1,829,821

Description	2024/2025	2023/2024
	KES	KES
Project	762,000	98,000
KUCCPS	12,750	13,500
Retake fees	13,000	34,000
Group personal Insurance cover	797,500	1,504,700
Teaching practice	873,750	3,355,250
Totals	462,479,758	201,932,926

In the current period under review, the Income from rendering of services increased by KES.260,546,832 as compared to the comparative period due to the introduction of the New Funding Model rolled out with the First Year cohort that joined on September, 2023 that saw the full implementation of the Differentiated Unit Cost (DUC) model of costing each Academic Programme. Additionally, the improvement resulted from the introduction of Bachelor of Education Arts and Bachelor of Science Civil Engineering that enabled the University to record increased student numbers as compared with the previous financial year of 2023/2024

9. Income from other services rendered

Description	2024/2025	2023/2024
	KES	KES
Application Fees	437,421	295,000
Accommodation Charges	1,000	18,600
Students p.a.y.e.	3,989,983	1,923,642
Staff cafeteria	1,518,172	1,133,879
Shop Rent/Electricity	221,600	83,628
Disposal of Fixed assets	71,800	-
TTU Hospital Cost Sharing	354,853	143,612
Sale of Tenders	-	800
Miscellaneous Income	62,393	121,570
ID Replacement	-	88,500
Interest Income	96,483	812,830
Transport charges	33,240	-
Supplementary exam fees	744,800	1,325,400
Graduation fees	7,048,800	3,879,803
Training Levy	425,402	791,347
Total	15,005,946	10,618,611

The increase in collection from services rendered by KES.4,387,336 in the year under review as compared to the comparative year is as a result of high number of students who graduated during the 7th graduation and also attributed to a 4 day UNDUGU Mentorship programme that brought together over 800 secondary students who are top performers in their respective Schools.

10. Income from other activities

Description	2024/2025	2023/2024
	KES	KES
Bookshop	36,019	15,932
Tailoring/Laundry Unit	-	2,000
Guest House	714,496	389,200
Farm Income	668,802	227,314
Facility rental/lease	271,175	976,310
Bakery Unit income	240,580	252,570
IGU External Functions	4,582,330	3,125,130
Research/project income	200,000	-
Donations	157,630	83,000
Total	6,871,032	5,071,456

The increase of KES.1,799,576 in the year under review as compared to the previous year is mostly attributed to increased workshops and conferences held by external stakeholders at the University premises.

11. Employee Costs

Description	2024/2025	2023/2024
	KES	KES
Staff Salary	425,252,893	392,244,245
Casual Wages	14,211,283	9,460,932
Gratuity	6,897,981	8,494,535
Employer Pension Contribution	57,297,060	45,741,977
Employer Housing Levy Contribution	6,235,520	-
Internship Allowance	450,000	131,966
Travelling and accommodation	13,906,836	7,040,011
Total	524,251,572	463,113,667

An increase of KES. 61,137,905 in FY 2024/2025 in employee costs is as a result of implementation of new CBA 2021-2025 rates and recruitment of additional academic staff to support the new programmes such as Bachelor of Education Arts and Civil Engineering and salary increments usually implemented in the months of July and January depending on the Month a staff was recruited.

12. Maintenance Costs

Description	2024/2025	2023/2024
	KES	KES
Maintenance of plant/machinery/equipment	333,450	713,550
Repair & Maintenance of Furniture	200,523	404,550
Maintenance of buildings	1,370,695	257,639
Maintenance of water/sewerage	447,875	85,450
Maintenance of Roads/Grounds	896,100	378,003
Maintenance of Ngerenyi Campus	90,000	594,700
Total	3,338,643	2,433,892

The expenditure on repairs and maintenance increased by KES.904,752 is as a result of maintenance works undertaken on the University facilities .

13. Use of goods and services

Description	2024/2025	2023/2024
	KES.	KES.
Telephone Expenses	32,645	22,902
Academic Trips	3,688,035	3,713,412
Internal attachment school of mining	103,235	48,500
Purchase of Teaching/Production Materials	701,572	1,405,678
Field Attachment Expenses	10,414,965	7,617,064
Cleaning Materials	490,245	644,116
Uniforms/ Clothing's	738,552	-
Stationery	4,120,431	2,784,615
Medical Exp. In-Patient/Out-Patience	2,716,310	1,067,978
Medical Exp. Referral Hospital Bills	9,263,199	7,858,983
Medical Drugs and stores	1,653,285	717,321
IGU Investment (Seed Money)	372,435	1,334,763
External travelling	610,981	323,475
KUCCPS	1,912,500	154,600
Postal & telegrams expenses	107,504	77,980
Chancellor's Honoraria & Other Expenses	1,363,155	1,050,404
Official entertainment	117,675	73,923
Conference & seminars	732,100	676,000
Public celebrations/funerals	554,000	392,960
Publishing & printing	564,644	187,130
Advertising & Publicity	1,337,405	790,874
Legal fees	655,680	1,020,800
Audit fees	635,680	635,680
Rent and Rates	21,794	-

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Annual Report and Financial Statements for the year ended June 30, 2025

Notes to the Financial Statements continued....

Description	2024/2025	2023/2024
	KES.	KES.
Contracted professional services	622,350	448,970
Hire of transport & machinery	473,578	418,783
Motor vehicle insurance	992,992	247,504
General Insurance	7,881,922	6,553,198
Bank Charges	513,297	2,445,700
Fees, Coms And Out of Pocket	92,455	60,715
Staff Training expenses	523,948	458,300
VC's award/Finalist party expense	-	70,780
Graduation expenses	8,832,666	5,875,851
Examination Expenses	2,865,800	1,348,520
Service Delivery and Customer satisfaction	25,000	38,065
Part Time Teaching	24,886,050	19,663,200
Work Study	33,440	66,770
Subscription to Professional Bodies	621,900	204,400
Contingence& Disaster Management	-	111,152
Research Expenses	932,859	368,200
Internet Connectivity	8,509,131	7,961,488
Computer Accessories & Software	315,990	122,043
Electricity expenses	5,459,300	5,408,315
Water expenses	275,620	2,296,422
Gas and Cooking fuel	361,765	689,720
Fuel for Generator	281,698	475,836
Food and rations	10,900,340	9,406,095
Transport Operating expenses	5,111,959	3,696,679
Library Expenses	4,521,312	1,362,278
Isangaiwishi Expenses	13,000	210,500
Farm works expenses	74,952	417,090
Animal Expenses	-	10,000
Strategic Plan Expenses	-	46,000
Final accounts & Budget committee	24,500	80,000
Performance contract Expenses	216,000	60,000
New programmes implementation	981,200	966,400
Cemerem Project	31,788,530	36,612,458
Tender Evaluation Committee Expenses	337,100	64,000
Design & Tender Preparation for Multi-purpose Lecture Hall	533,400	-
Quality Assurance commission for University Education	2,602,046	2,784,750
National Cohesion & Integration	34,000	-
Corporate social responsibility	151,630	266,000
Teaching materials	1,973,572	315,521
Endowment fund	283,888	-
ABS-CIIAT	2,515,920	4,133,190

Description	2024/2025	2023/2024
	KES.	KES.
Open and Distance Learning	803,338	-
Artificial Learning-Machine Learning	1,365,560	254,400
National and Institutional Celebrations	454,750	103,650
UPLIFT-AG Project	3,783,168	350,000
Sports and Games	1,140,800	962,299
SATTU	2,087,260	2,214,148
Dean of students office expenses	137,244	64,400
DSTV Subscription	463,080	383,100
Students guidance and counselling	162,100	170,000
Student's Elections, Induction and Remunerations	934,720	529,589
Total	180,805,157	153,395,637

The expenditure on use of goods and services in the year under review increased by KES.27,439,680 as compared with the comparative period owing to increased expenditures under graduation, field attachments, part time teaching costs courtesy of additional units especially for Education programmes, etc and also expenditures incurred on new donor funded projects of ABS-CIAT and UPLIFT-AG.

14. Council Activities

Description	2024/2025	2023/2024
	KES	KES
Council Committees	10,907,200	10,109,996
Council Training	1,012,920	700,000
Council Chair Honoraria/Other Expenses	1,549,550	1,135,350
Total	13,469,670	11,945,346

The Council expenditure has an increase of KES.1,524,324 in the year under review as compared to the comparative year as a result of increased consultative forums called by the Executive Office of the President and the parent Ministry of Education especially on the new Government reforms on use of E-CITIZEN, New Funding Model and Guidelines on Management of State Corporations and Public Entities on which the council were being represented.

15. Finance Costs

Description	2024/2025	2023/2024
	KES	KES
Interest on KCB ABF Facility	2,138,047	-
Interest on Bank Overdraft	6,103,577	6,898,448
Total	8,241,624	6,898,448

The University continued to meet some operational costs through use of bank overdraft facility with Kenya Commercial Bank Ltd, whenever urgent need arises, as a result of little capitation from the Government of Kenya hence reduced revenue to meet all the University financial obligations. The increase of finance costs by KES.1,343,176 is attributed to interest component of repayment of the Asset Based Facility utilized to acquire an additional utility vehicle to support University operations.

16. Depreciation and Amortization expense

Description	2024/2025	2023/2024
	KES	KES
PPE Depreciation Attributable to P& L A/C	46,284,151	42,321,926
Intangible assets	2,469,627	52,519
Total Depreciation Attributable to P& L Account	48,753,778	42,374,445
PPE Depreciation attributable to Revaluation reserve	10,302,990	14,094,963
PPE Depreciation attributable to Revaluation reserve-Intangible Asset	194,766	259,688
Total Depreciation and Amortization	59,251,533	56,729,096

Depreciation and amortization cost increased by KES. 2,522,437 in FY 2024/2025 as compared to the previous year due to capitalization of Mine and start of amortization for the University ERP which was handed over by the developer during the year under review and also due to acquisition of additional motor vehicle, computers and equipment.

17. Cash and Cash Equivalents

Description	2024/2025	2023/2024
	KES	KES
Current account	9,846,765	16,059,221
On-Call Deposits	8,295,682	11,700,000
Total cash and cash equivalents	18,142,447	27,759,221

17. A Detailed Analysis of the Cash and Cash Equivalents

Financial institution	Account number	2024/2025	2023/2024
a) Current account		KES	KES
Kenya Commercial Bank - Student Fees Account	1136119140	4,704,927	4,158,916
Kenya Commercial Bank - Catering Account	1136118993	200,200	838,268
Kenya Commercial Bank - Schedule Account	1151267538	140,722	4,082,676
Kenya Commercial Bank - Salary Account	1139946110	12,493	18,598
Kenya Commercial Bank - Cemerem Project Account	1181962455	4,507,057	6,108,006
Kenya Commercial Bank - TAITAGIS Account	1211933903	45,773	51,878
Equity Bank Ltd-Equity fees account	0790299712769	235,592	800,878
Sub total		9,846,765	16,059,221

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Notes to the Financial Statements continued....

b) On - call deposits			
Equity Bank Ltd-Taita Taveta University Call account	0790384205158	8,295,682	11,700,000
Sub total		8,295,682	11,700,000
Grand Total		18,142,447	27,759,221

In the year under review, the University balances decreased by KES.9,616,774 due to reduced donor funding received during the financial year 2024/2025 as some projects are approaching their closure.

18. Receivables from Exchange Transactions

Description	2024-2025	2023-2024
	KES	KES
Current receivables		
Student fees balance	213,788,890	57,489,734
E-Citizen Revenue un-remitted as at 30/06/2025	1,277,200	1,988,070
Staff Advances (Outstanding Imprests)	-	821,134
Tuck Shops rent & electricity	914,296	530,469
Other Debtors	878,000	572,151
Total	216,858,386	61,401,558
Less: impairment allowance	(10,735,159)	(2,901,010)
Total (a)	206,123,227	58,500,548

In the year under review, Receivables from Exchange transactions increased by KES.147,622,679 as compared with the comparative period due to the introduction of the New Funding Model on which students are funded through Scholarships, Tuition Loan and Household contributions. As at 30th June, 2025 the University Fund and HELB were yet to release Scholarship and Tuition HELB Loan of at-least KES.107,931,72075 and also some parents/students had not cleared their household component as they depend on upkeep loan for settlement.

18 (a) Ageing analysis for Receivables from exchange transactions

Description	FY.2024/2025	FY.2023/2024		FY.2023/2024
	KES	KES	% of the Total	Comparative FY
Less than 1 year	110,679,730	32,996,223	53.7%	56.4%
Between 1- 2 years	83,140,207	6,412,768	40.3%	11.0%
Between 2-3 years	4,391,445	6,861,430	2.1%	11.7%
Over 3 years	7,911,845	12,269,627	3.8%	21.0%
Total	206,123,227	58,540,048	100.0%	100.0%

18 (b) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Impairment Allowance/ Provision	2024-2025	2023-2024
Description	KES	KES
At the beginning of the year	2,901,010	2,105,452
Additional provisions during the year	-	-
Additions/Recovered during the year	7,834,149	795,558
Written off during the year	-	-
At the end of the year	10,735,159	2,901,010

The TTU Finance and Accounting Manual 2021 provides for 5% on uncollectable debts. This explains the amounts of impairment allowances for receivables. The provision for impairment allowance on Receivable from Exchange Transactions increased by KES.7,834,149 owing to increased debtors resulting from delayed remittance of Scholarship funds and outstanding balances for Household component.

19. Receivables from Non Exchange Transactions

Description	2024/2025	2023/2024
	KES	KES
Recurrent grants	-	30,404,505
Totals	-	30,404,505

As at 30th June, 2025, the University had no outstanding receivable recurrent capitation.

20. Prepayments

Description	2024/2025	2023/2024
	KES	KES
Utility Motor Vehicle	-	1,900,000
Small Gemstone Lab Equipment	-	1,413,378
Pipe Friction Experiment Rig & Fundamentals of Statics	1,869,000	-
Summer School Exchange Programme-July 2025	2,718,980	-
Total	4,587,980	3,313,378

The prepayments in the quarter under review increased by KES. 1,274,602 due to an advance payment of KES.1,869,000 done through a letter of credit to a supplier of a specialized equipment being imported from German, Pipe Friction Experiment Rig and Fundamentals of Static for School of Mines Laboratory . Additionally, there is a group of staff and students supported by CEMEREM Project on a Summer School exchange programme to German and an advance payment of KES. 2,718,980 has been made through the project to secure their tickets to travel to German on 28th July, 2025.

21. Inventories

Description	2024/2025	2023/2024
	KES	KES
Stationary Store	1,666,460	1,528,157
Catering Store	235,976	836,425
Maintenance Store	1,140,102	1,422,338
Drug Store	547,926	106,935
MMPE Workshop	183,500	336,100
Examinations Store	1,948,540	875,674
Transport store	-	432,000
Sports store	642,000	997,226
Ngerenyi Farm stores	50,493	-
Total	6,414,997	6,534,855

22. Biological Assets

Description	2024/2025	2023/2024
	KES	KES
Dairy Cows	550,000	1,118,000
Rabbits	19,500	25,500
Crops	2,608,500	402,000
Total	3,178,000	1,545,500

The Biological Assets were measured at their fair values using the ruling market prices and considering their location and condition as at the reporting date as per IPSAS 27, section 14, 16 & 19.

The biological assets increased by 1,632,500 as compared with the prior period due to improvement in climatic conditions through the ongoing short rains hence crops better performance.

The increase in fair value was also as a result of growing and maintenance of various crops, including Macadamia, avocado, kales, bean, bananas, tomatoes and cabbages at Ngerenyi facility during the year under review.

The decrease in value for Dairy Cows is as a result of aging of most cows being kept at the farm and disposal of some during the period under review.

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Notes to the Financial Statements continued.....

23. Property, Plant & Equipment

Item	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and Equipment	Capital Work In Progress	Total
<i>Depreciation Rates</i>	0.0%	2.0%	20.0%	12.5%	20.0%	10.0%	0.0%	
Cost (KES)								
<u>Cost FY 2021/2022</u>								
As at 01-07-2021	1,025,000,000	1,799,250,475	36,743,633	32,687,717	85,349,464	13,956,156	616,717,531	3,609,704,977
Cost attributed to revaluation as at 01-07-2021	40,000,000	755,292,029	-	333,559	-	561,652	-	796,187,240
Disposals	-	-	(729,010)	-	-	-	-	(729,010)
Additions	-	-	-	217,150	1,321,925	647,671	108,696,750	110,883,496
Total Cost as at 30-6-2022	1,065,000,000	2,554,542,504	36,014,623	33,238,426	86,671,389	15,165,479	725,414,281	4,516,046,703
As at 01-07-2022	1,025,000,000	1,799,250,475	36,014,623	32,904,867	86,671,389	14,603,827	725,414,281	3,719,859,463
Cost attributed to revaluation as at 30-6-2023	40,000,000	755,292,029	-	333,559	-	561,652	-	796,187,240
Cost adjustment							(38,371,622)	(38,371,622)
Revaluation adjustment								
Derecognized Assets			(2,082,241)					(2,082,241)
Additions for the year 2022-2023	43,400,000	122,618,000		668,627	3,451,601	1,190,095	22,452,236	193,780,559
Capitalized Work-in-Progress (Note 22a and 22 b)		187,339,002				19,081,308	(206,420,310)	-
Cost as at 30-06-2023	1,108,400,000	2,864,499,506	33,932,382	33,907,053	90,122,990	35,436,882	503,074,585	4,669,373,398
Cost As at 01-07-2023	1,068,400,000	2,109,207,477	33,932,382	33,573,494	90,122,990	34,875,230	503,074,585	3,873,186,158

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Notes to the Financial Statements continued.....

Revaluation As at 01-07-2023	40,000,000	755,292,029	-	333,559	-	561,652	-	796,187,240
Revaluation Adjustment 01-07/2023	51,600,000	(927,089,436)	16,124,182	16,142,449	14,964,143	42,784,781	-	(785,473,880)
Additions for the year 2023-2024	-	612,900	-	635,500	403,077	894,710	18,523,384	21,069,571
Cost as at 30-06-2024	1,160,000,000	1,938,022,970	50,056,564	50,685,002	105,490,210	79,116,373	521,597,969	3,904,969,089
Cost As at 01-07-2024	1,068,400,000	2,109,820,377	33,932,382	34,208,994	90,526,067	35,769,940	521,597,969	3,894,255,729
Revaluation As at 01-07-2024	91,600,000	(171,797,407)	16,124,182	16,476,008	14,964,143	43,346,433	-	10,713,360
Revaluation Adjustment (Land)	43,400,000							43,400,000
Adjustment- capitalized Work In Progress	3,815,496	103,640,583					(107,456,079)	-
Additions for the year 2024-2025	185,000,000		19,000,000	4,241,394	14,422,528	5,067,630		227,731,552
Cost as at 30-06-2025	1,392,215,496	2,041,663,553	69,056,564	54,926,396	119,912,739	84,184,003	414,141,891	4,176,100,642
Depreciation & Impairment								
Accumulated Depreciation for cost at 01-07-2021	-	219,412,674	36,479,098	20,244,199	80,080,606	3,281,266	-	359,497,842
Accumulated Depreciation for Revalued Costs as at 01-07-2021	-	191,022,090	-	163,344	-	434,403	-	191,619,837
Depreciation on Disposed Assets	-	-	(599,262)	-	-	-	-	(599,262)
Charge for the Year 2021/2022	-	31,596,756	33,697	1,582,583	1,647,696	1,132,256	-	35,992,988
Charge Attributable to Revalued Assets as at 30-06-2022	-	11,285,399	-	21,277	-	12,725	-	11,319,401
Derecognized Assets Accumulated depreciation			(2,082,241)					(2,082,241)
Charge for the year ended 30-06-2023	-	37,163,961	25,273	1,468,339	2,098,672	3,046,171	-	43,802,415

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Notes to the Financial Statements continued.....

Charge Attributable to Revalued Assets as at 30-06-2023	-	11,059,691	-	18,617	-	11,452	-	11,089,761
Charge for the year ended 30-06-2024	-	36,432,940	18,954	1,364,234	1,674,773	2,831,025	-	42,321,926
Charge Attributable to Revalued Assets as at 30-06-2024	-	-	4,031,046	2,034,096	3,741,036	4,288,785	-	14,094,963
Charge for the year ended 30-06-2025	-	34,341,144	3,275,072	1,723,879	3,889,370	3,054,685	-	46,284,151
Charge Attributable to Revalued Assets as at 30-06-2025	-	-	2,418,627	1,779,834	2,244,621	3,859,907	-	10,302,990
Total Depreciation As at 30-6-2025	-	572,314,655	43,600,263	30,400,403	95,376,774	21,952,675	-	763,644,770
Net Book Amount								
As at 30-06-2022	1,065,000,000	2,101,225,585	101,091	11,227,023	4,943,087	10,304,829	725,414,281	3,918,215,897
As at 30-06-2023	1,160,000,000	1,435,869,500	16,200,000	26,551,143	21,260,159	70,303,390	503,074,585	3,233,258,778
As at 30-06-2024	1,160,000,000	1,400,049,460	12,150,000	23,788,312	16,247,427	64,078,290	521,597,969	3,197,911,459
As at 30-06-2025	1,392,215,496	1,469,348,898	25,456,301	24,525,993	24,535,965	62,231,328	414,141,891	3,412,455,871

-The amounts for work in progress has been retained at the current certified amounts as at 30th June, 2025; the buildings under construction were ongoing and had not been handed over by the contractor.

- The total current value of land in the initial revaluation schedule prepared on the previous Financial year had captured the total value of Land class of assets as KES.1,160,000,000 instead of KES.1,203,400,000 as per the Valuation Roll first adopted as from 1st July, 2023. The necessary adjustments on the same has been recorded in the Property, Plant & Equipment and in the statement of changes in Net Assets as per the Revaluation Schedule attached, Appendix VII.

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Notes to the Financial Statements continued.....

(i) Work in Progress Schedule

Details	Balance B/F 2016/2017	Additions 2017/2018	Additions 2018/2019	Additions 2019/2020	Additions 2020/2021	Additions 2021/2022	Additions 2022/2023	Additions 2023/2024	TOTAL
		<i>KES</i>	<i>KES</i>	<i>KES</i>	<i>KES</i>				<i>KES</i>
Construction of Water tank	14,981,210	2,049,840	1,245,107	1,432,293	-	-	-		19,708,450
Capitalization to plant and Equipment	(14,981,210)	(2,049,840)	(1,245,107)	(1,432,293)					(19,708,450)
Construction of Water Treatment Plant-Main Campus	19,060,508		20,800	-	-	-	-		19,081,308
Capitalization to plant and Equipment	(19,060,508)		(20,800)						(19,081,308)
<i>Construction of Water Treatment Plant-School of Agriculture</i>	<i>663,274</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>		<i>663,274</i>
<i>Adjustment</i>	<i>(663,274)</i>								<i>(663,274)</i>
Construction of Mines, Fuels & Mineral Processing Centre-Phase I	144,854,649	5,499,450	1,735,402	4,217,325	-	-	-		156,306,826
Capitalization to buildings	(144,854,649)	(5,499,450)	(1,735,402)	(4,217,325)					(156,306,826)
Construction of Mines, Fuels & Mineral Processing Centre-Phase II	48,375,486	27,416,026	18,729,385	13,874,480	2,046,088	7,558,891	-		118,000,356
Adjustments	(4,923,998)	(1,394,340)	(6,125,435)	(1,916,000)					(14,359,773)
Adjustments-Transfer to PPE Assets									(103,640,583)
Fencing of Taveta Land	10,577,021	6,159,355	-	-	-	-	-		16,736,376
Adjustments	(1,542,593)	(4,616,661)							(6,159,254)
Capitalization to buildings	(9,034,428)	(1,542,694)							(10,577,122)
Construction of Incinerators	746,604	-	-	-	-	-	-		746,604

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Notes to the Financial Statements continued.....

Capitalization to plant and Equipment	(746,604)								(746,604)
Construction of water treatment plant and Dairy shed Ngerenyi Centre	-	2,343,055	-	-	-	-	-	-	2,343,055
Proposed Construction of 2 No. Classroom block phase 1	3,840,847								3,840,847
Construction of Admin block main campus	-	27,051,415	70,739,365	57,508,159	42,705,126	69,436,723	1,613,852	6,806,752	275,861,392
Adjustments	-	(16,470,122)	3,669,827		(4,389,026)			-	(17,189,321)
Construction of Admin block Taveta campus	-	9,226,716	24,074,987	24,769,180	8,801,775	5,306,454	3,994,270	-	76,173,382
Isanga Iwishi Land		115,276	3,227,077	173,143	-	-	300,000	-	3,815,496
Adjustments-Transfer to PPE Assets	-	-	-	-	-	-	-	-	(3,815,496)
Construction of Mines, Fuels & Mineral Processing Centre-Phase III	-	-	-	-	18,457,107	26,394,682	16,544,114	11,716,632	73,112,535
TOTAL		48,288,026	114,315,206	94,408,962	67,621,070	108,696,750	22,452,236	18,523,384	414,141,891

Most of the projects have been ongoing for a long duration owing to little budgetary allocation for Development projects by the Government of Kenya through Ministry of Education.

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Notes to the Financial Statements continued.....

22 (b) Capitalized Work In Progress		
Description	2024/2025	2023/2024
Capitalization to Buildings	KES	KES
Construction of Mines, Fuels & Mineral Processing Centre-Phase II	103,640,583	19,708,450
Isanga-Iwishi Land-Survey Costs	3,815,496	746,604
Total	107,456,079	20,455,054

24. Intangible Assets – Software

Description	2024/2025	2023/2024
	KES	KES
Balance b/d-Cost	157,557	26,612
Capitalized W.I.P	19,441,902	-
GEOVIA SURPAC SOFTWARE	-	183,464
Balance b/d-Revaluation	779,065	1,038,753
Amortization-Cost	(2,469,627)	(52,519)
Amortization-Revaluation	(194,766)	(259,688)
Balance c/d	17,714,131	936,622
Add: Work In Progress (ERP Version 16)	-	17,580,102
Add: Work In Progress (ERP Version 17)	-	1,070,535
Total	17,714,131	19,587,259

25. Trade and other Payable from Exchange transaction

Description	2024/2025	2023/2024
	KES	KES
Sundry creditors	31,014,861	28,845,247
JKUAT Arrears	4,019,862	4,016,012
TUM Arrears	3,537,503	3,537,503
Hospital Bills	6,785,188	6,937,258
Part-time lecturers	128,955,807	116,334,328
Retention for WIP	51,779,945	51,779,945
Audit fees	3,726,400	3,638,720
Total	229,819,565	215,089,013

The outstanding balances as at 30th June, 2025 relates to unpaid supplier invoices for goods and other services and part time teaching costs due to additional Part-Time Lecturers engaged to cover extra workload not covered by staff under permanent and pensionable and contract terms. With the implementation of the New Funding Model, the University plans and project to clear all the pending bills within a period of 3 years. The increase of trade and other payables by KES.14,730,552 is as a result of increased student numbers that resulted to splitting of some classes with huge numbers and introduction of new academic programmes during the year under review.

Ageing analysis: (Trade and other payables)

Description	FY.2024/2025	FY.2023/2024	FY.2024/2025	FY.2023/2024
	KES	KES	% of the Total	KES
Under 1 year	36,076,638	27,075,013	15.7%	12.6%
Between 1- 2 years	21,674,016	27,832,266	9.4%	12.9%
Between 2-3 years	6,349,044	23,442,562	2.8%	10.9%
Over 3 years	165,719,868	136,739,172	72.1%	63.6%
Total	229,819,565	215,089,013	100.0%	100.0%

26. Bank Overdraft

Description	Account Number	2024/2025	2023/2024
		KES	KES
KCB TTUC Main account	1135369682	32,243,695	45,423,366
Total		32,243,695	45,423,366

The University continues to rely on the KCB overdraft to meet its urgent and critical obligations through the facility it maintain at KCB.

27. Employee benefit obligation

Description	2024/2025	2023/2024
	KES	KES
Accrued employee gratuity 2023/2024 FY	3,992,201	2,497,233
Accrued employee gratuity 2024/2025 FY	5,395,915	7,604,689
Un-remitted June 2023 Net Salaries	-	12,522,127
Accrued Casual expenses	505,384	569,669
Pension	38,050,716	36,160,533
Bank Deductions	16,933,923	21,453,148
Welfare deductions	125,400	65,200
Sacco deductions	13,918,345	10,490,036
Union deductions	-	790,608
Insurance deductions	246,581	140,905
HELB deduction	36,775	31,844
NSSF deductions	1,823,480	958,692
SHIF deductions	992,762	322,700
PAYE Deductions	9,446,276	8,864,770
Others (TTU)	1,602,313	101,500
Total	93,070,071	102,573,654

The Employee benefit obligation decreased by KES.9,503,583 due to payment of June 2025 staff net salaries. The statutory deductions will also be paid by 9th July, 2025 once all the tax returns and filing for the Month of June 2025 is concluded.

28. (a) KCB Asset Based Finance Facility

Particulars	2024/2025	2023/2024
	KES	KES
KCB Asset Based Finance (ABF)- Computers	9,078,037	-
KCB Asset Based Finance (ABF)-Utility Vehicle	15,848,308	-
Total	24,926,345	0

28 (b) KCB Asset Based Finance Facility-Classification

Particulars	Current, 1 YEAR (KES)	Long-Term , OVER 1 YEAR (KES)	Total (KES)
KCB Asset Based Finance (ABF)- Computers	1,937,707	7,140,331	9,078,037
KCB Asset Based Finance (ABF)-Utility Vehicle	1,801,257	14,047,051	15,848,308
Total	3,738,964	21,187,381	24,926,345

29. Fees Prepayments

Description	2024/2025	2023/2024
	KES	KES
Fees prepayment	20,252,774	24,924,400
Total	20,252,774	24,924,400

Ageing analysis: (Refundable deposits)

Description	FY.2024/2025	FY.2023/2024
	KES	KES
Under one year	2,783,182	3,536,276
1-2 years	1,997,941	8,872,195
2-3 years	2,114,295	3,877,185
Over 3 years	13,357,356	8,638,745
Total	20,252,774	24,924,400

The prepayment refers to student fee payments made in advance. Some of the prepayments results from funds received from various stakeholders and donors, including Constituency Development Funds (CDF), County Governments and other sponsors who have been supporting some of the students in fees payment. As at 30th June, 2025, students were on long holiday up to September 2024 and the prepayment for continuing students will be utilized once they report for their succeeding academic years.

30. Loss on Foreign exchange Transaction

Description	2024/2025	2023/2024
	KES	KES
Exchange rate loss	-	19,219.00
Total	-	19,219.00

31. Cash Generated from Operations

Description	2024/2025	2023/2024
	KES	KES
Surplus/(Deficit) for the year before tax	92,855,669	(52,970,808)
Adjusted for:		
Depreciation	48,753,778	42,374,445
Non-cash grants received	(157,630.00)	(83,000)
Working capital adjustments		
(Increase)/Decrease in receivables from Exchange transactions	(147,622,679)	(18,026,510)
(Increase)/Decrease in receivables from Non-exchange transactions	30,404,505	(17,416,922)
(Increase)/Decrease in other current assets -Biological Assets	(1,632,500)	(279,100)
(Increase)/Decrease in Prepayments	(1,274,602)	(3,313,378)
Increase /(Decrease) in Fees payments received in advance	4,671,627	509,890
Increase/(Decrease) in payables	14,730,552	18,189,827
Increase/(Decrease) in payables-Employee obligations	(9,741,665)	8,502,298
Increase/(Decrease) in Bank overdraft	(13,179,671)	15,761,246
Increase/(Decrease) in Inventory	(119,857.70)	(181,696)
Net cash flow from operating activities	17,687,525	(6,933,708)

32. Financial Risk Management

Taita Taveta 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 minimise 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 minimized. The University’s financial risk management objectives and policies are detailed below:

i. Credit risk

Taita Taveta University has exposure to credit risk, which is the risk that a counter party 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. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. 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.

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Notes to the Financial Statements continued....

The allowance for impairment of Receivables is computed at 5%, of the outstanding student debtors and tuck-shops rent as they contain some debts of over 3 years, as per the approved Taita Taveta University Bad Debts Provision policy section 3 and section 7(b), (c) and (d).

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

Description	Total amount	Fully performing	Past due	Impaired
	KES	KES	KES	KES
As at 30th June 2025				
Receivables from exchange transactions	206,123,227	206,123,227	0	10,735,159
Receivables from non-exchange transactions	-	-	-	-
Bank balances	18,142,447	18,142,447	-	-
Total	224,265,673	224,265,673	0	10,735,159
As at 30 June 2024				
Receivables from exchange transactions	58,500,548	58,500,548	-	2,901,010
Receivables from non-exchange transactions	30,404,505	30,404,505	-	-
Bank balances	27,759,221	27,759,221	-	-
Total	116,664,274	116,664,274	-	2,901,010

The customers/students under the fully performing category are paying their debts/fee balances as they continue with their studies. The credit risk associated with these receivables is minimal and the allowance for uncollectable amounts that the Entity has recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk on amounts due from student fees. The University Council sets the University's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii. Working Capital Management (Liquidity Risk)

The University Management has continuously worked towards ensuring high liquidity to the University. In its endeavour to increase the liquidity, the University has been implementing the following strategic measures:

1. Increasing the number of niche programmes with the expected concurrent increase in the number of students and resultant fees collections. To this end, University Senate approved seventeen new programs and submitted a number of them to the Commission for University

Education (CUE), paid for and uploaded on CUE platform for accreditation. Currently, CUE has approved Bachelor of Education (Arts) program and it is uploaded in the KUCCPS portal. The program attracted 749 students in the financial year under review and more is expected in the subsequent FY. 2025/2026. The University has been publicizing the new programmes to the wider population and all efforts are geared towards increasing student numbers for increased revenue and liquidity.

2. Rationalized utilization of human resource capacity through consolidation of job descriptions and redeployments.
3. Commenced commercialization of University facilities to generate additional revenue, including utilizing Ngerenyi farm for production of animal and crop products to generate more incomes. Currently, the Ngerenyi farm is producing broiler chicken for commercial purposes.
4. Enhancement of University consultancy services as well as Research and Development Project Funding.
5. Developed and registered The TTU Endowment Fund. The Fund is expected to mobilize significant external financial resources to support the University's mandate in relation to scholarship awards, research, innovations and community outreach.
6. Effective marketing and positioning of the University as a preferred destination for teaching and learning. To this end, the University staff is working on marketing the University through various radio talk shows, town hall forums and advertisement through social and print media.
7. Mitigated part time teaching costs as one of the major costs drivers by increasing the normal workload for full-time Lecturers from three (3) course units to four (4) units per semester with effect from 1st September, 2022.

The University manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The cash inflows are expected improve following the introduction of the New Funding Model (NFM) introduced by the Government of Kenya as from September 2023 intake. The new model implements the total cost of an academic programme through Government Scholarships, Tuition Loan and Household contributions.

The table below represents current cash outflows payable by the University as at 30th June, 2025. The amounts disclosed in the table are the contractual undiscounted cash flows outflows and the balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

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Notes to the Financial Statements continued....

Table of current cash outflows payable by the University as at 30th June, 2025.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	KES	KES	KES	KES
As at 30th June, 2025				
Trade payables	1,217,233	2,064,379	226,537,953	229,819,565
Bank Overdraft	-	-	32,243,695	32,243,695
Current portion of KCB ABF Facility	-	-	3,738,964	3,738,964
Provision for Fees Prepayments	-	-	20,252,774	20,252,774
Employee benefit obligation	27,057,540	28,867,565	37,144,966	93,070,071
Total	28,274,773	30,931,944	319,918,352	379,125,069
As at 30th June, 2024				
Trade payables	313,300	2,644,059.00	212,131,654	215,089,013
Bank Overdraft	-	-	45,423,366	45,423,366
Current portion of KCB ABF Facility	-	-	-	-
Provision for Fees Prepayments	-	-	24,924,400	24,924,400
Employee benefit obligation	23,689,361	25,596,636	53,287,657	102,573,654
Total	24,002,661	28,240,695	335,767,077	388,010,433

iii. Market risk

The University 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 optimising 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. There has been no change to the University's exposure to market risks or the way it manages and measures the risk.

iv. Foreign currency risk Management

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 by limiting on foreign transactions except those related to project donor funding like CEMEREM and other services that are inevitably paid through foreign currency like KENET.

v. Capital Risk Management

The objective of Taita Taveta University's capital risk management is to safeguard the University's ability to continue as a going concern.

Description	2024/2025	2023/2024
	KES	KES
Revaluation Reserve	2,150,351,296	2,117,449,052
Retained Earnings	(505,557,894)	(598,413,562)
Capital Reserve	1,623,510,801	1,438,510,801
Total Funds	3,268,304,203	2,957,546,290
Total Borrowings	400,312,449	388,010,433
Less: Cash And Bank Balances	(18,142,447)	(27,759,221)
Net Debt/(Excess Cash And Cash Equivalent)	382,170,003	360,251,213
Gearing	11.69	12.18

The gearing of 11.69% implies that the University operations are funded by lenders to an extent of 11.69% of its entire operations. This projects Taita Taveta University as a going concern and nothing has come to the attention of the University Management to project the contrary. The University continues to offer services and receive funding from the Government of Kenya and fees from students.

33. Related Party Disclosures

Nature of related party relationships

Taita Taveta University and other parties related to her 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.

Taita Taveta University

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Notes to the Financial Statements continued....

Government of Kenya

The Government of Kenya is the principal shareholder of the Taita Taveta University, holding 100% of Taita Taveta University equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external.

Other related parties include:

- i) The Parent Ministry.
- ii) County Governments
- iii) Other SCs and SAGAs
- iv) Key management.
- v) Council

Related party transactions

Description	2024/2025	2023/2024
	KES	KES
Transactions with related parties		
a) Grants /Transfers from the Government		
Grants from National Government	355,451,602.15	341,949,554.58
Total	355,451,602.15	341,949,554.58
b) Expenses incurred on behalf of related party		
Total		
c) Key management compensation		
Directors' emoluments	13,469,670.00	11,945,346.00
Compensation to key management	50,306,292.00	51,479,888.67
Total	63,775,962.00	63,425,234.67

34. Segment Information

Where an organization operates in different geographical regions or in departments, IPSAS 18 on segmental reporting requires an entity to present segmental information of each geographic region or department to enable users understand the entity's performance and allocation of resources to different segments. Taita Taveta University has no significant segmented departments and most of operations are carried out within the main campus with minor operations being carried out in Ngerenyi campus which is within the same geographical location of Taita Taveta County.

35. Events after the Reporting Period

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

Taita Taveta University

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Notes to the Financial Statements continued....

36. Ultimate and Holding Entity

Taita Taveta University is a Semi- Autonomous Government Agency under the Ministry of Education, science and Technology. Its ultimate parent is the Government of Kenya.

37. Currency

The financial statements for Taita Taveta University are presented in Kenya Shillings (KES) rounded to the nearest KES.

20. Appendices

Appendix 1: Implementation Status of Auditor-General's Recommendations

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
1. Unexplained Variances	The statement of cash-flows reflects exchequer capital grants of KES.20,487,583 while the statement of changes in net assets reflects capital grants received of KES.7,500,000, resulting in unexplained variance of KES.12,987,583.	<p><i>We wish to clarify that the statement of cash flows is prepared through a Direct method (cash basis) as per IPSAS 2, section 27 which states that an Entity shall report cash flows from operating activities using either Direct or Indirect method. The Public Sector Accounting Standards Board (PSASB) further prescribes the use of Direct Method by all Public Entities, please see the attached extract from IPSAS 2 Section 27 (Doc 1A), PSASB guidelines on IPSAS 2 (Doc 1B) and June 2024 Revised Annual Report and Financial Statements template for SAGAS from PSASB, Doc 1C. On the other hand, the Statement of Changes in Net Assets is prepared on accrual basis as per IPSAS 1, section 1, please see the attached extract from IPSAS 1, Doc 1D.</i></p> <p><i>The highlighted variance of KES. 12,987,583 was for development grants which were cash in transit as at 30th June, 2023 and had been reported as receivable from Non Exchange Transactions in the period ended</i></p>	Efforts to Resolve are ongoing	

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 Notes to the Financial Statements continued....

	<p>Further, the statement of financial performance, statement of cashflows and as disclosed in Note 15 to the financial statements reflect finance costs - interest of KES.6,898,488 (2023: KES.7,047,605) for a bank overdraft of KES.45,423,366 (2023: KES.29,662,120). The inconsistency on the amount of charges against the loan amounts was neither explained nor supported with bank statement.</p> <p>In the circumstances, accuracy and completeness of the capital grants of KES.7,500,000 and finance costs - interest of KES.6,898,488 could not be confirmed.</p>	<p>30th June, 2023 as per IPSAS 1 section 1, please see the comparative figure in note 19; the same was subsequently received on 4th July, 2024 and therefore reported in the Statement of Cash-flows for the year ended 30th June, 2024 as per IPSAS 2 Section 27, please see the attached extract of bank statement, Doc IE.</p> <p>During the period under review the University received Development grants totalling KES.7,500,000 as reported in the Statement of Changes in Net Assets as at 30th June, 2024. The statement of cashflow for the financial year ended 30th June, 2024 therefore reported a figure of KES.20,487,583 which is a combination of the KES.12,987,583 and KES.7,500,000.</p>		
		<p>We wish to clarify that the existing Overdraft Facility is a financial arrangement between TTU Management and KCB to allow the University process and present payments for clearance to the bank while the University awaits release of Exchequer funds from the Government of Kenya and receipt of fee payments from students. This is meant to cushion the University and ensure un-interrupted provision of services throughout the year. The overdraft closing balance keeps on changing every Month and year at every point of transaction and depending on the time and amount of funds received in the KCB Main Account.</p>	<p>Efforts to Resolve are ongoing</p>	

**Taita Taveta University
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Notes to the Financial Statements continued....

<p>2. Unsupport ed Year Adjustmen</p>	<p>The statement of changes in net assets reflects prior year adjustments (old debits write off) of KES.14,050,464. However, adjustments were not supported and the authority from the PS, State</p>	<p>The highlighted variances resulted from non-receipt of June 2024 Recurrent capitation as at 30th June, 2024. In the previous financial year 2022/2023, the University received its recurrent capitation of KES.33,843,234 on 27th June, 2023, before the close of Financial year on 30th June, 2023 unlike in the period under review whereby the University had not received its recurrent capitation as at 30th June, 2024. The Recurrent capitation for June, 2024 of KES.30,404,505 was received on 1st July, 2024 hence the overdraft balance remaining high.</p> <p>The interest charged per Month vary depending on the transactions processed through the facility as per the agreement between TTU and KCB, please see Doc 1 F.</p> <p>The utilization of the Bank Overdraft is also supported by an approval and concurrence from the Ministry of Education and The National Treasury, please see attached Doc 1G.</p> <p>Please also find the attached extract from bank statements showing the overdraft debit interest transactions DOC 1H and June 2023 and June, 2024 posted receipts for Recurrent grants, DOC 1J</p>	<p>Resolved. Principal Secretary, State</p>	
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Taita Taveta University

Annual Report and Financial Statements for the year ended June 30, 2025

Notes to the Financial Statements continued....

<p>ts (Debts Write Off)</p>	<p>Department of University Education to write off the debts was not provided. In the circumstances, accuracy and completeness of prior year adjustments of KES.14,050,464 could not be confirmed.</p>	<p><i>the records maintained at the Academic Registry, i.e admission documents, registration forms & checklists, student movements and any other relevant information as contained in the student record.</i> <i>The debts recommended to the University Council for write off were in respect to erroneous billings made in the ERP System based on list of students who had been admitted to TTU but some never reported, students who transferred to other institutions and didn't attend classes, expelled students, discontinued students, deregistered students, deceased students, etc and an adjustment to reflect a true position on the outstanding student debtors had to be effected in the Annual Report and Financial Statements. Please refer to the attached Student Debtors Report & Proposal for Students' Debtors Write- Off, DOC 2A and minutes extracts of the Finance Development and General Purpose Committee of Council held on 11th October, 2023, DOC 2B and minutes of the Full Council Meeting held on 25th October, 2023, DOC 2C.</i></p>	<p>Department of University Education issued a guidance that concur with the treatment applied by the University management when making the adjustment.</p>
<p>Unexplained Variances on Opening Cashbook Balances</p>	<p>Review of the cashbooks revealed that the balance brought forward differed with balances carried down as at 30 June, 2023 for the following accounts</p>	<p><i>Audit observation noted.</i> <i>The variance of KES.140,409 as reported in the KCB Student Fees arose from the difference between receipts in bank of KES.167,409 which had not been posted to the Cashbook and Receipts in Cash book not at bank of KES.27,000 which had not been posted into the ERP system as at the time of generation of schedules for preparation of financial statements for the year ended 30th June, 2023.</i> <i>The variance of KES.15,800 as reported at CEMEREM Account arose from an imprest of KES.15,800 advanced to</i></p>	<p>Efforts to Resolve are ongoing</p>

		<p><i>an ICT Staff to RENEW AJMENTM JOURNAL Domain NAME, Hosting and SSL Certificate had not been posted into the ERP system as at the time of generation of schedules for preparation of financial statements for the year ended 30th June, 2023.</i></p> <p><i>The KCB Student Fees account and CEMEREM Account balances were accordingly amended as per the Revised Annual Report & Financial Statements for the year ended 30th June, 2024 submitted on 2nd January, 2025 with restated figures for cash and cash equivalents in note 17 a with a figure of KES.709,017 and KES.5,509,108 respectively in the comparative figure, Doc.3.1A and the Bank Reconciliations for June 2023, Doc 3.1 B for audit reference.</i></p> <p><i>The management has since taken a corrective action by strengthening controls in the ERP System so that closing and opening balances are not affected going forward.</i></p>		
<p>3.2 Long Outstanding Reconciling Items</p>	<p>The bank reconciliation statements have long outstanding reconciling items which have not been investigated and corrective action taken as at the time of audit in December, 2024.</p>		<p>Efforts to Resolve are ongoing</p>	

Taita Taveta University

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Notes to the Financial Statements continued....

	Account Name	Receipts in cash book not in bank	Payments in cashbook not in bank statements
	KCB- Student Fees	1,373,032	13,000
	KCB -Catering	704,482	459,480
	KCB-Cemerem Project Account	-	993,380
	Equity – School Fees	353,551	17,000
		<p><i>Audit observation noted.</i></p> <p><i>The receipts in cash book not in bank of KES. 1,373,032 at KCB Student Fees account were majorly due to payments made to KCB Main Account but erroneously posted in the KCB Fees Account Ledger in the ERP system. The payments had been outstanding for long as they lacked adequate documentations such as Student Admission numbers and names to facilitate in their postings. The high amount of un-identified income also arose following the introduction of E-CITIZEN mode of payment for all services in public entities as from the Month of August 2023 on which clients were making their payments direct to KCB Main Account through Paybill No.522522 during the short transition period when the University was in the process of undertaking configuration and mapping of the various E-CITIZEN services to the TTU ERP system. The configuration was concluded in September 2023 for student fees and December, 2023 for Catering and other IGU Incomes and the system is currently operating well.</i></p> <p><i>Through E-CITIZEN, students process their fee payments through student portal and the E-CITIZEN Portal is integrated with TTU ERP System to ensure real time posting and updating of transactions in respective student accounts. The system has drastically reduced instances on outstanding bank reconciliations.</i></p>	

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 Notes to the Financial Statements continued....

		<p><i>Additionally, some of the long outstanding reconciling items also arose from erroneous double billing of KCB Fees collection account in the ERP System when posting CDF and other Sponsors payments in the Control Account before distributing to the respective student accounts. The errors have since been rectified and the management has taken steps including but not limited to completion of the ERP Bank Reconciliation Module in the System to support online correction of prior period unreconciling items with ease in-order to mitigate against recurrence of the outstanding items in future. Please see the attached detailed analysis of the long outstanding reconciling items DOC 3.2 Ai, DOC 3.2ii.</i></p>	
<p>3.3 Unsupported Restatement</p>	<p>The statement of financial position and Note 17 to the financial statements reflects restated cash and cash equivalent balance for the previous financial year 2022/2023 of KES.18,561,208. However, the restatement as explained in Note 37 to the financial statements was not supported.</p> <p>In the circumstances, accuracy and completeness of cash and cash equivalents balance of KES.27,759,221 could not be confirmed.</p>	<p><i>The restatement was in respect to changes on Depreciation charge for the previous FY.2022/2023 arising from application of a rate of 25% in the previous Financial Years ended 30th June, 2022 and 30th June, 2023 in the class of assets under Plant, Machinery & Equipment instead of 10% as per TTU Financial Manual and Regulations. Please see the attached extract TTU Financial Manual and Regulations section 8.5, page 29, Doc 3.3 A for audit verification.</i></p> <p><i>Additionally, a restatement was undertaken on the opening balances in the previous FY.2022/2023 for KCB Fees Collection and CEMEREM Project Account occasioned by fees receipts of KES.167,409 which had not been posted to the Cashbook and Receipts in Cash book not at bank of KES. 27,000 which had not been posted into the ERP system as at the time of generation of schedules for</i></p>	<p>Efforts to Resolve are ongoing</p>

Taita Taveta University
Annual Report and Financial Statements for the year ended June 30, 2025
Notes to the Financial Statements continued....

		<p>preparation of financial statements for the year ended 30th June, 2023 and an advance of KES. 15,800 that arose from an imprest of KES.15,800 advanced to an ICT to RENEW AJMENTM JOURNAL Domain NAME, Hosting and SSL Certificate had not been posted into the ERP system as at the time of generation of schedules for preparation of financial statements for the year ended 30th June, 2023. Please see the attached copy of imprest No.05248 of KES.15,800, Doc. 3.3B and copy of bank reconciliations for KCB Fees Account and Cemerem Project Account for June, 2024, Doc 3.1B for further audit verification respectively. The amounts had been erroneously omitted in the initial schedules used in preparation of the Financial statements for the year ended 30th June, 2023. The restatement had a resultant effect on the opening bank balances, student debtors and provision for doubtful debts.</p>		
<p>2.Non compliance with the law on ethnic compositions</p>	<p>Review of staff Establishment records revealed that one ethnic community represents thirty seven (37%) percent of the total staff establishment in Taita Taveta University. This is contrary to section 7 (1) and (2) of the National Cohesion and integration Act, 2008 which states that, ‘all public offices shall seek to represent the diversity of the people of Kenya in employment of staff and that no public institution shall have more than one third of its staff establishment from the same ethnic community. In the</p>	<p>The initial employees of University recruited in the year 2013 and 2014 which were largely support staff (grades 1-5) were mainly drawn from the casual employees who had served the University from the time it operated as a Campus of Jomo Kenyatta University of Agriculture and Technology (JKUAT) in the year 2008. This category was majorly consisting of the local community (the Taita) and the non –Taita from the neighbouring Counties who were permanent residents of Taita Taveta County. Over the years, however, the University has made efforts to balance the tribal composition of its staff population</p>	<p>Efforts to Resolve are ongoing</p>	<p>30/06/2027</p>

Taita Taveta University

Annual Report and Financial Statements for the year ended June 30, 2025

Notes to the Financial Statements continued....

	circumstances, management was in breach of the law.	<i>from the initial 41% composition of Taita in 2014 to 37% in June 2022 and the current 33.7% as at February 2023. This has been achieved by ensuring balance of ethnic composition in the respective departments during recruitment including positive discrimination of the candidates originating from marginalized Counties or background</i>		
2.1 Incomplete Administration Block – Taita Taveta University Main Campus	The University awarded the contract for the construction of Administration Block Main Campus at a contract sum of KES.280,870,539 on 23 October, 2017 for a period of fifty-two(52) Weeks with expected completion date of 20 December, 2018. However, the project was still incomplete at 73%, two hundred and thirty six (236) weeks after commencement.	<i>There are notable factors that have negatively affected the completion rate of the aforementioned projects and they include the following:</i> 1. <i>Insufficient budgetary allocation for capital projects by the State Department for Higher Education and Research under parent Ministry of Education.</i> 2. <i>Non-disbursement of all MoE approved budget allocation for the respective financial years. In FY 2018-2019, KES 142,672,842 was disbursed against an approved capital budget of KES 200,180,000.00 despite submission of pending unpaid project certificates.</i> 3. <i>Delays in disbursement of funds for cleared Certificates for Payments. This occurred variously since commencement of projects (Doc 4.12A).</i> 4. <i>Formal downward revision of approved capital budget (Doc 4.12B). During the FY 2020-2021, the approved budget allocation for capital expenditure was KES 73,029,332.00, however, MoE communicated downward revision by 50% of this budget citing the outbreak of COVID-19. This negatively affected implementation of the projects. The same reduction had happened in FY 2018/2019, where The National Treasury communicated, during a consultative meeting with the University on budget, that the Government had reduced the capital budget allocation from KES.300,180,000 to</i>	Efforts to Resolve are ongoing	30/06/2026
2.2 Incomplete Construction of Administration Block at Taita Taveta University Taveta campus	The University awarded the contract for the construction of administration block at Taita Taveta University at a contract sum of KES.87,531,993 on 23 October, 2017 for a period of one hundred and four (104) weeks. However, the project was still incomplete at eighty-two (82%) two hundred and seventy seven (277) weeks after commencement.		Efforts to Resolve are ongoing	30/06/2026
7.3 Incomplete Construction and Equipping of the Mines, Fuel and Mineral	The University awarded the contract for the construction and equipping of the Mines, Fuel and Mineral Processing Laboratory Phase III at Main Campus at a contract sum of KES.98,857,624.80 on 10 March, 2020. However, the project was still incomplete at fifty-six (56%) as at the time of audit in		Efforts to Resolve are ongoing	30/06/2026

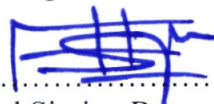
Taita Taveta University

Annual Report and Financial Statements for the year ended June 30, 2025

Notes to the Financial Statements continued....

Processing Laboratory Phase III at Main Campus	February, 2023.	KES. 200,180,000 for FY 2018-2019 (Doc 4.12C and 4.12D) 5. <i>Outbreak of COVID-19 pandemic in Kenya in March 2020.</i> <i>The COVID-19 pandemic impacted negatively on the progress of the projects; they were completely stopped because of MOH and GoK protocols put in place to mitigate spread of Corona virus.</i>		
7.4 Stalled Construction of Water Treatment Plant and Dairy Shed at Taita Taveta University - Ngerenyi Centre	The University awarded the contract for the Construction of Water Treatment Plant and Dairy Shed at Taita Taveta University - Ngerenyi Centre at a contract sum of KES. 3,579,139 via a contract agreement dated 25 October, 2016. However, the project had stalled at sixty-five (65%) as at the time of audit in February, 2023.	Stalled projects: <i>The Construction of Water Treatment Plant and Dairy Shed and Construction of 2 No. Classroom Block Phase 1 at Taita Taveta University - Ngerenyi Centre stalled following an advisory from the Attorney General REF:AG/CONF/21/58/15 Vol.I dated 5th February 2019 that advised the University to stop any further investment at the Ngerenyi Centre until a title deed in the name of the University is obtained. The Management has successfully acquired the Ngerenyi title deed in October 2022 and the construction of the stalled projects is expected to resume in the Financial Year 2025/2026.</i>	Efforts to Resolve are ongoing	30/06/2026
7.5 Stalled Construction of Two-Classroom Block Phase 1 at Taita Taveta University - Ngerenyi Centre	The University awarded the contract for the construction of two (2) classroom block phase 1 at Taita Taveta University - Ngerenyi Centre at a contract sum of KES.6,011,868 via a contract agreement dated 25 October, 2016. However, the project had stalled at sixty-three (63%) as at the time of audit in February, 2023		Efforts to Resolve are ongoing	30/06/2026

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

.....

 Prof. Fred Simiyu Barasa, PhD.
Vice Chancellor

.....
 03/12/2025
Date

Taita Taveta University**Annual Report and Financial Statements for the year ended June 30, 2025**

Notes to the Financial Statements continued....

Appendix II: Projects implemented by Taita Taveta University

Taita Taveta University has been implementing the following infrastructural projects through funding from the Government of Kenya, through Ministry of Education, State Department of Higher Education and Research.

S/NO	Project Title	Project Number	Donor	Period/duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements.
1	Construction of Mines, Fuels & Mineral Processing Centre-Phase II	3542	GOK	1 YR	N/A	NO	YES
2	Construction of water treatment plant and Dairy shed Ngerenyi Centre	3893	GOK	3YRS	N/A	NO	YES
3	Proposed Construction of 2 No. Classroom block Ngerenyi phase 1	3892	GOK	3YRS	N/A	NO	YES
4	Construction of Admin block main campus	3535	GOK	1YR	N/A	NO	YES
5	Construction of Admin block Taveta campus	3538	GOK	2 YRS	N/A	NO	YES
6	Construction of Mines, Fuels & Mineral Processing Centre-Phase III	14266	GOK	1 YR	N/A	NO	YES

Taita Taveta University

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Notes to the Financial Statements continued....

Appendix III: Status of Projects completion

S/No	Project	Total Project Cost	Total Expended to date	Completion % to date	Budget	Actual	Sources of Funds
		KES.'000			KES'000		
1	Construction of Administration Block at Main Campus (TTU/T/01/2017/2018)	345,577,843.06	258,672,071.20	80.0%	0	232,804,863.90	GoK
2	Completion and Equipping of Administration and Classroom Block at Taveta Campus (TTU/T/02/2017/2018)	87,531,993.40	76,173,382.27	85.0%	0	68,955,471.00	GoK
3	Completion of Water Treatment Plant and Dairy Shed at Taita Taveta University - Ngerenyi Centre (TTUC/T/06/2016-2017)	5,340,000.00	2,343,055.00	65.0%	0	2,108,748.00	GoK
4	Completion of Classroom Block Phase 1 at Taita Taveta University -Ngerenyi Centre (TTUC/T/05/2016/2017)	8,840,000.00	3,840,847.00	63.0%	0	3,456,684.70	GoK
5	Proposed Construction and Equipping of the Mines, Fuel and Mineral Processing Laboratory Phase 111 at Main Campus (TTU/OT/01/2019 -2020)	98,857,624.80	73,112,535.10	56.0%	0	65,801,281.59	GoK

Taita Taveta University**Annual Report and Financial Statements for the year ended June 30, 2025**

Notes to the Financial Statements continued....

Appendix IV: Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others	Total Transfers during the Year
State Department of Higher Education & Research	13.08.2024	Recurrent	26,970,308	26,970,308	-	-	-	-	26,970,308
State Department of Higher Education & Research	11.09.2024	Recurrent	26,970,308	26,970,308	-	-	-	-	26,970,308
State Department of Higher Education & Research	08.10.2024	Recurrent	26,970,308	26,970,308	-	-	-	-	26,970,308
State Department of Higher Education & Research	08.11.2024	Recurrent	26,970,308	26,970,308	-	-	-	-	26,970,308
State Department of Higher Education & Research	05.12.2024	Recurrent	26,970,307	26,970,307	-	-	-	-	26,970,307
State Department of Higher Education & Research	06.01.2025	Recurrent	26,970,308	26,970,308	-	-	-	-	26,970,308
State Department of Higher Education & Research	07.01.2025	Recurrent	26,970,308	26,970,308	-	-	-	-	26,970,308
State Department of Higher Education & Research	10.02.2025	Recurrent	26,970,308	26,970,308	-	-	-	-	26,970,308
State Department of Higher Education & Research	13.03.2025	Recurrent	26,970,308	26,970,308	-	-	-	-	26,970,308

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Notes to the Financial Statements continued....

Research									
State Department of Higher Education & Research	10.04.2025	Recurrent	26,970,308	26,970,308	-	-	-	-	26,970,308
State Department of Higher Education & Research	02.05.2025	Recurrent	26,970,308	26,970,308	-	-	-	-	26,970,308
State Department of Higher Education & Research	12.06.2025	Recurrent	26,970,306	26,970,306	-	-	-	-	26,970,306
State Department of Higher Education & Research	27/6/2025	Recurrent	31,807,910	31,807,910	-	-	-	-	31,807,910
Total		Total	355,451,602	355,451,602	-	-	-	-	355,451,602

Taita Taveta University

Annual Report and Financial Statements for the year ended June 30, 2025

Notes to the Financial Statements continued....

Appendix V: Confirmation of amounts received by Taita Taveta University as at 30th June, 2025

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total, (C)=(A+B)	Remarks
FT24226W5D02	13.08.2024	26,970,308	-	26,970,308	JULY 2024
FT24255PRTWJ	11.09.2024	26,970,308	-	26,970,308	AUGUST 2024
FT24282T6BD7	08.10.2024	26,970,308	-	26,970,308	SEPTEMBER 2024
FT243133QXQZ	08.11.2024	26,970,308	-	26,970,308	OCTOBER 2024
FT24340Y8RTC	05.12.2024	26,970,307	-	26,970,307	NOVEMBER 2024
FT250069C02C	06.01.2025	26,970,308	-	26,970,308	DECEMBER 2024
FT250078VNC0	07.01.2025	26,970,308	-	26,970,308	JANUARY 2025
FT250419RF0G	10.02.2025	26,970,308	-	26,970,308	FEBRUARY 2025
FT25072HYBZC	13.03.2025	26,970,308	-	26,970,308	MARCH 2025
FT251001HPS0	10.04.2025	26,970,308	-	26,970,308	APRIL 2025
FT251226BHZZ	02.05.2025	26,970,308	-	26,970,308	MAY 2025
FT25163Q4SKC	12.06.2025	26,970,306	-	26,970,306	JUNE 2025
FT25178P4G6Q	27.06.2025	31,807,910	-	31,807,910	CBA 2021-2025
Total		355,451,602	-	355,451,602	

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

Head of Accounts Department – Ministry of Education, State Department for Higher Education:

Name Margaret Kariki

Sign [Signature]

Date 3/12/2025

Head of Accounts Department – Taita Taveta University:

Name CPA Peter Kizombe

Sign [Signature]

Date 03/12/2025

Taita Taveta University

Annual Report and Financial Statements for the year ended June 30, 2025

Notes to the Financial Statements continued....

Appendix VI: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities	Quarter				Source of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
Accelerating the Impact of CGIAR Climate Research For Africa (AICCRA) Initiative	Promotion of Appropriate Climate-Smart Crop Innovations in Taita Taveta Through Farmer Field Schools	To promote climate-smart crop technologies in Taita Taveta County, to expose farmers to available crop varieties and their production technologies. The crops that will be promoted are dry land legumes, beans, bananas, and forages.	Establishment of TTU demonstration and seed multiplication farms using different variety and fertilizer packages (1 site Ngerenyi and 1 site Taveta)		934,000	687,920	894,000	The Alliance of Bioversity International and CIAT (ABS-CIAT)	Taita Taveta University, Kenya Agricultural and Livestock Research & County Government of Taita-Taveta
		The project aims at enhancing farmer resilience to the vagaries, stresses and shocks of climate change and also build the capacity of key stakeholders for sustainability beyond the life of the project.	Training on macro-propagation – with KALRO support						
			Training on banana orchard and bean stand establishment and maintenance (agronomic practices)						

Taita Taveta University**Annual Report and Financial Statements for the year ended June 30, 2025**

Notes to the Financial Statements continued....

Appendix VII: Fixed Assets Register

ASSET	HISTORICAL COST B/F	ADDITIONS DURING THE YEAR	DISPOSALS DURING THE YEAR	TRANSFERS IN/OUT DURING THE YEAR	HISTORICAL COSTS C/F CURRENT YEAR
Land	1,203,400,000	185,000,000	-	3,815,496	1,392,215,496
Buildings	1,938,022,970	-	-	103,640,583	2,041,663,553
Motor vehicles	50,056,564	19,000,000	-	-	69,056,564
Furniture and fittings	50,685,002	4,241,394	-	-	54,926,396
Computers	105,490,210	14,422,528	-	-	119,912,739
Plant and Equipment	79,116,373	5,067,630	-	-	84,184,003
Capital Work In Progress	521,597,969	-	-	(107,456,079)	414,141,891
Total	3,948,369,089	227,731,552	-	-	4,176,100,642

Appendix VIII: Revaluation Schedule

NO	ITEM	CURRENT VALUATION (VALUATION ROLL)	NBV AS AT 01/07/2023	VALUATION GAIN/(LOSS)	REVALUATION ADJUSTMENT (FY 2023/2024)	REVALUATION ADJUSTMENT (FY 2024/2025)
1	LAND	1,203,400,000	1,108,400,000	95,000,000	51,600,000	43,400,000
2	BUILDINGS	1,435,869,500	2,362,958,936	(927,089,436)	(927,089,436)	0
3	Motor Vehicles	16,200,000	75,818	16,124,182	16,124,182	0
4	FURNITURE & FITTINGS	26,551,143	10,408,694	16,142,449	16,142,449	0
5	COMPUTER & EQUIPMENT	21,260,159	6,296,016	14,964,143	14,964,143	0
6	PLANT & MACHINERY	64,428,852	21,644,071	42,784,781	42,784,781	0
	SUB TOTAL (A)	2,767,709,654	3,509,783,534	(742,073,880)	(785,473,880)	43,400,000

The total current value of land in the initial revaluation schedule prepared on the previous Financial year had captured the total value of Land class of assets as KES.1,160,000,000 instead of KES.1,203,400,000 as per the Valuation Roll first adopted as from 1st July, 2023. The necessary adjustments on the same has been recorded in the Property, Plant & Equipment and in the statement of changes in Net Assets as per Note 23 and appendix Viii above.

